



## Market Notice

**Number:** Y1114

**Date:** 18 March 2013

### New Currency Future Can-do Contract (CADE) –Structured Option on USD/ZAR

The following new Currency Future Can-do Contract (CADE) has been added with immediate effect and is available for trading today.

Insofar as any contractual provision set out below is inconsistent with the rules, directives, regulations and margin methodologies (“**Rules**”) of the JSE Limited (“**JSE**”) in respect of Interest Rate and Currency Derivatives Market, the Rules will prevail unless the JSE expressly permits the Parties to give effect to their contractual provisions.

#### Summary Contract Specifications:

<b>GENERAL TERMS</b>	
<b>Description</b>	Structured Option (constituted by Option 1, Option 2, Option 3, Option 4, Option 5 and Option 6 mentioned below)
<b>Can-Do Name</b>	Can-Do CADE
<b>Can-Do Code</b>	CADE
<b>Underlying Instrument</b>	In respect of Option 1, Option 2, Option 3, Option 4, Option 5 and Option 6: Currency Future USD/ZAR 14 June 2013
<b>Contract Size</b>	USD1 nominal
<b>Minimum Price Movement</b>	0.0001
<b>Currency Pair</b>	USD/ZAR
<b>Quotations</b>	When determining the exchange rate for the Currency Pair, the amount of ZAR per one USD (rounded to four decimals) shall be determined
<b>Settlement</b>	Subject to Netting of Payments below, the option contracts related to the Currency Future Can-do Contract, being Option 1, Option 2, Option 3, Option 4, Option 5 and Option 6, if exercised, will settle by means of Cash Settlement, the Option Cash Settlement Amount in respect of each such option contract to be paid in ZAR.



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**Executive Directors:** NF Newton-King (CEO),  
 F Evans (CFO) **Non-Executive Directors:** HJ Borkum  
 (Chairman), AD Botha, ZL Combi, MR Johnston, DM Lawrence,  
 A Mazwai, NS Nematswerani, N Nyembezi-Heita, N Payne  
**Alternate Directors:** JH Burke, LV Parsons

<b>Mark-to-Market</b>	Explicit Daily The forward value of the arithmetic average of the traded underlying observed for a 5 minute period between 16:55 and 17:00 Johannesburg time.
<b>Exchange Fees</b>	Sliding Scale – See below
<b>Initial Margin</b>	ZAR 35500.00 (as determined by the JSE on a monthly basis)
<b>Class Spread Margin</b>	ZAR 0.00
<b>V.S.R.</b>	2.5
<b>Trade Date</b>	The date the Currency Future Can-do Contract is concluded
<b>Business Day</b>	Any day on which banks are open for business in Johannesburg and currency prices are published by the JSE.
<b>Option Style</b>	Style of the option contracts related to the Currency Future Can-do Contract, being Option 1, Option 2, Option 3, Option 4, Option 5 and Option 6: European, meaning that the rights granted under the option contracts related to the Currency Future Can-do Contract are exercisable on the date and at the time mentioned in Expiration and Valuation Date.
<b>Initial Reference Level</b>	The currency exchange rate for the Currency Pair as agreed by the Long Party and the Short Party on the Trade Date, being the level of the Currency Pair from which any movement in such currency exchange rate (the minimum of which is the Minimum Price Movement) will be determined
<b>Long Party</b>	The holder of the long position in respect of the Currency Future Can-do Contract
<b>Short Party</b>	The holder of the short position in respect of the Currency Future Can-do Contract
<b>TERMS &amp; CONDITIONS</b>	
<b>OPTION 1:</b>	
<b>Option Type</b>	Vanilla USD/ZAR USD Put Option, being a put option contract
<b>Buyer of Option 1</b>	The party that is the Long Party to the Currency Future Can-Do Contract
<b>Seller of Option 1</b>	The party that is the Short Party to the Currency Future Can-Do Contract
<b>Strike Price of Option 1 (“Strike Price 1”)</b>	ZAR[8.6400] / USD1.00
<b>Strike Price</b>	An amount equal to the greater of: a) Strike Price 1 minus the Reference Price; and

