JOHANNESBURG STOCK EXCHANGE
Equity Derivatives

Market Notice

Number: F5585
Date: 17 September 2012

Affect of the Equity Futures Closeout ("FCO") Process on the Can-Do Expiration Methodology

Attention All Clearing Members and Market Participants

As per Market Notice 5545A and F5545B, the JSE has amended the Equity Futures Closeout ("FCO") process and algorithm from the arithmetic average price level calculated over a 100 minute period ("Old Method") to a new Auction Call session ("Auction Call Method"). The first closeout process using this methodology will be Thursday, 20 September 2012.

This FCO process amendment affects all Can-Do contracts whose expiration dates fall on the standard SAFEX expiration dates and where the Old Method is used to determine the Reference Price at expiration.

The affected Can-Do contracts will now have the Reference Price at expiration determined according to the Auction Call Method.

Examples of the wording used in referencing the Old Method are shown in Appendix A.

A list of all affected Can-Do contracts is shown in Appendix B.

If you have any queries, please contact cando@jse.co.za or 011-520-7812 / 7096 / 7981

Appendix A: Examples of Wording used in referencing Old Method

These are some examples of wording used in referencing the Old Method:

Old Method (used for Share structures)	Reference Price	The arithmetic average of the Share price observed every 60 (sixty) seconds (100 observations), between 12:01pm and 13:40pm. For the avoidance if doubt, this is the same method as the one utilized for the expiry of standard single stock options on standard quarterly SAFEX expiry dates.
Old Method (used for Index structures)	Reference Price	The arithmetic average of the Index level observed every 60 (sixty) seconds (100 observations), between 12:01pm and 13:40pm. For the avoidance if doubt, this is the same method as the one utilised for the expiry of standard index options on standard quarterly SAFEX expiry dates.
Old Method (used for Basket futures)	Expiry Valuation Method	Arithmetic average of the index taken every 60 seconds (100 iteration), between 12h01 and 13h40, as calculated by the JSE Limited.
Old Method (used for Variance Futures)	Valuation Time	13:40pm on the Valuation Date.

Example of wording as per Auction Call Method

Auction Call Method	Reference Price or Expiry Valuation Method	The settlement level as determined at the end of the Auction Call session. For the avoidance of doubt, this is the same method as the one utilised for the expiry of standard futures and options on standard quarterly SAFEX expiry dates.

Appendix B: List of Affected Can-Do Contracts

Code	Description
CDAJ	Can-Do Basket Future
CDCE	Can-Do Basket Future
X1AQ	Can-Do Variance Future on FTSE/JSE Top 40 Index
X1BQ	Can-Do Basket Future
X1GQ	Can-Do Basket Future
X1HQ	Can-Do Basket Future
X2LQ	Can-Do Variance Future on FTSE/JSE Top 40 Index
X3FQ	Can-Do Variance Future on FTSE/JSE Top 40 Index
X5IQ	Can-Do Variance Future on FTSE/JSE Top 40 Index
X5LQ	Can-Do Variance Future on FTSE/JSE Top 40 Index
X5OQ	Can-Do Variance Future on FTSE/JSE Top 40 Index
X5PQ	Can-Do Variance Future on FTSE/JSE Top 40 Index
X5RQ	Can-Do Variance Future on FTSE/JSE Top 40 Index
X5WQ	Can-Do Variance Future on Top40 Index
X6CQ	Can-Do Variance Future on FTSE/JSE Top40 Index
X6HQ	Can-Do Knock-Out Barrier Option
X6JQ	Can-Do Knock-Out Barrier Option
X6TQ	Can-Do Basket Future
X6WQ	Can-Do Knock-Out Barrier Option
X7CQ	Can-Do Knock-Out Barrier Option
X7XQ	Can-Do Knock-Out Barrier Option
X7ZQ	Can-Do Variance Future on FTSE/JSE Top 40 Index
X8RQ	Can-Do Knock-Out Barrier Option
X8VQ	Can-Do Variance Future on Top40 Index
X8XQ	Can-Do Knock-Out Barrier Option
X9BQ	Can-Do Knock-Out Barrier Option
X9CQ	Can-Do Variance Future On FTSE/JSE Top40 Index
X9DQ	Can-Do Extendable Put Spread funded by Call Option
X9EQ	Can-Do Level Reset Put Spread
X9JQ	Can-Do Basket Future
X9KQ	Can-Do Knock-Out Barrier Option
X9PQ	Can-Do Knock-In Barrier Option
X9RQ	Can-Do Knock-Out Barrier Option
X9SQ	Can-Do Knock-Out Barrier Option
X9TQ	Can-Do Barrier Collar
X9UQ	Can-Do Variance Future on Top40 Index
X9VQ	Can-Do Variance Future On FTSE/JSE Top40 Index
X9XQ	Can-Do Knock-In Barrier Option
X9YQ	Can-Do Knock-Out Barrier Option
X9ZQ	Can_do Knock-Out Barrier Option
XA1Q	Can-Do Barrier Collar
XA2Q	Can-Do Barrier Collar
XA3Q	Can-Do Knock-Out Barrier Option

