

JSE Software Provider Forum Q3 2021/11/04

Meeting Date: 04 November 2021

Meeting Time: Call: 13:00 to 14:00

Meeting

Webinar (Please see attached guide)

Venue:

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Meeting

1 Hour

Duration:

Subject: JSE Software Provider Forum Q4

let's connect

Regards

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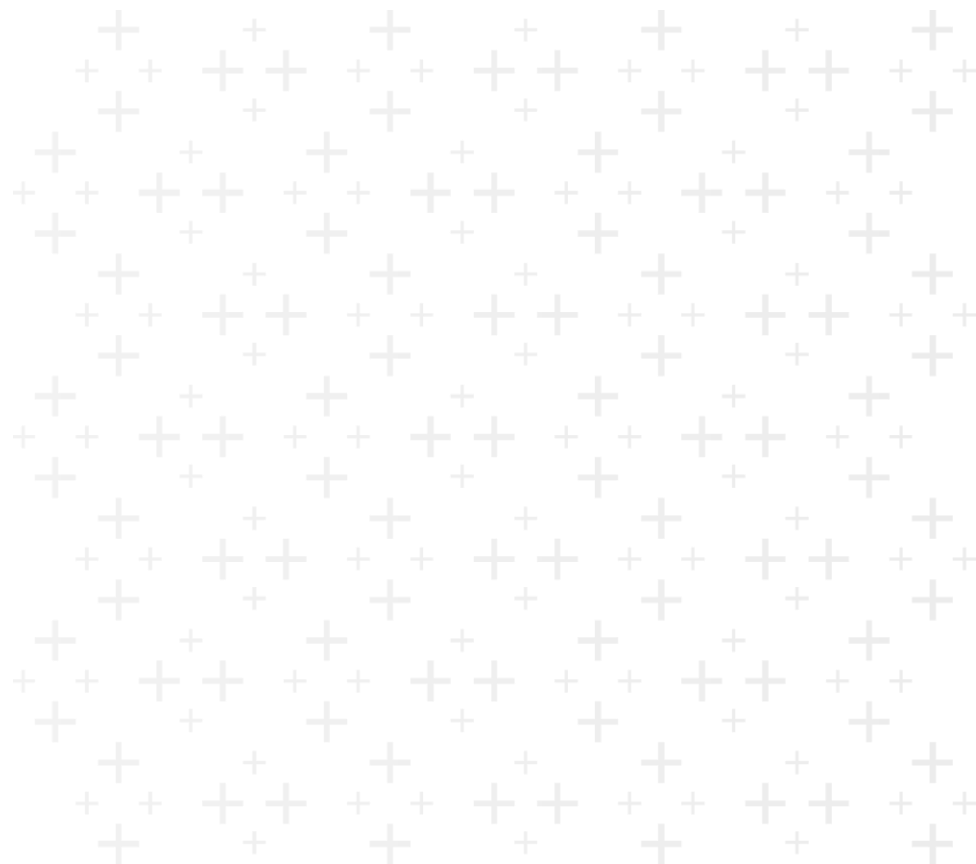