<b>Differential (“Differential 1”)</b>	b) zero.
<b>Option Cash Settlement Amount</b>	An amount, payable by the Seller to the Buyer, equal to the number of option contracts exercised on the Expiration and Valuation Date multiplied by Differential 1, multiplied by USD[229,010].
<b>OPTION 2:</b>	
<b>Option Type</b>	Vanilla USD/ZAR USD Call Option, being a call option contract
<b>Buyer of Option 2</b>	The party that is the Long Party to the Currency Future Can-Do Contract
<b>Seller of Option 2</b>	The party that is the Short Party to the Currency Future Can-Do Contract
<b>Strike Price of Option 2 (“Strike Price 2”)</b>	ZAR[9.7000] / USD1.00
<b>Strike Price Differential (“Differential 2”)</b>	An amount equal to the greater of: a) Reference Price minus Strike Price 2; and b) zero.
<b>Option Cash Settlement Amount</b>	An amount, payable by the Seller to the Buyer, equal to the number of option contracts exercised on the Expiration and Valuation Date multiplied by Differential 2, multiplied by USD[229,010].
<b>OPTION 3:</b>	
<b>Option Type</b>	Down-and-Out USD/ZAR USD Put Option, being a put option contract (barrier monitored continuously)
<b>Buyer of Option 3</b>	The party that is the Short Party to the Currency Future Can-do Contract
<b>Seller of Option 3</b>	The party that is the Long Party to the Currency Future Can-do Contract
<b>Strike Price (“Strike Price 3”)</b>	ZAR[9.0800] / USD 1.00
<b>Strike Price Differential (“Differential 3”)</b>	An amount equal to the greater of: a) Strike Price 3 minus the Reference Price; and b) zero.
<b>Knock-Out Price</b>	ZAR[8.2100] / USD1.00
<b>Knock-Out Event</b>	A Knock-Out Event will only be deemed to have occurred in the event the JSE in accordance with its discretion determines that a foreign exchange transaction has occurred at any Knock-Out Valuation Time during the Knock-Out Determination Period for the purchase of a minimum notional amount of USD1Million against the payment of ZAR at a currency exchange rate for the Currency Pair (as published by the Exchange) equal to or less than the Knock-Out Price.  If a Knock-Out Event occurs, Option 3 will be closed out on the JSE at zero value.

<b>Option Cash Settlement Amount</b>	An amount, payable by the Seller to the Buyer, equal to the number of option contracts exercised on the Expiration and Valuation Date multiplied by Differential 3, multiplied by USD[76,340].
<b>Knock-Out Determination Period</b>	The period from (and including) the Trade Date to (and including) the Expiration and Valuation Date.
<b>Knock-Out Valuation Time</b>	Any time from 05:00 (5:00 a.m.) (local time on a Monday in Sydney, Australia) to 17:00 (5:00 p.m.) (local time on a Friday in New York, United States of America), as such may exist during the Knock-Out Determination Period.
<b>OPTION 4:</b>	
<b>Option Type</b>	Up-and-Out USD/ZAR USD Call Option, being a call option contract (barrier monitored continuously)
<b>Buyer of Option 4</b>	The party that is the Short Party to the Currency Future Can-do Contract
<b>Seller of Option 4</b>	The party that is the Long Party to the Currency Future Can-do Contract
<b>Strike Price (“Strike Price 4”)</b>	ZAR[9.2600] / USD 1.00
<b>Strike Price Differential (“Differential 4”)</b>	An amount equal to the greater of: a) Reference Price minus Strike Price 4; and b) zero.
<b>Knock-Out Price</b>	ZAR[10.1300] / USD1.00
<b>Knock-Out Event</b>	A Knock-Out Event will only be deemed to have occurred in the event the JSE in accordance with its discretion determines that a foreign exchange transaction has occurred at any Knock-Out Valuation Time during the Knock-Out Determination Period for the purchase of a minimum notional amount of USD1Million against the payment of ZAR at a currency exchange rate for the Currency Pair (as published by the Exchange) equal to or in excess of the Knock-Out Price.  If a Knock-Out Event occurs, Option 4 will be closed out on the JSE at zero value.
<b>Option Cash Settlement Amount</b>	An amount, payable by the Seller to the Buyer, equal to the number of option contracts exercised on the Expiration and Valuation Date multiplied by Differential 4, multiplied by USD[76,340].
<b>Knock-Out Determination Period</b>	The period from (and including) the Trade Date to (and including) the Expiration and Valuation Date.
<b>Knock-Out Valuation Time</b>	Any time from 05:00 (5:00 a.m.) (local time on a Monday in Sydney, Australia) to 17:00 (5:00 p.m.) (local time on a Friday in New York, United States of America), as such may exist during the Knock-Out Determination Period.
<b>OPTION 5:</b>	

