



## Market Notice

**Number:** F4423  
**Date:** 24 August 2010

### New Can-Do XTPQ – Variance Future

The following new Can-Do Variance Future (XTPQ) has been added to the list with immediate effect and will be available for trading today.

Summary Contract Specifications:

Futures Contract	XTP
<b>Code</b>	XTPQ
<b>Buyer</b>	The party holding the long position to the Can-Do Variance Future (“Long Party”)
<b>Seller</b>	The party holding the short position to the Can-Do Variance Future (“Short Party”)
<b>Index</b>	FTSE/JSE TOP40 Index
<b>Initial Index Level</b>	Closing Index Level on Trade Date
<b>Variance Point Value, VPV</b>	1 Variance point = 1 Rand
<b>Trade Date</b>	23 August 2010
<b>Expiry/Valuation Date</b>	15 June 2011
<b>Business Day</b>	Any day that is not a Saturday, Sunday, scheduled or unscheduled public holiday of the Republic of South Africa and on which banks in Johannesburg are open for a normal trading day and the Index is published by the JSE Limited.
<b>Futures Price Valuation</b>	Applicable
<b>Quotations</b>	Variance points to two decimals
<b>Minimum Price Movement</b>	R1 (0.01 in variance points)
<b>Expiry Valuation Method</b>	Realised Volatility ( <b>RV</b> ) as calculated by the JSE Limited over the contract period (Formula for calculation: See Appendix A)



JSE Limited Registration Number: 2005/022939/06  
One Exchange Square, Gwen Lane, Sandown, South Africa.  
Private Bag X991174, Sandton, 2146, South Africa. Telephone:  
+27 11 520 7000, Facsimile: +27 11 520 8584, www.jse.co.za

**Executive Directors:** RM Loubser (CEO), NF Newton-King, F Evans (CFO), JH Burke, LV Parsons  
**Non-Executive Directors:** HJ Borkum (Chairman), AD Botha, ZL Combi, MR Johnston, DM Lawrence, W Luhabe, A Mazwai, NS Nematswerani, N Nyembezi-Heita, N Payne, G Serobe  
**Alternate Director:** J Berman

<b>Final Equity Payment</b>	<b>VNA x [RV<sup>2</sup> - VK<sup>2</sup>]</b> If such amount is positive, then Seller shall make payment to Buyer If such amount is negative, then Buyer shall make payment equal to absolute value of this amount to Seller
<b>Clearing House Fees</b>	See Can-Do Booking Fee Schedule: <a href="http://www.jse.co.za/booking_fee_schedule.jsp">http://www.jse.co.za/booking_fee_schedule.jsp</a>
<b>Initial Margin</b>	R215
<b>Class Spread Margin</b>	R105
<b>V.S.R</b>	3.5
<b>Volatility Strike, VK</b>	29.09
<b>Volatility Cap, VC</b>	72.73
<b>Variance Strike, K</b>	846.23 ( <b>K = VK<sup>2</sup></b> )
<b>Realised Volatility, RV</b>	An amount calculated by the JSE Limited per the formula in Appendix A
<b>Vega Amount</b>	ZAR 100,000
<b>Variance Notional Amount, VNA</b>	ZAR 1718.80 ( <b>Vega Amount/(2 x VK)</b> )
<b>Number of trading Observation Days, n</b>	All trading days between and inclusive of the Trade Date and Valuation Date

## Appendix A

Realised Volatility (RV) will be calculated as follows:

$$RV = \min \left[ VC, \sqrt{\frac{252 \times \sum_{i=1}^n \left( \ln \frac{P_t}{P_{t-1}} \right)^2}{Expected\_N}} \times 100 \right]$$

Where:

$t$  = relevant Observation Day

$n$  = actual number of Observation Days

Expected\_N = means **204**

$P_t$  = in respect of an Observation Day, the official level of the Index at close of trading on such Observation Day; provided that, if “Futures Price Valuation” is Applicable, “ $P_t$ ” means Official Settlement Price of the Exchange-Traded Contract of the Index on the Observation End Date, being the arithmetic average of the Index price observed every 60 seconds (100 observations), between 12:01pm and 13:40pm on the Observation End Date. For the avoidance of doubt, this is the same method as the one used for the expiry of standard Exchange Traded Index Future on standard quarterly SAFEX expiry dates.

$P_{t-1}$  = in respect of the (a) the first Observation Day, (i) the Initial Index Level (ii) if none is so specified, the official level of the Index at close of trading on the Trade Date and (b) any subsequent Observation Day, the official level of the Index at the close of trading on the Observation Day immediately preceding such Observation Day subject to Market Disruption clauses.

Should you have any queries regarding Can-Do Options, please contact the Can-Do team on 011 520-7210 or at [cando@jse.co.za](mailto:cando@jse.co.za)

**Allan Thomson**

Designation      Director  
Division          Trading  
Tel                 +27 11 520 7082  
Fax                 +27 11 520 7551  
E-mail address:   allant@jse.co.za

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