



Market Notice

Number: Y969

Date: 6 September 2012

Currency Derivatives Market – Change in Close-out process

After consultation with the Currency Derivatives market participants and during the Currency Derivatives Advisory Committee Meeting (held on the 23rd of August 2012), about the current methodology of the currency close-out process, it has been agreed that the close-out process should be changed.

The Current Valuation Method for close-out follows a 30 minute iteration process, taking the last trade within every minute, and then averaged to determine the official closing price of the expiring contract.

With effect from **Thursday, 20th of September 2012**, the new close-out methodology for all Currency Derivative contracts, namely;

- Standardised Currency Future and Option Contracts
- Any-day expiry Future and Option Contracts
- Can-do Contracts,

This will be changed to a 5 minute process, with the iterations recorded every 30 seconds.

- For the USD/ZAR contracts, the last spot trade within that 30 second interval will be recorded, and then averaged over the 5 minute period.
- For all other JSE listed currency pairs the last **mid price** of the bid and offer will be recorded within the 30 second iteration, and will then be crossed at every iteration with the USD/ZAR.

The expiration dates and times for all types of Currency Derivatives will remain unchanged, namely: at 10h00 New York time, two business days prior to the 3rd Wednesday of the expiry date or the previous business day if that day is a public holiday. The close out process will be run from 09h55 to 10h00 New York Time.

All contract specifications have been updated and can be found on the Currency Derivatives webpage:
www.jse.co.za/currencies/contractspecs.co.za



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