



## Market Notice

**Number:** A1331  
**Date:** 19 November 2010

### Further enhancements to the Safex silo receipt auction process

Further to notice A1325 which describes the list of items addressed in the updated version on Nutron, please find below details of the enhancements that are specific to the Safex silo receipt auction.

Following feedback from market participants, the auction functionality will be amended to allow for any registered client who is interested in bidding for a specific silo location to do this without the need to have an existing long position. In addition to this, functionality was also added so that when a registered dealer is bidding, the client code previously bid on will be the default when opening up the bid box to allow for a quicker counter bid should this be required.

The auction times as well as the rest of the business process remains the same.

To assist users in understanding the enhancements, please refer to the below:

1. When using your mouse and selecting the applicable cell in the **“Premium Bid”** field you will only access the clients that have an existing long on the PRIN dropdown.

Silo Location	# Of Cont	Premium Bid	QtyB	High	Low	Volume
Arnot	39	0	0	0	0	0
Middelburg	13	0	0	0	0	0

**Make Bid - WMAZ\_Arnot**

Qty: 39  
Premium: 0.00  
Prin: ZAN342  
Dealer: EVA

Buttons: OK, Cancel



If the member firm does not have any clients with a long position, the following message will appear when trying to bid:



2. If you bid selecting “QtyB” field all registered clients will be available on the PRIN dropdown list, the new functionality is therefore driven off the specific cell that is selected.

Silo Certificate Auction for - WMAZ							
Silo Location	# Of Cont	Premium Bid	QtyB	High	Low	Volume	
Arnot	39	0	0	0	0	0	
Middelburg	13	0	0	0	0	0	



3. Currently the software will not accommodate clients to make delivery and at the same time bid on other locations for the same product. Since it is possible for clients to first bid and then enter a delivery notice, the system will do an automated check at 12h45 to ensure that any bids entered prior to the delivery notice on the day are deleted from the orders file. Clients are therefore advised to be aware of this market event should they no longer be able to view their bids after 12h45. The ability to make delivery and bid on the same day will be accommodated in a future software release following updates to all clearing members admin systems. The below message will appear should you try bid and already have captured a delivery notice for the day.



4. To assist with a quicker turn around for counter bidding, the client code eg ABE672 previously bid on will be the default when opening the bid box:

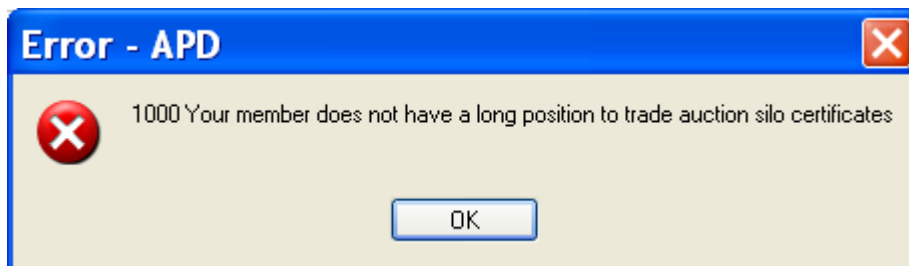


5. Since it will now be possible to bid on product without having an existing long position and should the client be successful in the auction, the JSE will create a long futures positions for the successful bid in order to process the usually delivery. In addition to the long position created, **the JSE will also create a corresponding short position in order to balance out the net positions.** Clients are reminded that they will then either have to deliver alternative stock or trade out of the positions the next business day ( if the expiry is still available for trading). This process will be accommodated up until and including last trading day, thereafter only clients with an existing long position will be able to bid on silo locations. This is what your trades file will look like should you be successful with the auction bid, an equal an opposition futures position will be captured at the MTM of the day.

## NUTRON DEALS

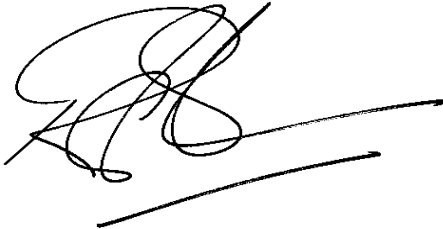
Contract	Trade Date	Principle	Master Client	Buy/Sell	Qty	Price	Dealt At	Ref No	Excha Re
NOV10 SUNS	11112010	SLG052	SLG052	S	4	5070	5070	DELIVERY	DELIVER
NOV10 SUNS	11112010	SLG052	SLG052	B	4	5070	5070	AUTOCLOSE	AUTOCL

6. The business day following last trading day, bidding will only be possible if the client has an existing long position. Although the quantity bid “QtyB” column will be active displaying the full list of clients, should you try put in a bid, you will get the following error message:



The new functionality will be rolled out this weekend however since the November expiry would have already moved beyond last trading day, the above functionality will only be available from first notice day for the December 2010 expiry.

Should there be any further clarifying questions, please feel free to contact the commodities team on 011 520 7535 or email [commodities@jse.co.za](mailto:commodities@jse.co.za) .

A handwritten signature in black ink, appearing to be 'RB', with a long horizontal line underneath it.

**Rod Gravelet-Blondin**

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