

MARKET NOTICE

 Johannesburg
 Stock Exchange

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Number: 256/2022
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 2022

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

Name and Surname: Chris Sturgess
Designation: Acting Head – Commodities

Dear Client,

The November 2022 Quanto Maxi Soft Red Wheat Can-do futures contract will be listed for trading today, 19 May 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 XQSR

GENERAL TERMS – FUTURE CONTRACT	
Description	November 2022 QUANTO MAXI SOFT RED WHEAT COMMODITY CAN-DO
Can-Do Name	Can-Do
Can-Do-Code	XQSR
Contract Size (Multiplier)	1 contract = 80 000 multiplier of the reference price bushels
Reference Contract	Soft red wheat (product symbol WZ22), December 2022 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	R0.0025 ZAR per contract unit
JSE Fees	R43.51 per contract (INCL VAT) – double check

Initial Margin	R133,800.00
Calendar spread margin	R2,920.00
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 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.
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 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.
Underlying Currency	Rand (ZAR)
Last trading date	25 November 2022
Settlement Date	28 November 2022
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS – Can-Do XQSW	
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 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.
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 November 2022, will be applied as the final cash settlement value on settlement date 28 November 2022. There will be no foreign exchange rate adjustments.
GENERAL TERMS – OPTIONS CONTRACT	
Description	November 2022 QUANTO SOFT RED WHEAT COMMODITY CAN-DO OPTION
Can-Do Name	Can-Do XQSR
Can-Do-Code	XQSR

Option Style	American
Contract Size (Multiplier)	1 contract = 80 000 multiplier of the reference price per bushel
Strike price interval	R0.10 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	R21.76 per contract (INCL VAT) – double check
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	NOV22 QUANTO MAXI SOFT RED WHEAT 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 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.
Underlying Currency	Rand (ZAR)
Last trading date	25 November 2022
Final settlement date	28 November 2022
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS – Can-Do XQSW	
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 Market Notice please e-mail commodities@jse.co.za

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