

**MARKET NOTICE**

 Johannesburg  
 Stock Exchange

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[www.jse.co.za](http://www.jse.co.za)
**Number:** 090/2022

- 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 2022

**SUBJECT:** INTRODUCING JUNE 2022 QUANTO MAXI SOFT RED WHEAT CAN-DO CONTRACT

**Name and Surname:** Chris Sturgess

**Designation:** Acting Head – Commodities

Dear Client,

The June 2022 Quanto Maxi Soft Red Wheat Can-Do futures contract will be listed for trading on 4 March 2022. 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 XQSW

| GENERAL TERMS – FUTURE CONTRACT   |   |
|-----------------------------------|---|
| <b>Description</b>                | June 2022 QUANTO MAXI SOFT RED WHEAT COMMODITY CAN-DO   |
| <b>Can-Do Name</b>                | Can-Do  |
| <b>Can-Do-Code</b>                | XQSW  |
| <b>Contract Size (Multiplier)</b> | 1 contract = 75 000 multiplier of the reference price bushels   |
| <b>Reference Contract</b>         | Soft red wheat (product symbol WN22), July 2022 expiry month as traded on CBOT, a subsidiary of the CME Group Inc.                                      |
| <b>Quotations</b>                 | Denominated in South African Rand (ZAR) with the contract price referencing the foreign underlying commodity market for expiry linked delivery periods. |
| <b>Minimum Price Movement</b>     | R0.0025 ZAR per contract unit   |
| <b>JSE Fees</b>                   | R43.51 per contract (INCL VAT)  |
| <b>Initial Margin</b>             | R60,600   |
| <b>Calendar spread margin</b>     | R2,920  |

|   |   |
|---|---|
| <b>Position Limits</b>                      | Not applicable  |
| <b>Trade Date</b>                           | The date the Can-Do position is first entered into by the clients and captured by the JSE   |
| <b>Business Day</b>                         | Any day on which banks are open for a normal trading day in Johannesburg and prices are published by the JSE.   |
| <b>Underlying</b>                           |   |
| <b>Underlying Future</b>                    | A Soft Red wheat 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.  |
| <b>Daily MTM</b>                            | 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.  |
| <b>Daily MTM time</b>                       | 16h55 -17h00  |
| <b>Initial reference level</b>              | As agreed by the Long and the Short Party on the trade date in Rand cents per bushel. 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.  |
| <b>Underlying Currency</b>                  | Rand (ZAR)  |
| <b>Last trading date</b>                    | 24 June 2022  |
| <b>Settlement Date</b>                      | 27 June 2022  |
| <b>Valuation Frequency</b>                  | Daily between 16h55 and 17h00   |
| <b>TERMS &amp; CONDITIONS – Can-Do XQSW</b> |   |
| <b>Type</b>                                 | Can-Do Future   |
| <b>Buyer</b>                                | Is the party that is the Long Party to the Can-Do Future  |
| <b>Seller</b>                               | Is the party that is the Short Party to the Can-Do Future   |
| <b>Initial Futures Price</b>                | As agreed by the Long and the Short Party on the trade date in Rand cents per bushel. 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.  |
| <b>PROCEDURE AT EXPIRATION</b>              |   |
| <b>Final valuation and cash settlement</b>  | 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 24 June 2022, will be applied as the final cash settlement value on settlement date 27 June 2022. There will be no foreign exchange rate adjustments. |
| <b>GENERAL TERMS – OPTIONS CONTRACT</b>     |   |
| <b>Description</b>                          | June 2022 QUANTO SOFT RED WHEAT COMMODITY CAN-DO OPTION   |
| <b>Can-Do Name</b>                          | Can-Do XQSW   |
| <b>Can-Do-Code</b>                          | XQSW  |

|  |  |
|--|--|
| <b>Option Style</b>                              | American   |
| <b>Contract Size (Multiplier)</b>                | 1 contract = 75 000 multiplier of the reference price per bushel   |
| <b>Strike price interval</b>                     | R0.0500 per contract unit strike price intervals   |
| <b>Quotations</b>                                | Denominated in South African Rand (ZAR) with the contract price referencing the foreign underlying commodity for the expiry linked delivery period.  |
| <b>JSE Fees</b>                                  | R21.76 per contract (INCL VAT)   |
| <b>Position Limits</b>                           | Not applicable   |
| <b>Trade Date</b>                                | The date the Can-Do position is first entered into by the clients and captured by the JSE.   |
| <b>Business Day</b>                              | Any day on which banks are open for a normal trading day in Johannesburg and prices are published by the JSE.  |
| <b>Underlying</b>                                |  |
| <b>Underlying Future</b>                         | June 2022 QUANTO MAXI SOFT RED WHEAT COMMODITY CAN-DO  |
| <b>Daily MTM</b>                                 | Mark-to-market prices will be calculated from volatility quotes for at-the-money using the Black options pricing model.  |
| <b>VSR</b>                                       | 3.5%   |
| <b>Daily MTM time</b>                            | 16h45 -17h00   |
| <b>Initial reference level</b>                   | As agreed by the Long and the Short Party on the trade date in Rand per bushel. 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. |
| <b>Underlying Currency</b>                       | Rand (ZAR)   |
| <b>Last trading date</b>                         | 24 June 2022   |
| <b>Final settlement date</b>                     | 27 June 2022   |
| <b>Valuation Frequency</b>                       | Daily between 16h55 and 17h00  |
| <b>TERMS &amp; CONDITIONS – Can-Do XQSW</b>      |  |
| <b>Type</b>                                      | Can-Do Future  |
| <b>Buyer</b>                                     | Is the party that is the Long Party to the Can-Do Future   |
| <b>Seller</b>                                    | Is the party that is the Short Party to the Can-Do Future  |
| <b>Initial Futures Price</b>                     | As agreed by the counter parties, EFR or trade level   |
| <b>PROCEDURE AT EXPIRATION</b>                   |  |
| <b>Expiration Price (for automatic exercise)</b> | 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 Market Notice please e-mail [commodities@jse.co.za](mailto:commodities@jse.co.za)

This Market Notice is available on the website at <https://clientportal.jse.co.za/communication/jse-market-notice>