JSE @ Your Service 7

Trade types: Onbook and Reported including Trade Cancellations and Strategy Trades

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JSE

let's connect

MEET THE TEAM

Martin Koch
Head: Trading Operations
Martink@jse.co.za

Tshephang Tsheoga
Senior Specialist: Trading Operations
Tshephangt@jse.co.za

As Trading Operations, we are committed to making a meaningful impact in the financial markets by:

- Ensuring fairness, transparency and integrity across all markets
- Driving innovation and fostering growth through education and engagements

Our core responsibilities include:

- Managing day to day trading and market operations across all asset classes
- Overseeing new product releases from concept to production, including design, testing, delivery and handover for ongoing support
- Providing second level support to address client queries and issues
- **Client Service Centre (CSC)** serves as our **first-level support** and can be contacted on 011 520 7777 or customersupport@jse.co.za

Objectives

- **Create a collaborative space** for all market participants.
  Bridge the gap between traders, their frontends and functionality

- **Educate the market** on standard JSE functionality
  Address trader pain-points and align on basic market operations.
  Enhance fairness and transparency across all members

- **Encourage co-creation,** approachability and stronger relationships
  Foster more frequent **face-to-face engagement** with each member

Vision for JSE @ Your Service

Empowering our clients education, collaboration, and tailored support to unlock the full potential of JSE's trading ecosystem.

Educate & Empower

- Build foundational understanding of trading functionality and operational workflows
- Simplify complex concepts, address common queries, and demystify trading processes
- **Intended Audience:** Head of trading desks, traders and immediate teams, new members across EQM, EDM,& FXM, members of the trading desks and back office teams

Monthly Virtual session (60 minutes)

- **Themed educational walkthroughs** of trading functionalities
- Discuss evolving market practises
- Create a consistent learning rhythm and foster collaboration
- **Resources shared**: After each session, clients receive:
  - Recording for reference
  - The Presentation deck (PDF Format)
  - Quick links to relevant documentation
  - Summary of key takeaways

Tailored in-person visits (On request)

- Deep-dive into **client specific needs and workflows**
- Strengthen relationships and provide hands-on support
- Open discussions, brainstorming , knowledge sharing and problem solving.
- Flexible to present in meeting rooms or join traders at their desks for minimal impact to operations.
- Discuss updates on projects, new functionality and enhancements.

Building Together

- **Client input matters** : We want to hear what topics matters most to you
- Post-session surveys to assess usefulness, relevance and impact
- Use feedback to shape future sessions, formats and content
- A shared roadmap for continuous improvement and innovation
- Potential for a year-end in-person session based on engagement.

Recap from Previous Session

Circuit Breakers

- Trigger volatility auctions when predefined price thresholds are breached
- Protect market integrity and support orderly price discovery during volatility

Price Bands

- Prevent erroneous or extreme orders from entering the market
- Order outside the permitted range are rejected by the trading system

Auction Call Extensions

- Market Order Extensions **(MOE)** address order imbalances before matching
- Price Monitoring Extensions **(PME)** help stabilize excessive price movements

Impact on Orders

- IOC and Market Orders expire if a circuit breaker is triggered
- Remaining persistent quantities may be re-entered into the order book.

Self- Match Prevention (SMP)

- Prevents members from unintentionally trading against their own orders.
- Available in EQM using a unique SMP key assigned by the exchange.

Key Takeaway

- Price Bands control order entry while Circuit Breakers manage volatility
- Together with SMP, these safeguards promote fair and orderly markets.

The recording and presentation from Sessions 1-6 can be accessed here, at the bottom of the page under "JSE @ Your Service Webinars"

