JOHANNESBURG STOCK EXCHANGE
Equity Derivatives

Market Notice

Number: **F4856A**

Date **26 July 2011**

New Black Scholes and Interest Rate Calculator

To help Equity Derivatives market participants in their daily trading the JSE provides several tools and websites. We are proud to introduce a new and more comprehensive Black Scholes and Interest Rate calculator to replace the current calculator which can be found on the following URL: www.jse.co.za/bscalc

Some of the useful new functionality this spreadsheet offers;

- Multiple position calculator Black-Scholes Model, allowing for net premium calculations for call spreads, put spreads, fences, collars, butterflies and other strategies.
- Graphic display of the combined positions Payoff profile and P&L allowing you to combine puts, calls and futures and generate one easily understandable image.
- Option Greeks: Gamma, theta, vega, rho and kappa
- A new interest calculator on the 2nd tab of the spreadsheet that can be used to calculate futures prices, present values and back out interest rates. It can do these calculations using simple, compounding or continuous interest rates.

Please note there is no copyright on this calculator and members are encouraged to send this calculator to their colleagues, clients and friends. The VBA code is not locked and is available for re-use.

We will be having an Educational Seminar to demonstrate all the applications/tools available from the JSE's website to derivatives market participants on 3 August 2011 between 18:00 and 19:00 in the JSE Auditorium. Participants are encouraged to please invite their clients to register for this free seminar at the following URL: www.jse.co.za/discover
The following topics will be covered: How to use the Black Scholes Calculator, Interest Rate Calculator, Initial Margin and Portfolio calculator, View Only Internet ATS for clients, JSE website shortcuts and how to find and use the Derivative Stats on the JSE website.

If you have any queries, please feel free to contact derivativestrading@jse.co.za

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