<b>Option Type</b>	Up-and-In USD/ZAR USD Put Option, being a put option contract (barrier monitored continuously)
<b>Buyer of Option 5</b>	The party that is the Short Party to the Currency Future Can-do Contract
<b>Seller of Option 5</b>	The party that is the Long Party to the Currency Future Can-do Contract
<b>Strike Price (“Strike Price 5”)</b>	ZAR[9.7000] / USD 1.00
<b>Strike Price Differential (“Differential 5”)</b>	An amount equal to the greater of: a) Strike Price 5 minus the Reference Price; and b) zero.
<b>Knock-In Price</b>	ZAR[9.8200] / USD1.00
<b>Knock-In Event</b>	A Knock-In Event will only be deemed to have occurred in the event the JSE in accordance with its discretion determines that a foreign exchange transaction has occurred at any Knock-In Valuation Time during the Knock-In Determination Period for the purchase of a minimum notional amount of USD1Million against the payment of ZAR at a currency exchange rate for the Currency Pair (as published by the Exchange) equal to or in excess of the Knock-In Price.  Should a Knock-In Event not occur, Option 5 will be closed out on the JSE at zero value.
<b>Option Cash Settlement Amount</b>	An amount, payable by the Seller to the Buyer, equal to the number of option contracts exercised on the Expiration and Valuation Date multiplied by Differential 5, multiplied by USD[229,010].
<b>Knock-In Determination Period</b>	The period from (and including) the Trade Date to (and including) the Expiration and Valuation Date.
<b>Knock-In Valuation Time</b>	Any time from 05:00 (5:00 a.m.) (local time on a Monday in Sydney, Australia) to 17:00 (5:00 p.m.) (local time on a Friday in New York, United States of America), as such may exist during the Knock-In Determination Period.
<b>OPTION 6:</b>	
<b>Option Type</b>	Down-and-In USD/ZAR USD Call Option, being a call option contract (barrier monitored continuously)
<b>Buyer of Option 6</b>	The party that is the Short Party to the Currency Future Can-do Contract
<b>Seller of Option 6</b>	The party that is the Long Party to the Currency Future Can-do Contract
<b>Strike Price (“Strike Price 6”)</b>	ZAR[8.6400] / USD 1.00
<b>Strike Price Differential (“Differential 6”)</b>	An amount equal to the greater of: a) Reference Price minus Strike Price 6; and b) zero.