2026 Monthly Training Plan

Month	Theme	Expected Outcomes
29 January 2026	The Daily Trading Lifecycle and JSE Trading model	Introduce the initiative, set expectations, and members gain understanding of the full day structure, including key sessions and how the JSE trading model supports price discovery and execution
26 February 2026	Type of Orders, Order Attributes & Order Management	Improve order handling accuracy, reduce rejections and optimize execution strategies using the correct order types and qualifiers
26 March 2026	Auction sessions, Matching Algorithm & Priority Rules	Understand auction logic, optimize participation and reduce execution risk, including FCO's
7 May 2026	Closing Price Methodology	Members understand how closing prices are calculated , the role of the closing auction, and how it impacts valuations and settlement
28 May 2026	Instruments, structured products and user created instruments	Members understand the instrument types available in all three markets and the creation of user created instruments, including bespoke structured products.
25 June 2026	Circuit breakers, Price Bands & Self Match Prevention	Members understand safe trading practices and how circuit breakers and price bands protect market integrity active monitoring of volatility auctions, duration and manual intervention for market quality
30 July 2026	**Trade types: Onbook and Reported including Trade Cancellations and strategy trades**	**Members understand single and dual trade reporting, trade cancellation and modification, including next day cancellations**
27 August 2026	Exchange Traded Products & Market making	Improved trading strategies and product utilization
30 September 2026	Market data Dissemination and Technical gateways, including SENS and Indices	Members understand the structure and flow of JSE market data, how to access it, and how to use it effectively in trading decisions.
29 October 2026	Corporate actions	Detailed workflow of corporate actions, how they are captured in the trading engine and information made available via market data gateways.
26 November 2026	Year –End Wrap up & vision for the following year including Market Trends & Insights	Share key market developments, trading volumes, and behavioral insights. Celebrate progress and member contribution, build excitement for the next phase of engagement

Trade Types Overview

Trade types provide a standardized classification of transactions executed or reported to the JSE. They determine how trades are reported, published to the market and included in trading statistics.

On Book vs Reported (Off Book) Trades

On Book Trades	Reported (Off Book) Trades
Executed through the central order book	Negotiated away from the order book
Contribute to price discovery	Reported to the exchange after agreement
Matched by the trading system	Captured via trade reporting process
Examples: Automated Trades, Uncrossing Trades, Cross Trades	Examples: Block Trades, Corporate Finance Trades, Late Trades

Members can obtain the full list of available trade types from the **TradeTypeEntries** reference data file available via IDP.

The file provides information including; Trade type code and description, Trade reporting model, whether the trade is published to market data; capacity combinations; whether negative pricing is allowed.

Trade Reporting (Off-Book Trades)

Off-Book Trades are transactions negotiated outside the central order book and subsequently reported to the JSE through the **Post Trade Gateway.** The exchange validates the trade and disseminates the information according to the rules associated with the selected trade type.

Key Principles

- Off-Book Trades must be reported using a valid Off-Book Trade Type.
- Reporting is supported across both JSE and NSX markets
- Trades may be reported using either the **Single Party** or **Dual-Party** reporting model.
- Confirmed trades are published and processed according to the attributes of the selected trade type.
- Trade cancellations and modifications are submitted via the Post Trade Gateway.

Off-Book Trades Reporting provides a controlled mechanism for capturing, validating and publishing trades negotiated outside the central order book.

Trade Reporting is available on the
JSE Equity Market from 08:00 – 18:15 and on the
JSE Equity and Currency Derivative Markets between 08:00 – 18:30

Single Party Trade Reporting

Definition

- One firm submits the trade on behalf of both sides of the transaction
- Submitted via a Trade Capture Report (TCR-AE) through the Post Trade Gateway

