



Market Notice

Number: F5759
Date: 13 December 2012

Index Review in March 2013

The FTSE/JSE quarterly index review is scheduled to be effective after close of business on the third Friday of March, June, September and December. This is ordinarily the day following Futures Closeout (FCO), but this is not the case when the first day of the review month falls on a Friday.

This anomaly will occur again in March 2013 as follows:

Index Review Effective Date (COB): **Friday 15 March**
Futures Closeout Date: **Wednesday 20 March**

This will impact directly on the valuation of all index futures and options with a March 2013 expiry.

FTSE/JSE is not able to change the review dates for the March 2013 review, since these are aligned with global FTSE index review dates, and tied to the published Index Ground Rules. Furthermore, FTSE/JSE is implementing a change to the free float methodology used in index construction at the March 2013 review, which will have a material impact on the weighting of all constituents in market capitalisation weighted indices. **FTSE/JSE expects the one-way turnover in the Top 40 Index to exceed 5% at the March review as a result of this methodology change.** Further information on the methodology change can be obtained from the FTSE/JSE ICA notice published on 12 September 2012 (link: http://www.jse.co.za/Libraries/FTSE-JSE_-_Announcements_-_ICAS_2012/20120912_FTSEJSE_Free_Float_Methodology_Change_pdf.sflb.ashx)

The details of the index rebalance effective after close of business on 15 March 2013 will be published according to the following timeline:

Free Float changes (application of new methodology):	1 January 2013
Shares in Issue Changes	: 27 February 2013
Constituent Changes (Additions/Deletions)	: 6 March 2013
Capping and Equally Weighting Factors	: 11 March 2013

The next occurrence of this anomaly is **September 2017**. Participants with proposals to resolve this problem, other than changing the FTSE/JSE quarterly index review schedule, are requested to please contact the Exchange.



For further queries around the FTSE/JSE Indices, contact indices@jse.co.za. For queries regarding derivative contracts, contact derivativestrading@jse.co.za

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