



## Market Notice

**Number:** Y1178

**Date:** 14 June 2013

### New Can-do Contract (CAEE) – One-Touch Binary Barrier Option (Up) on USD/Rand

The following new Can-do Contract 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:

GENERAL TERMS	
<b>Description</b>	One-Touch Binary Barrier Option (Up) (barrier monitored continuously during the Barrier Determination Period)
<b>Can-Do Name</b>	Can-Do CAEE
<b>Can-Do Code</b>	CAEE
<b>Contract Size (Multiplier)</b>	USD 10 nominal
<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>	This new Can-do Contract, in the event of the Barrier Event occurring, will settle by means of Cash Settlement, the Settlement Amount to be paid in ZAR on the Settlement Date. In the absence of such Barrier Event, this Can-do Contract will terminate.
<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



JSE Limited Registration Number: 2005/022939/06  
 One Exchange Square, Gwen Lane, Sandown, South Africa.  
 Private Bag X991174, Sandton, 2146, South Africa. Telephone:  
 +27 11 520 7000, Facsimile: +27 11 520 8584, www.jse.co.za

**Executive Director:** NF Newton-King (CEO),  
 A Takoordeen (CFO)

**Non-Executive Directors:** HJ Borkum (Chairman), AD Botha,  
 MR Johnston, DM Lawrence, A Mazwai, Dr. MA Matooane , NP  
 Mnxasana, NS Nematswerani, N Nyembezi-Heita, N Payne

**Alternate Directors:** JH Burke, LV Parsons

**Company Secretary:** GC Clarke

<b>Initial Margin</b>	ZAR 55000.00 (as determined by the JSE on a monthly basis)
<b>Class Spread Margin</b>	ZAR 27500.00
<b>V.S.R.</b>	2.50
<b>Trade Date</b>	The date the 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>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 Can-do Contract
<b>Short Party</b>	The holder of the short position in respect of the Can-do Contract
<b>Calculation Agent</b>	The Market Maker of the One Touch Barrier Option
<b>TERMS &amp; CONDITIONS</b>	
<b>Option Type</b>	<b>One-Touch Binary Barrier Option (Up) on USD/Rand (barrier monitored continuously)</b>
<b>Buyer</b>	The party that is the Long Party to the Can-do Contract
<b>Seller</b>	The party that is the Short Party to the Can-do Contract
<b>Barrier Price</b>	ZAR 10.4000 / USD1.00
<b>Barrier Event</b>	<p>Applicable at a minimum of <b>USD 1 Million</b>. Means, in respect of the Currency, if at any Barrier Valuation Time during a Barrier Determination Day, the level of the Currency (as published by the Exchange) is equal to or <b>Higher</b> than the Barrier Price.</p> <p>If the Barrier Event occurs, the Currency Future Can-do Contract will settle as stipulated in "Cash Settlement" if the option contracts related to the Currency Future Can-do Contract are exercised, otherwise in the absence of such Barrier Event the Currency Future Can-do Contract will terminate, all related option contracts will be closed out on the JSE at zero value and initial margin will be returned to the Buyer and the Seller.</p>
<b>Barrier Determination Period</b>	The period from (and including) the Trade Date to (and including) the Expiration and Valuation Date.
<b>Barrier Valuation Time</b>	Any time during Barrier Determination Days when the USD/ZAR currency is open for trading on and monitored on the <b>Reuters D3 system</b>

<b>PROCEDURE FOR EXERCISE</b>	
<b>Expiration and Valuation Date</b>	27 June 2013 10:00 (10:00 a.m.) New York time (i.e. 16:00 (4:00 p.m). Johannesburg time)
<b>Cash Settlement</b>	Applicable. If the Barrier Event has occurred, the Short Party shall pay the Long Party the Settlement Amount.
<b>Settlement Amount</b>	<b>ZAR 100 000.00 ( i.e. ZAR 100 Thousand)</b>

\*Note: If a difference between the traded value and the initial valuation value occurs at inception. The difference will be smoothed out over a 21 day period, through the variation margin flow. In the case of a trigger event within the initial 21 day period, the remaining difference will be paid in full T+1.

**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%.

**\*The above instrument has been designated as “Foreign” by the South African Reserve Bank.**

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).

Warren Geers

GM – Derivatives Trading

Yield-X

Tel: +27 11 520 7470

Fax: +27 11 520 7458

E-mail Address: [warreng@jse.co.za](mailto:warreng@jse.co.za)

**Distributed by the Company Secretariat +27 11 520 7591**