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2. Market Data

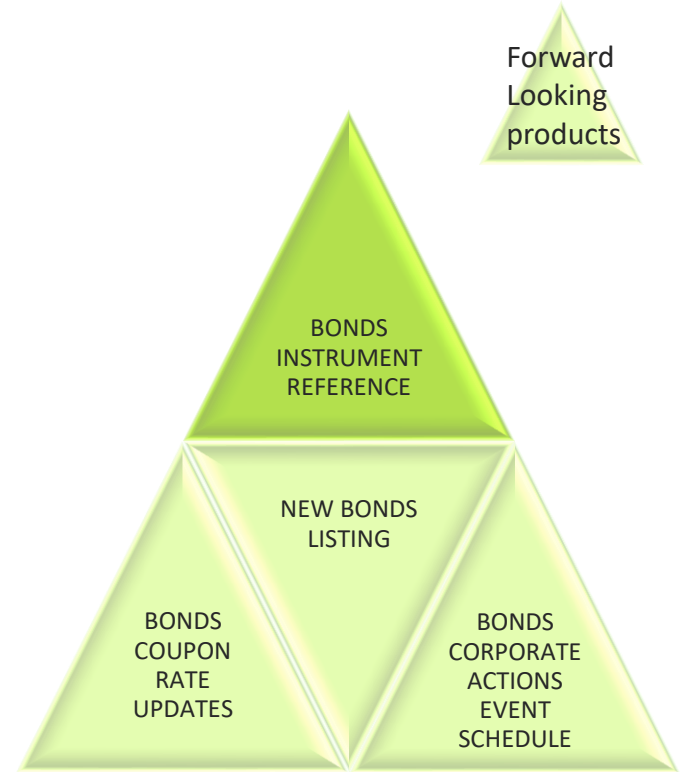
- Neil Vendeiro



Bonds Reference Data and Corporate Actions Product Family

1. New product family comprises of four different data products.
2. The Bonds Instrument Reference data product replaced the Bond Data product and is now fully live with daily and monthly Excel and CSV versions.
3. The other three new data products will replace the unstructured information provided by the Bonds specific notices issued by the JSE reference data team.
4. The three new data products were introduced at end of October for a two-month review period up to end Nov. **Please use the opportunity to raise any questions/suggestions about the three products.**
5. The feedback received by the end of Nov will determine if any final design and development changes need to be made and the effort required.
6. A hotline will be issued at the start of December announcing the go-live date of the three new products based on the review analysis. **As these products will replace market notices, the notice period will be longer than 3 months.**

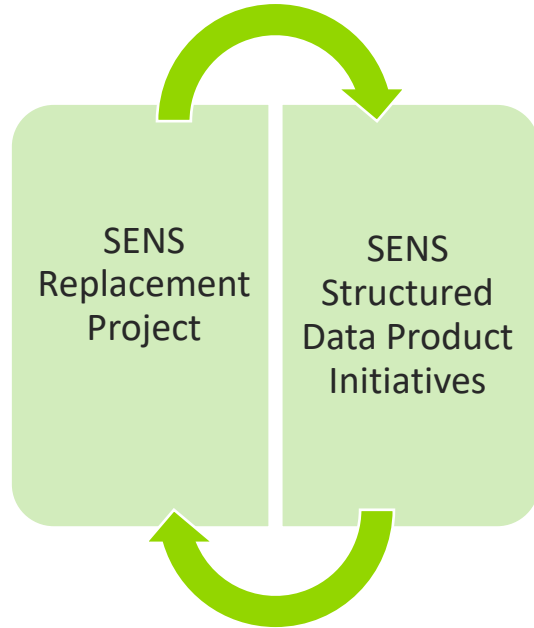
Forward
Looking
products



If you want to know more, send an email to mdproducts@jse.co.za

SENS STRUCTURED DATA PRODUCT INITIATIVES

The JSE is assessing, as part of the SENS Replacement Project, what additional structured data can be provided as tagged fields as one of the enhancements of the standard SENS real-time and End of Day market data products



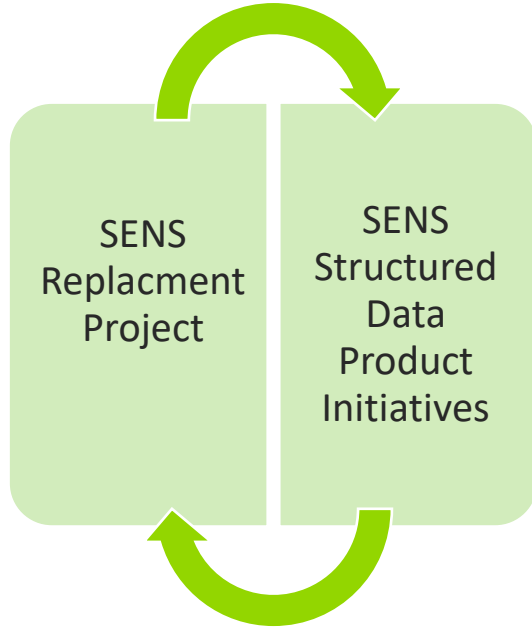
In addition, as separate data product initiatives outside of the scope of the SENS Replacement Project, the Market Data team is assessing the viability of providing additional structured data via separate optional data products

Topic specific intraday SENS feed product.

- Aimed at clients that have a high interest in specific announcements but do not want to expend effort to detect those announcements and identify, extract and process the key data elements
- As an example, the solution will automatically detect Directors Dealings announcements, identify and extract the key data elements and provide it intraday via the feed product
- To account for the processing time, the data will be distributed at a point after the announcement is published via the standard SENS product
- The overall viability and the number of topics will be based on client interest

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XBRL Compliant Financial Results data product.