Key Information Captured

Trade Details

- Instrument
- Price
- Quantity
- Trade Type
- Trade Date

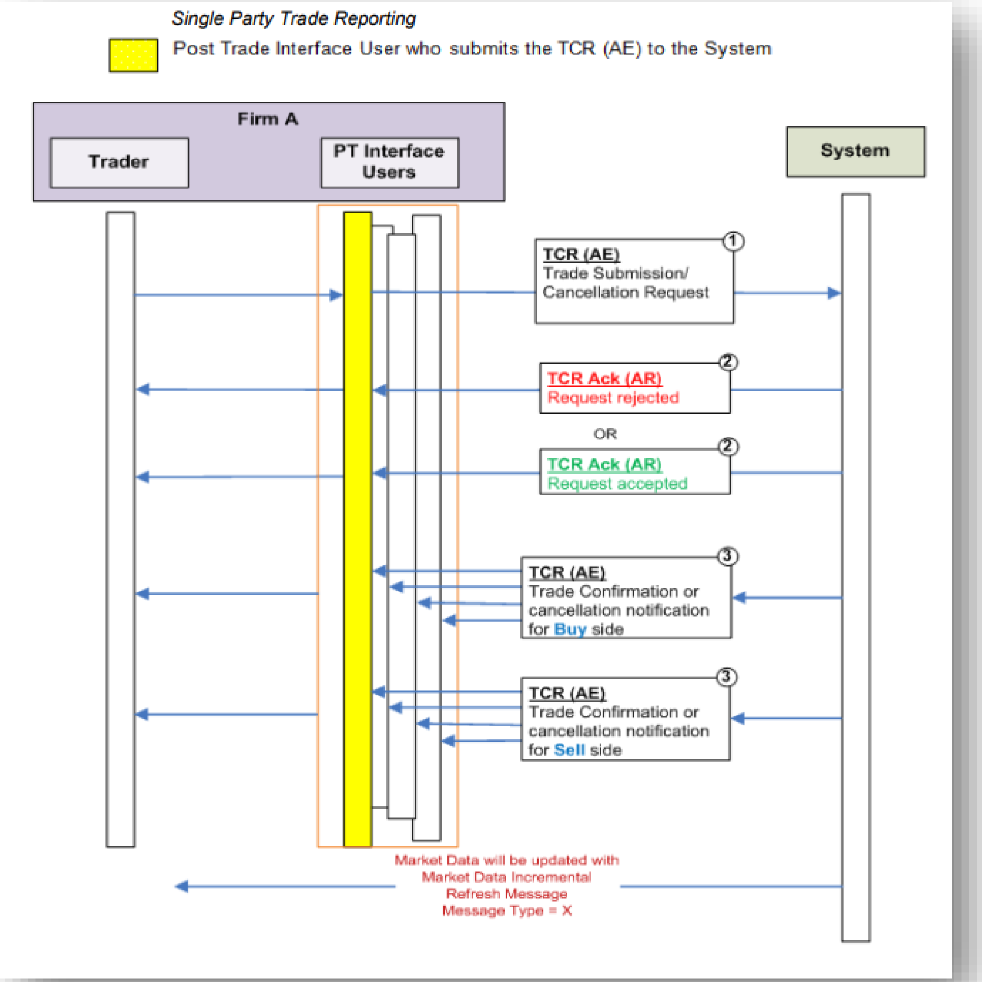
Party Details

- Firm ID
- Trader Group/ Trader ID
-Client Account
- Dealing Capacity
- Buy /Sell Side

Processing Flow

Submit → **Validate** → **Acknowledge** → **Confirm**

* A single Trade Identifier is used, as only one firm submits the trade report.



Dual Party Trade Reporting

Definition

- Both counterparties are required to submit their side of the trade reporting process
- The initiating firm submits a Trade Capture Report (TCR-AE) through the Post Trade Gateway

