



JOHANNESBURG STOCK EXCHANGE

SAFEX Commodity Derivatives

Contract specifications for JSE – COMEX Gold Contract

Name	Gold Contract (OPTIONS)
Underlying instrument	A JSE – COMEX Gold Futures contract
Option type	American style options
Contract size	One contract = 10 troy ounces
Contract months	April, June, August, October and December
Price quotations	Options will be quoted in Rands (ZAR) per contract
Strike price	R100.00 per ounce strike price intervals
Expiration of trading	Trading ends two business days before the termination of trading in the underlying futures contract, except if the expiration day falls on a Friday or alternatively the CME Group have a holiday scheduled in between options expiration and first notice day, in which case expiration will then occur on the previous business day. <i>Eg: August10 futures expire on the 29th July, options will expire on the 27th July</i>
Option exercise criteria	Options are American style with the long position holder able to exercise the option position at any time during trading hours up to and including the expiration date. All in the money options will be automatically exercised by the JSE. The JSE will determine the final closing price on option expiration day 15 minutes prior to the close of trade – this will be published via an announcement on NUTRON.
Daily mark-to-market	The JSE will determine the daily m-t-m in accordance with the defined processes.
Settlement method	Cash settled in South African Rands (ZAR).
Exchange fees	R8.00 per contract (incl Vat), all options exercised into futures will not be charged a JSE fee, if exercised early the trades should not be included in any post trade activity to realise this benefit.
Qualifying audience allowed to participate	<ul style="list-style-type: none"> » Individuals and Foreigners have no limits. » Corporate entities have no limits. » Pension funds and long term insurance companies subject to their 20% foreign allocation limits » Asset managers and registered collective investment schemes subject to their 30% foreign allocation limits
Trade types accommodated	<p>All trading activity (bids and offers) must be entered onto the central order book during trading hours however the JSE will accommodate the following report only trade types provided they meet the existing criteria:</p> <ul style="list-style-type: none"> » Exchange for Risk (EFR's). » Net – off of positions applicable to the same legal entity. <p>The JSE will also accept OTC transactions specific to the contract should these be agreed to outside of the standard trading hours between registered counterparties. A minimum volume criteria of 200 contracts will be applicable unless participants require futures contracts to manage their delta exposure on a option portfolio, in this instance no minimum will be applicable. These transactions should be reported to the JSE before 07h30 the following morning and must be market related – this will then be entered into the order book by the JSE before market open.</p>

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