XA6Q	Can-Do Knock-Out Barrier Option
XB2Q	Can-Do Knock-Out Barrier Option
XB6Q	Can-Do Basket Future
XB7Q	Can-Do Opti-Seagull
XB9Q	Can-Do Opti Seagull
XC1Q	Can-Do Opti-Seagull
XC2Q	Can-Do Opti-Seagull
XC3Q	Can-Do Opti-Seagull
XC4Q	Can-Do Opti-Seagull
XC8Q	Can-Do Knock-Out Barrier Option
XC9Q	Can-Do Knock-Out Barrier Option
XD2Q	Can-Do Variance Future on FTSE/JSE Top40 Index
XD3Q	Can-Do Opti Replace Put Spread
XD4Q	Can-Do Basket Future
XD4Q	Can-Do Basket Future
XD7Q	Can-Do Knock-Out Barrier Option
XD8Q	Can-Do Reverse Barrier Collar
XE3Q	Can-Do Knock-Out Barrier Option
XE6Q	Can-Do Knock-Out Barrier Option
XE7Q	Can-Do Knock-Out Barrier Option
XE8Q	Can-Do Knout-Out Barrier Option
XE9Q	Can-Do Knout-Out Barrier Option
XF1Q	Can-Do Knock-Out Barrier Option
XF2Q	Can-Do Knock-Out Barrier Option
XF3Q	Can-Do Knock-Out Barrier Option
XF4Q	Can-Do Knock-Out Barrier Option
XF7Q	Can-Do Knock-Out Barrier Option
XF8Q	Can-Do Variance Future on FTSE/JSE Top40 Index
XG3Q	Can-Do Knock-Out Barrier Option
XG4Q	Can-Do Variance Future on Top40 Index
XG5Q	Can-Do Knock Out Barrier Option
XGKQ	Can-Do Basket
XH2Q	Can-Do Knock-Out Barrier Option
XH4Q	Can-Do Knock-Out Barrier Option
XH5Q	Can-Do Knock-Out Barrier Option
XH6Q	Can-Do Knock-Out Barrier Option
XH7Q	Can-Do Knock-Out Barrier Option
XH8Q	Can-Do Knock Out Barrier Option
XI1Q	Can-Do Knock Out Barrier Option
XI2Q	Can-Do Knock-Out Barrier Option
XKCQ	Can-Do Basket Future
XWZQ	Can-Do FTSE/JSE Top40 Index
XXTQ	Can-Do Variance Future on FTSE/JSE Top 40 Index
XZJQ	Can-Do Basket Future

Should you have any queries regarding Can-Do Options, please contact the Can-Do Team on 011 520-7096/7981 or cando@jse.co.za

Graham Smale
Director: Bonds and Financial Derivatives
Tel: +27 11 520 7831
Fax: +27 11 520 8831
E-mail: grahams@jse.co.za

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