<b>Knock-In Price</b>	ZAR[8.5200] / USD1.00
<b>Knock-In Event</b>	<p>A Knock-In Event will only be deemed to have occurred in the event the JSE in accordance with its discretion determines that a foreign exchange transaction has occurred at any Knock-In Valuation Time during the Knock-In Determination Period for the purchase of a minimum notional amount of USD1Million against the payment of ZAR at a currency exchange rate for the Currency Pair (as published by the Exchange) equal to or less than the Knock-In Price.</p> <p>Should a Knock-In Event not occur, Option 6 will be closed out on the JSE at zero value.</p>
<b>Option Cash Settlement Amount</b>	An amount, payable by the Seller to the Buyer, equal to the number of option contracts exercised on the Expiration and Valuation Date multiplied by Differential 6, multiplied by USD[229,010].
<b>Knock-In Determination Period</b>	The period from (and including) the Trade Date to (and including) the Expiration and Valuation Date.
<b>Knock-In Valuation Time</b>	Any time from 05:00 (5:00 a.m.) (local time on a Monday in Sydney, Australia) to 17:00 (5:00 p.m.) (local time on a Friday in New York, United States of America), as such may exist during the Knock-In Determination Period.
<b>TERMS APPLICABLE TO OPTION 3, OPTION 4, OPTION 5 AND OPTION 6</b>	
<b>Style of Knock-Out Event and Knock-In Event</b>	American, meaning that whether or not a Knock-Out Event or a Knock-In Event has occurred will be determined during the Knock-Out Determination Period and the Knock-In Determination Period respectively.
<b>PROCEDURE FOR EXERCISE OF OPTION 1, OPTION 2, OPTION 3, OPTION 4, OPTION 5 AND OPTION 6</b>	
<b>Expiration and Valuation Date</b>	<p>14 June 2013</p> <p>10:00 (10:00 a.m.) New York time (i.e. 16:00 (4:00 p.m.) Johannesburg time), being the date and time of expiration of the option contracts related to the Currency Future Can-do Contract, being Option 1, Option 2, Option 3, Option 4, Option 5 and Option 6.</p>
<b>Reference Price</b>	The closing currency exchange rate for the Currency Pair observed by the JSE on the Expiration and Valuation Date.
<b>Automatic Exercise</b>	<p>Applicable, meaning that if the Reference Price is equal to or:</p> <ul style="list-style-type: none"> <li>(i) as it concerns Option 1, less than Strike Price 1;</li> <li>(ii) as it concerns Option 2, in excess of Strike Price 2,</li> <li>(iii) as it concerns Option 3, less than Strike Price 3;</li> </ul>

	<p>(iv) as it concerns Option 4, in excess of Strike Price 4;</p> <p>(v) as it concerns Option 5, less than Strike Price 5;</p> <p>(vi) as it concerns Option 6, in excess of Strike Price 6;</p> <p>at the Expiration and Valuation Date, Option 1, Option 2, Option 3, Option 4, Option 5 and/or Option 6, as may be applicable, will be deemed automatically exercised</p>
<b>Netting of Payments</b>	<p>If at the Expiration and Valuation Date Option Cash Settlement Amounts would otherwise be payable in terms of Option 1, Option 2, Option 3, Option 4, Option 5 and/or Option 6 by either the Long Party or Short Party to the other, then, at such time on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by which the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.</p>

\*Please note that due to do the nature of this Can Do structure, the value can be negative.

**Exchange Fees – Sliding Scale Fee Structure:**

<b>Sliding Scale – Number of contracts traded</b>	<b>Option Trading Fee per Contract</b>
1 – 499	R0.63
500 – 999	R0.60
1,000 – 2,999	R0.55
3,000 – 4,999	R0.53
5,000 – 7,499	R0.48
7,500 – 9,999	R0.30
10,000 and above	R0.23

The fees will be capped at ZAR39,900 per deal to entice bigger contracts.

\*All the above fees include VAT of 14%.

If you have any queries, please feel free to contact Warren Geers (+27 11 520 7470) / [warreng@jse.co.za](mailto:warreng@jse.co.za) or Cindy Pillay (+27 11 520 7689) / [cindyp@jse.co.za](mailto:cindyp@jse.co.za).

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