

MARKET NOTICE

Number: 420/2017
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 28 September 2017

SUBJECT: FAILED TRADES IN THE EQUITY MARKET ON 26 & 27 SEPTEMBER 2017

Name and Surname: Alicia Greenwood
Designation: Director Post Trade Services

Pursuant to the earlier market notices, relating to settlement issues experienced in the cash equity market on Tuesday and Wednesday this week, the JSE wishes to update the market on the latest status.

10 of the 30 groups for Tuesday's settlement were processed through the automated bulk upload process. This took longer than expected, and in order to expedite the process, the JSE in consultation with Strate, then sent all remaining settlement instructions for Tuesday and Wednesday to Strate for processing, for settlement on Friday 29 September 2017.

We are now following a 2 step process to achieve final settlement for the remaining failed trades from Tuesday and Wednesday. Firstly the JSE will reconcile to Strate to achieve zero-sum by settlement group. In parallel, each CSDP will confirm their commitment to the substitute settlement instructions. In the event that the CSDP's are unable to commit, the Settlement Authority will endeavor to source scrip and/or cash to ensure settlement as per the usual settlement process. We appeal to all members to be available to support the CSDP's and the Settlement Authority to achieve settlement.

The JSE, Strate and the CSDPs have agreed to keep the reverse substitution process on hold for the time being. A progress update will be provided this evening.

The JSE would like to sincerely thank all market participants for your patience and collaboration in the process to resolve the abovementioned issues. Your support is greatly appreciated.

Should you have any queries regarding this notice, please contact the Client Service Centre +27 11 520 7777 or e-mail CustomerSupport@jse.co.za

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