

**MARKET NOTICE**

 Johannesburg  
 Stock Exchange

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[www.jse.co.za](http://www.jse.co.za)

**Number:** 174/2021  
**Relates to:**

- Equity Market
- Equity Derivatives Market
- Commodity Derivatives Market
- Currency Derivatives Market
- Interest Rate Derivatives Market
- Bond Market
- Bond ETP Market

**Date:** 7 May 2021

**SUBJECT:** CAPITAL INDEX BASKET FUTURE (YR03)

**Name and Surname:** Langa Manqele  
**Designation:** Head - Equities and Equity Derivatives

The following **Capital Index Basket Future** has been listed with immediate effect and is available for trading. These contract specifications set out the standardised terms and conditions of this listed security, which is binding, on and applicable to all market participants that conclude transactions in these securities. 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.

**Summary Contract Specifications:**

GENERAL TERMS	
<b>Description</b>	Capital Index Basket Future
<b>Basket Mandate</b>	Property
<b>DIN Code</b>	BSK101 Basket Future Cash Base 10 YR03
<b>Underlings</b>	Basket constituents as per <b>Annexure A</b>
<b>Underlying’s Currency</b>	ZAR
<b>Underlying listing</b>	JSE
<b>Contract Size</b>	10
<b>Quotations</b>	Two decimal places (R0.01)
<b>Expiration Date</b>	1 September 2021 (Further expiration dates may be added upon request)
<b>Minimum Price Movement</b>	ZAR 0.01
<b>Basket Divisor</b>	As per Annexure A. (The Divisor determines the Basket’s initial level)
<b>Settlement Type</b>	Cash

Maintenance	
Frequency of Rebalancing	N/A <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually <input type="checkbox"/>
Basket Spot Price (Capital Index)	The price of the Basket will be calculated as follows: $= \frac{\sum (Price \times System \ Factor \times \ SPI)}{Divisor} = \frac{Basket \ Market \ Cap}{Divisor}$
Constituents Initial Reference Level	As per Annexure A
Basket Spot Price Reference	Underlying
Underlying Constituent MCAP within Basket	$= (Price \times System \ Factor \times \ SPI)$
EXPIRATION AND VALUATION PROCEDURE	
Expiration Date	1 September 2021
Valuation Time	End of Auction Call session that corresponds to the Standard Futures Close-Out period is 12:00hrs (SAST), Scheduled Closing Time of the JSE, which on normal JSE trading days is 17:00hrs (SAST).
Automatic Exercise	Applicable
Cost Implications	
JSE Trading Fees	See Equity Derivative Booking Fee Schedule: <a href="https://www.jse.co.za/sites/default/files/media/documents/2020-12/JSE%20Price%20List%202021%20-%20Issuers%20Services%20and%20Trading_2.pdf">https://www.jse.co.za/sites/default/files/media/documents/2020-12/JSE%20Price%20List%202021%20-%20Issuers%20Services%20and%20Trading_2.pdf</a>
Foreign Designation	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>
<b>The above instrument has been designated as "Foreign" by the South African Reserve Bank</b>	

#### Further Contract Specifications (including Procedures, Requirements and Conditions of Rebalancing)

1. To qualify for listing and for continued listing of these securities, the basket exposure must, at all times, maintain the indicated basket mandate which will align with the JSE listed indices, or if not available, with any other publicly available index mandate.
2. Any market participant that has open positions in these securities may request a rebalancing of the indicated basket subject to the JSE's rules and in accordance with the provisions of these contract specifications.
3. Any request by a market participant for the rebalancing of a basket during the term of the contract is subject to the unanimous consent of all other market participants that have open positions in these securities. Once all the requirements for rebalancing have been met, the JSE will publish a market notice recording the revised basket which must be read with and will form part of these contract specifications.

4. Basket rebalancing may only take place at the indicated frequency, due to corporate action and/or due to JSE Index Rebalancing.
5. After each rebalancing cycle, a basket must always maintain at least 60% composition of its initial constituents as per the JSE listed indices constituents (quarterly reviewed), or if not available at the JSE, with any other publicly available index mandate.
6. Failure to meet one or all the above conditions may result in the JSE instructing market participants to close-out all positions in these securities, the suspension of trading in these securities, the removal of these securities from the JSE's list and/or the JSE taking any other action in accordance with its regulatory duties and responsibilities.

Instruments are loaded into the MIT system as simple futures. The value displayed is the fair market value of the instrument with its correct valuation (in the case of an option, the instrument valuation is the option premium).

Should you have any queries regarding instruments, please contact the EDM Team on **011 520-7198** or [EDM@jse.co.za](mailto:EDM@jse.co.za)

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

## Annexure A

### Initial: levels of Basket

Share Code	Price(ZAR CENTS) (rounding)	System Factor (rounding)	Shares Per Index (unrounded)	MCap (rounding 2 decimals)
SBK	12,042	1	2.076067	25 000
SLM	5,785	1	4.321521	25 000
SHP	14,762	1	1.693537	25 000
BVT	17,287	1	1.446173	25 000
			Basket MCap (rounded 2 decimals)	100,000.00
			Divisor (unrounded)	100
			Basket Spot (rounded to 2 decimals)	1,000.00