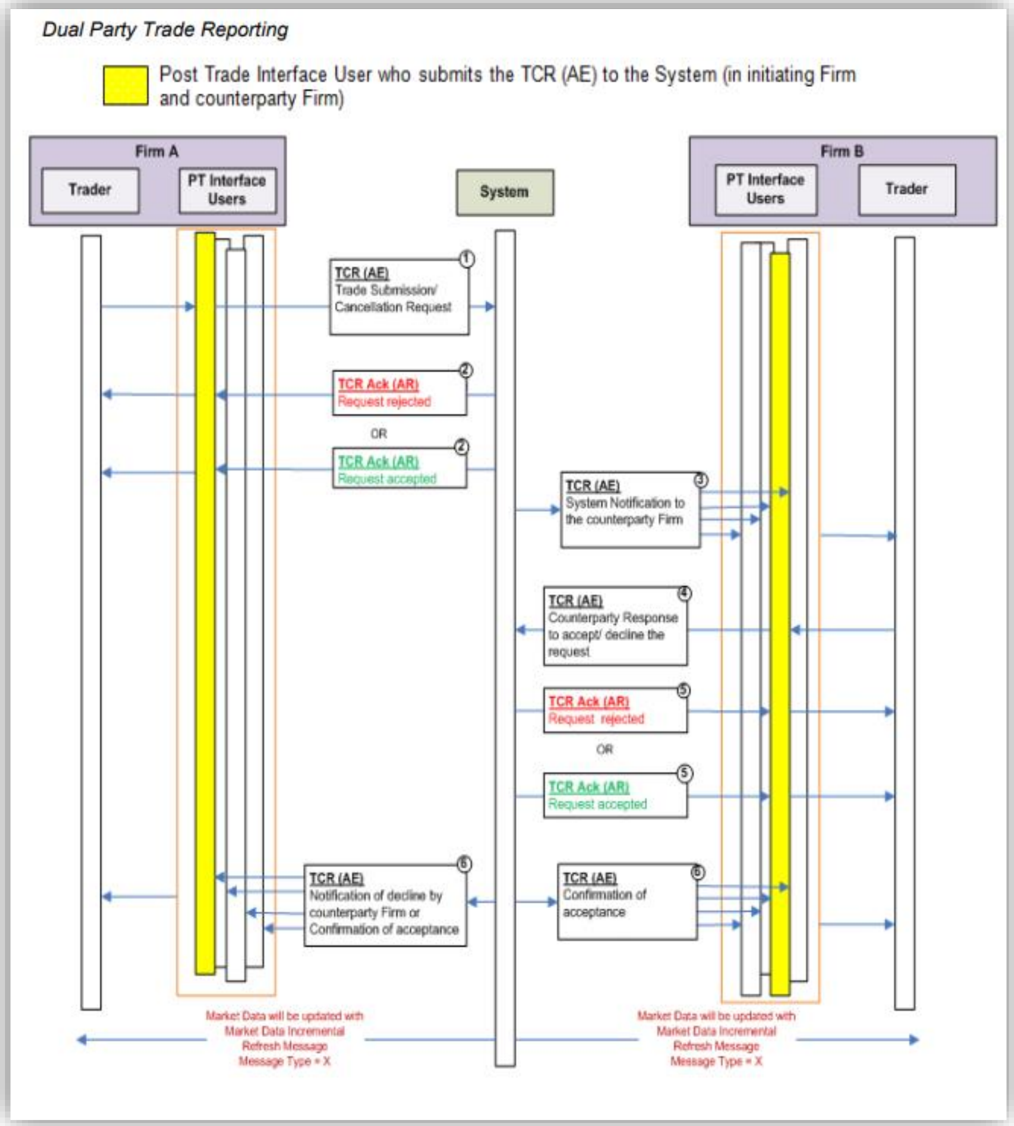
Key Information Captured

Initiating Firm	**Counterparty Submission**
• Instrument	- Trader Details
• Price	- Client Account
• Quantity	-Dealing Capacity
• Trade Type	- Buy/Sell Side
• Trade Identifier	-Accept/Decline Response
• Counterparty Firm ID	- They also submit their matching side of the trade

Processing Flow

Submit → **Validate** → **Notify Counterparty** → **Accept/Decline** → **Confirm**

* Unlike Single Party Reporting, Dual Party Reporting requires a matching response from the counterparty before the trade can be confirmed and published



Trade Reporting Validations

The JSE validates each Trade Capture Report before accepting the submission.

Trade Validations

- Valid Trade Type and Reporting Model
- Valid trade date and trading session
- Instrument exists and is active in the trading system

User & Firm Validation

- Valid Trader ID and Post Trade User
- Correct privileges for trade reporting
- Firm, Trader Group and Trader are not suspended

Data Validation

- All mandatory fields are populated
- Valid dealing capacity combinations
- Publication indicator aligns to the selected Trade Type

Additional Rules

- Off-Book Trades may only be backdated by one trading day only
- Unconfirmed or invalid submissions are rejected by the system

* Trade reports are only accepted once all business, participant and system validations have been passed.

Reported Trade Cancellations - Same Day (Single/Dual Party)

Once a reported trade has been confirmed, participants may initiate a cancellation request via the Post Trade Gateway using the **original Trade ID**.

Single Party	Dual Party
Originating member submits the cancellation request.	Either party may initiate the cancellation request.
System validates the request against the original trade.	System validates the request and notifies the counterparty.
Cancellation is completed once validations pass.	Counterparty acceptance is required before cancellation is completed.
Cancellation request cannot be withdrawn once accepted by the system.	Cancellation request may be withdrawn before counterparty acceptance

Processing Flow

Single Party: Submit → Validate → Accept/Reject → Cancel Trade

Dual Party: Submit → Validate → Notify Counterparty → Accept/Decline → Cancel Trade

Key Takeaway

Both models require the original Trade ID and validation against the original trade; however, only the Dual-Party model requires counterparty participation.

Reported Trade Cancellations – Next Day (Single Party)

Once a reported trade has been confirmed, a next-day cancellation is affected by submitting **an equal and opposite** Off-Book Trade using an **LC** or **NC** Trade Type via the Post Trade Gateway.

Cancellation Types	
Trade Type	Description
LC	Cancellation of a Published Off-Book Trade
NC	Cancellation of a Non-Published Off-Book Trade

Key requirements

- Initiated by the member who reported the original trade.
- Original Trade ID and Trade Date must be provided.
- Cancellation may only be submitted for trades from the previous trading day.
- No prior approval from Market Surveillance is required for next-day cancellations

Processing Flow

Submit Reversal Trade → Validate → Accept/Reject → Generate New Trade ID

- The cancellation is submitted as a new Off-Book Trade.
- The reversal trade receives a new Trade ID.
- The original Trade ID and Trade Date must be provided to identify the trade being reversed.
- Trades cannot be backdated by more than one trading day.
- LC trades are published to market data.
- NC trades are not published to market data.
- Neither LC nor NC update current-day trading statistics.