- Aimed at clients that have a high interest in Financial Results type announcements but do not want to expend the effort to detect those announcements, and then identify, extract and interpret the key data elements
- As an example, the solution will automatically detect the publishing of the listed company financial results and will then identify and extract the key data elements and do the necessary interpretation to the XBRL financial reporting standard
- To account for the processing time, the data will be distributed at a point after the announcement is published via the standard SENS product
- The overall viability will be based on client interest

3. Trading Enhancements

- Andrea Maisel
- Hlamalani Huhlwane
- Martin Koch

2022 Priorities and Asset Class Migration:

- The JSE is currently considering the following three options with regards to the Asset Class Migration:
 - Continue with the ITaC journey of migrating the remainder of the asset classes onto a new trading system
 - Investigate more specialist trading platforms for Commodity Derivatives, Interest Rate Derivatives, Cash Bonds and the Repo Markets
 - Upgrade the existing STT trading platform for the Commodity Derivatives, Interest Rate Derivatives, Cash Bonds and Repo Markets

EQM Initiatives

DELAYED PUBLICATION OF BLOCK TRADES

- ❑ This enhancement introduces new non-mandatory functionality that allows clients the option to delay Equity market data publication for off book block trades by **2 hours**.
- ❑ The TCR will have a new field ('**Publish Indicator**') allowing clients to select an option for Delay Publication on trade type Block Trade (BT).

SELF-MATCH PREVENTION

- ❑ Functionality to prevent unintended execution with Resting Orders of the same client.
- ❑ Optional functionality
- ❑ If a self-match scenario occurs, the Resting Order will be cancelled
- ❑ Available sessions: Continuous Trading and Closing Price Cross only

Production Switch-on



08 NOV

Potential Go-live



Q1 2021

4. Post trade

- Shaahid Gani
- Vaneshri Chetty

Securities Collateral

Background

JSE Clear, the Clearing House for listed derivatives in the South African market, calls for initial margin (collateral) against all open derivative exposures held by its clients. Initial Margin (IM) requirements are calculated as part of the daily EOD process and settled on T+1. Initial Margin is currently payable in ZAR-cash only.

Securities Collateral allows a client to substitute expensive cash with liquid South African government bonds for Initial Margin (IM) requirements. It will contribute significantly to improving cash liquidity in the SA markets, as JSE Clear will be able to 'release' cash into the market, which is currently tied up in the JSE Clear bank accounts.

The need for JSE Clear to consider alternative collateral options to fund IM calls has been raised in various forums across the JSE derivatives markets for several years.

Service Offering

The use of securities collateral will be offered for the following JSE derivative markets:

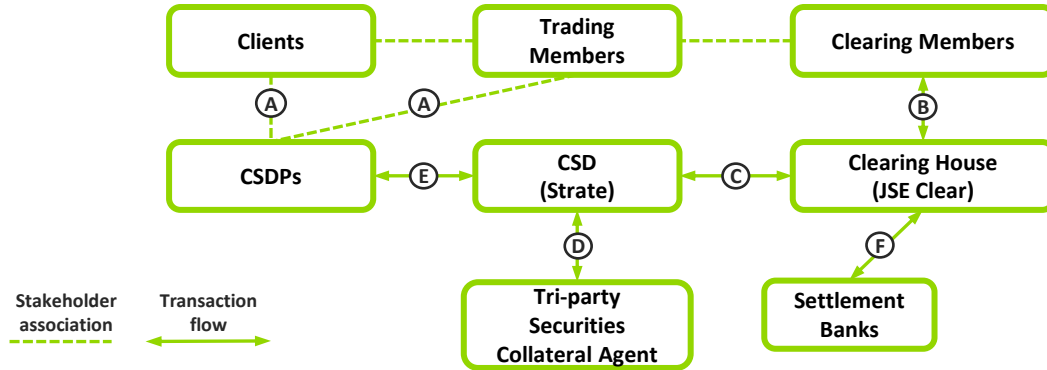
- Equity Derivatives
- Currency Derivatives

Trading members and clients will have the option of collateralising their initial margin requirements (includes large position, liquidation period add-on and additional margin) using a combination of:

- ZAR Cash
- Liquid Government Bonds

Primary Stakeholders

Stakeholder association and collateral transaction flows



Associations and transaction flows:

- A) Clients and Trading Members to setup Segregated Depository Accounts (SDA) at the CSD (STRATE) via their CSPDs for the pledging of securities collateral
- B) Initial margin amounts confirmed by JSE Clear with Clearing Members as part of the daily end-of-day process
- C) Allowable securities margin amount sent to Strate per Client and Trading Member for securities collateralisation
- D) Utilising their tri-party securities collateral service, Strate will allocate or release securities as available in Client and Trading Member SDA accounts
- E) CSPDs are required to commit to all security pledge and release requests in order for them to be valid (automated process)
- F) JSE to determine remaining cash amount required (i.e. total margin required less pledged securities) and once clearing members confirm the cash breakdown cash settlements are done via the settlement banks

