

MARKET NOTICE

 Johannesburg
 Stock Exchange

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Number: 084/2021
Relates to:
 Equity Market
 Equity Derivatives Market
 Commodity Derivatives Market
 Currency Derivatives Market
 Interest Rate Derivatives Market
 Bond Market
 Bond ETP Market

Date: 3 March 2021

SUBJECT: INTRODUCING JUNE 2021 QUANTO MAXI SOYBEAN OIL CAN-DO CONTRACT

Name and Surname: Raphael Karuaihe
Designation: Head - Commodities

The June 2021 Quanto Maxi Soybean Oil Can-do futures contract will be listed for trading on 4 March 2021. Insofar as any contractual provision set out below is inconsistent with the rules and regulations (“Rules”) of the JSE Limited (“JSE”), the Rules will prevail unless the JSE expressly permits the Parties to give effect to their contractual provision.

Contract Specifications – Commodity Can-Do XQOS

GENERAL TERMS – FUTURE CONTRACT	
Description	JUNE 2021 QUANTO MAXI SOYBEAN OIL COMMODITY CAN-DO
Can-Do Name	Can-Do XQOS
Can-Do-Code	XQOS
Contract Size (Multiplier)	1 contract = 900,000 multiplier of the reference price in cents per pounds(lbs).
Reference Contract	Soybean Oil (product symbol BON1), July 2021 expiry month as traded on CBOT, a subsidiary of the CME Group Inc.
Quotations	Denominated in South African Rand (ZAR) with the contract price referencing the foreign underlying commodity market for expiry linked delivery periods.
Minimum Price Movement	R0.0001 ZAR per contract unit
JSE Fees	R41.84 per contract (INCL VAT)

Initial Margin	R26,800
Calendar spread margin	R2,198
Position Limits	Not applicable
Trade Date	The date the Can-Do position is first entered into by the clients and captured by the JSE.
Business Day	Any day on which banks are open for a normal trading day in Johannesburg and prices are published by the JSE.
Underlying	
Underlying Future	A Soybean oil futures contract meeting all specifications as listed and traded on CBOT, a subsidiary of the CME Group Inc. The JSE reserves the right to amend the contract specifications including settlement methodology should this be amended by the reference exchange.
Daily MTM	Snapshots of contract will be taken between 16h55 and 17h00. Based on the random snapshot selected the MTM will be calculated as the middle of the double based on best bid and offer. There will be no foreign exchange rate adjustments.
Daily MTM time	16h55 -17h00
Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand cents per pound(lbs.). Confirmed by the EFR transaction generated by the exchange upon confirmation of the Can-Do trade. The report only transactions will be facilitated by the JSE.
Underlying Currency	Rand (ZAR)
Last trading date	25 June 2021
Settlement Date	28 June 2021
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS – Can Do XQOS	
Type	Can-Do Future
Buyer	Is the party that is the Long Party to the Can Do Future
Seller	Is the party that is the Short Party to the Can- Do Future
Initial Futures Price	As agreed by the Long and the Short Party on the trade date in Rand cents per pound (lbs). Confirmed by the EFR transaction generated by the exchange upon confirmation of the Can-Do trade. The report only transactions will be facilitated by the JSE.
PROCEDURE AT EXPIRATION	
Final valuation and cash settlement	The final settlement price for cash settlement of the contract will require only CME Group closing price, denominated in ZAR. The CME Group settlement value (MTM) published on the last trading date of the South African contract, for avoidance of doubt 25 June 2021, will be applied as the final cash settlement value on settlement date 28 June 2021. There will be no foreign exchange rate adjustments.
GENERAL TERMS – OPTIONS CONTRACT	
Description	JUNE 2021 QUANTO MAXI SOYBEAN OIL COMMODITY CAN-DO OPTION
Can-Do Name	Can-Do XQOS
Can-Do-Code	XQOS

Option Style	American
Contract Size (Multiplier)	1 contract = 900,000 multiplier of the reference price in cents per pounds(lbs).
Strike price interval	R0.0050 per contract unit strike price intervals
Quotations	Denominated in South African Rand (ZAR) with the contract price referencing the foreign underlying commodity for the expiry linked delivery period.
JSE Fees	R20.92 per contract (INCL VAT)
Position Limits	Not applicable
Trade Date	The date the Can-Do position is first entered into by the clients and captured by the JSE
Business Day	Any day on which banks are open for a normal trading day in Johannesburg and prices are published by the JSE.
Underlying	
Underlying Future	JUNE 2021 QUANTO MAXI SOYBEAN OIL COMMODITY CAN-DO
Daily MTM	Mark-to-market prices will be calculated from volatility quotes for at-the-money using the Black options pricing model.
VSR	3.5%
Daily MTM time	16h45 -17h00
Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand cents per pound(lbs.). Confirmed by the EFR transaction generated by the exchange upon confirmation of the Can-Do trade. The report only transactions will be facilitated by the JSE.
Underlying Currency	Rand (ZAR)
Last trading date	25 June 2021
Final settlement date	28 June 2021
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS – Can Do XQOS	
Type	Can-Do Future
Buyer	Is the party that is the Long Party to the Can-Do Future
Seller	Is the party that is the Short Party to the Can-Do Future
Initial Futures Price	As agreed by the counter parties, EFR or trade level
PROCEDURE AT EXPIRATION	
Expiration Price (for automatic exercise)	Mark-to-market price of the underlying future as per CME Group, at-the-money options volatility.

Since the Can-Do is specific between the two counterparties, the original trade is reported into the order book. The contract is visible on the NUTRON front end under Agris Trading, Can-Do.

The above instrument has been designated as “foreign” by the South African Reserve Bank

Should you have any queries regarding this notice, please contact commodities@jse.co.za

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notices-and-circulars>