* Next-day cancellations are processed as reversal trades using LC or NC Trade Types and generate a new Trade ID.

Reported Trade Cancellations – Next Day (Dual Party)

Once a reported trade has been confirmed, either party may initiate a next-day cancellation by submitting an equal and opposite Off-Book Trade using an **LC or NC** Trade Type via the Post Trade Gateway.

Key Requirements

- Original Trade ID and Trade Date must be provided.
- Cancellation may only be submitted for trades from the previous trading day.
- Counterparty participation is required to complete the cancellation process.

Processing Flow

Submit Reversal Trade → Validate → Notify Counterparty → Accept/Decline → Generate New Trade ID

- The cancellation is submitted as a new Off-Book Trade.
- The reversal trade receives a new Trade ID.
- Both parties must submit and match the cancellation request.
- The initiating firm may withdraw the request before counterparty acceptance.
- If the counterparty response fails validation, the request expires at end of day.

Next-Day On Book Trade Cancellations (PC Trade Type)

On Book trades executed on the previous trading day are cancelled using a **PC** (Previous Day Cancellation) trade type, submitted as an equal and opposite transaction through the **Post Trade Gateway**.

Single Party	Dual Party
One firm submits the cancellation request.	Either party may initiate the cancellation request.
Cancellation is processed once system validations pass.	Counterparty acceptance is required before cancellation is confirmed.
Generates a new Trade ID.	Generates a new Trade ID
Request cannot be backdated by more than one trading day.	Request cannot be backdated by more than one trading day.
Published via market data.	Published via market data once confirmed.

Key Takeaway:

The cancellation mechanism is identical for both models; the primary difference is that Dual Party cancellations require counterparty acceptance before confirmation

Derivatives Markets (EDM & FXM) – Key Differences

Trade Reporting Matching

- EDM and FXM reported trades are matched on Price/Volatility (LastPX (31)).
- For Naked Options, the Underlying Futures Price (810) is also validated during matching.

Backdated Trade Reporting

- Unlike the Equity Market, backdated reported trades are not enabled for the Equity and Currency Derivative Markets.
- Reported trades must be captured on the same trading day.

Strategy Reporting

Strategy trades may be linked using a Strategy Link ID (27100). This means submitting numerous trade reports (depending on the strategy) in different instruments and linking these via TAG 27100.

Supported strategies include:

- Delta Options
- Inverse Calendar Spread
- Splits

Roll Trades for Derivative Markets (RT Trade Type)

Roll trades are used to move an existing derivative position to the next expiry. They should be booked using the RT (Roll Trade) functionality or a Calendar Spread (on screen) where applicable - rather than a NT (Negotiated Trade) type.

Use case	JSE treatment
Roll exposure to next expiry	Close/offset near-expiry exposure and open the later-expiry exposure.
Correct booking code	Use RT (Roll Trade) or Calendar Spread; do not use NT for a roll. **This will ensure the booking discount is correctly applied.**
Reported trade model	Handled as an off-book / reported trade.
Confirmation / matching	Dual-party submissions require the counterparty to match or accept before confirmation.
Market-data outcome	Confirmed RT trades are published by the JSE.
Statistics	Helps inform the market of trading activity and relate this back to market events.

Key Takeaway:

Use RT specifically for rolling derivative positions to the next expiry; confirmed RT trades follow the JSE reported/off-book confirmation and publication rules.

Upcoming Enhancement: Additional Strategy Types

New Enums for Strategy Trades - EDM /FXM

The Strategy Type field (27110) in the Trade Capture Report (TCR) will be expanded to support additional strategy classifications. This field indicates the type of multi-legged instrument and is required if a StrategyLinkID (27100) is specified.

Existing Strategy Types

Value	Meaning
1	Delta Option
2	Inv Cal Spread
3	Splits
4	FwdFwd

New Supported Strategy Types

Value	Meaning
5	Synthetic Dividend Futures
6	Collar
7	Put Spread
8	Call Spread
9	Short Fence
10	Long Fence
11	Long Straddle
12	Short Straddle

Thank you

Kindly scan the QR code to share your feedback, or use the survey link provided in the chat

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