Regulatory Approvals required

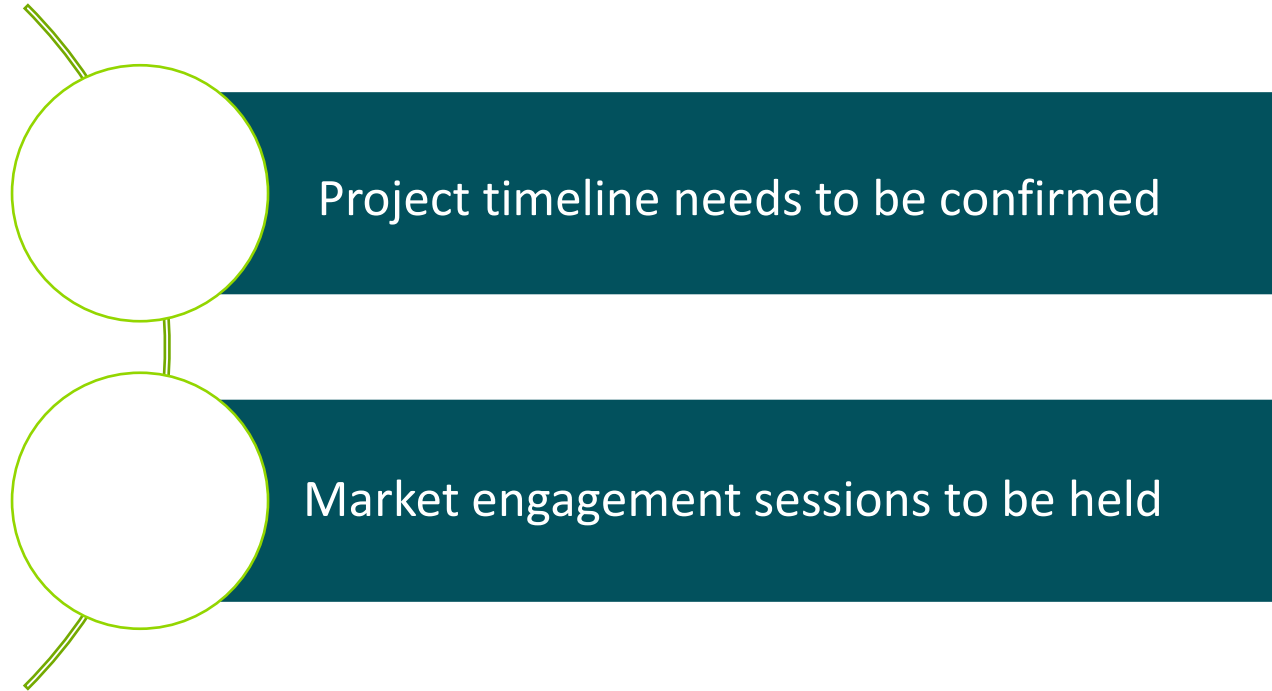


FINANCIAL SECTOR LAWS
AMENDMENT BILL



APPROVAL FROM REGULATOR
FOR JSE CLEAR TO ACCEPT
NON-CASH COLLATERAL

Next steps



5. Trading – Nutron Releases

- James Rakumako

Nutron Post DIS Release - Timeline

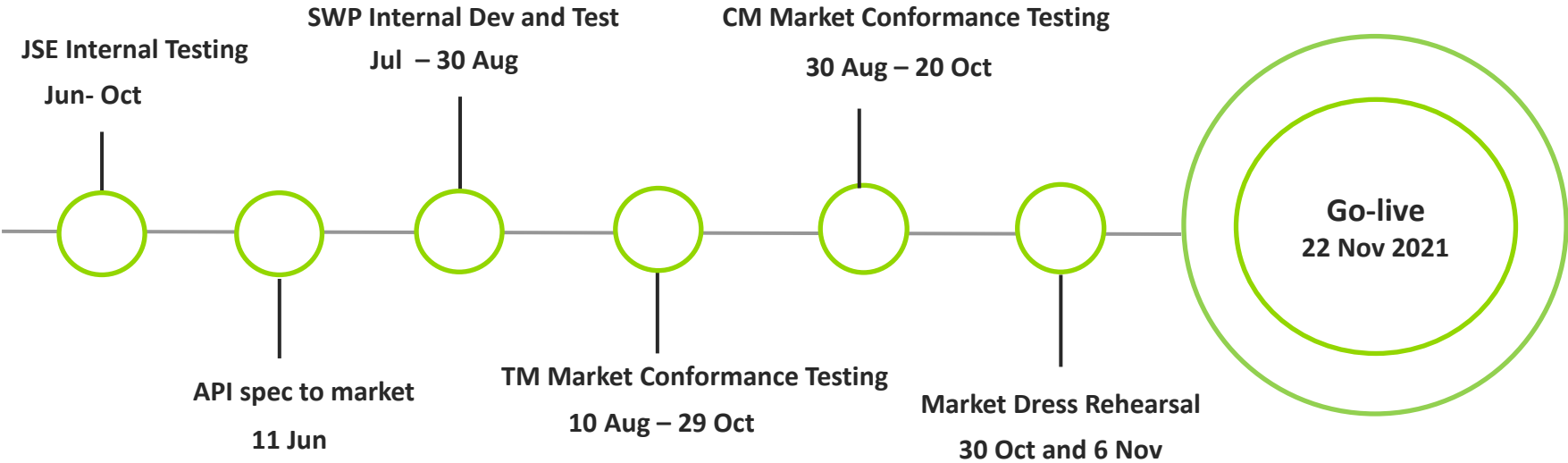
- Fixes to be deployed into:
 - CTS Environments 10th May 2021
 - Production 4th September 2021 (updated release date)
 - Fix includes a Non-API impacting enhancement (MT515 Contract Note)



