

**MARKET NOTICE**

Johannesburg  
Stock Exchange

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**Number:** 197/2021

- Relates to:
- Equity Market
  - Equity Derivatives Market
  - Commodity Derivatives Market
  - Currency Derivatives Market
  - Interest Rate Derivatives Market
  - Bond Market
  - Bond ETP Market

Date: 19 May 2021

**SUBJECT: INTRODUCING AUGUST 2021 QUANTO MAXI SOYBEAN MEAL CAN-DO CONTRACT**

**Name and Surname:** Raphael Karuaihe

**Designation:** Head - Commodities

Dear Market Participant,

The August 2021 Quanto Maxi Soybean Meal Can-do futures contract will be listed for trading on 20 May 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 XQMN

GENERAL TERMS – FUTURE CONTRACT	
<b>Description</b>	AUGUST 2021 QUANTO SOYBEAN MEAL MAXI COMMODITY CAN-DO
<b>Can-Do Name</b>	Can-Do XQMN
<b>Can-Do Code</b>	XQMN
<b>Contract Size (Multiplier)</b>	1 contract = 1450 multiplier of the reference price short ton
<b>Reference Contract</b>	Soybean Meal (product symbol SMU1), September 2021 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>	R0.10 ZAR per contract unit
<b>JSE Fees</b>	R41.84 per contract (INCL VAT)

<b>Initial Margin</b>	R41,300
<b>Calendar spread margin</b>	R7,764
<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 Soybean Meal 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 short ton. 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>	27 August 2021
<b>Settlement Date</b>	30 August 2021
<b>Valuation Frequency</b>	Daily between 16h55 and 17h00
<b>TERMS &amp; CONDITIONS – Can-Do XQMN</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 short ton. 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 27 August 2021, will be applied as the final cash settlement value on settlement date 30 August 2021. There will be no foreign exchange rate adjustments.
<b>GENERAL TERMS – OPTIONS CONTRACT</b>	
<b>Description</b>	AUGUST 2021 QUANTO SOYBEAN MEAL COMMODITY CAN-DO OPTION
<b>Can-Do Name</b>	Can-Do XQMN

<b>Can-Do Code</b>	XQMN
<b>Option Style</b>	American
<b>Contract Size (Multiplier)</b>	1 contract = 1450 multiplier of the reference price per short ton
<b>Strike price interval</b>	R0.10 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>	R20.92 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>	AUGUST 2021 QUANTO SOYBEAN 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 short ton. 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>	27 August 2021
<b>Final settlement date</b>	30 August 2021
<b>Valuation Frequency</b>	Daily between 16h55 and 17h00
<b>TERMS &amp; CONDITIONS – Can-Do XQMN</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 notice, please contact [Commodities@jse.co.za](mailto:Commodities@jse.co.za)

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