7. Diesel – Contract Update

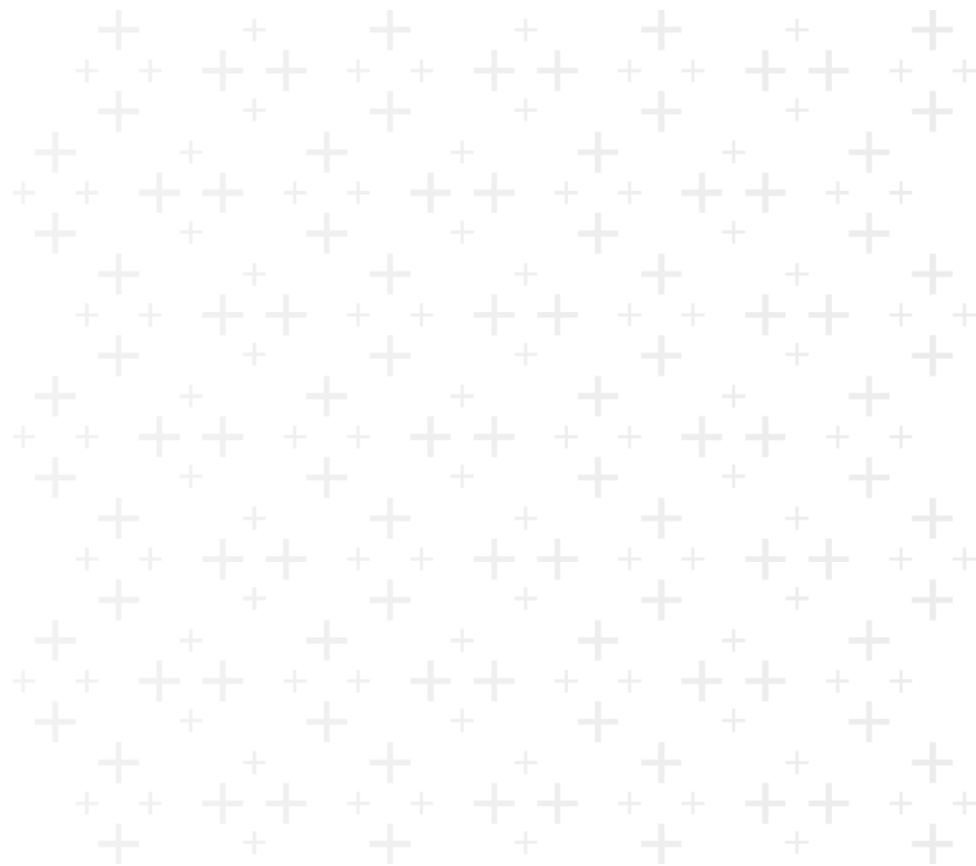
- Zintle Dastile

Diesel Project Update and Timeline



8. General

- Questions



General

- Freeze Period - 3rd December 2021 to 10th January 2022 (SENS Submitted)
- Staging Environment - Schedule for Dec 2021/Jan 2022 – Ronel/ Chester
 - Data Governance
- IDP Password - Q1 2022 - Ishen Prithipal
- Post 16 OctDR Feedback - Leon Scholtz
- SENS Project Webinar - 16 November 2021 Webinar - Sandra Borrageiro

End, Thank you...

