

## CONTRACT SPECIFICATIONS – QUANTO FUTURES – METALS

FUTURES CONTRACT	PALLADIUM QUANTO	COPPER QUANTO	GOLD QUANTO	PLATINUM QUANTO	SILVER QUANTO
<b>Trading system code</b>	QPLD	QCOP	QGLD	QPLT	QSIL
<b>Trading hours</b>	08:30 to 17:00 South African time. Admin period from 17h00 to 17h15 (Monday to Friday except South African National Holidays)				
<b>Underlying instrument</b>	<p>A palladium futures contract that is cash settled and traded in ZAR, but mimics the performance of the foreign referenced USD price of palladium as traded NYMEX (product symbol PA), a subsidiary of the CME Group Inc.</p> <p>Any relative price change in the latter will be matched by the former in ZAR.</p> <p>The JSE reserves the right to amend the contract specifications including settlement methodology should this be amended by the reference exchange</p>	<p>A copper futures contract that is cash settled and traded in ZAR, but mimics the performance of the foreign referenced USD price of copper as traded on NYMEX through its COMEX Division (product symbol HG), a subsidiary of the CME Group Inc.</p> <p>Any relative price change in the latter will be matched by the former in ZAR.</p> <p>The JSE reserves the right to amend the contract specifications including settlement methodology should this be amended by the reference exchange.</p>	<p>A gold futures contract that is cash settled and traded in ZAR, but mimics the performance of the foreign referenced USD price of gold as traded on NYMEX through its COMEX Division (product symbol GC), a subsidiary of the CME Group Inc.</p> <p>Any relative price change in the latter will be matched by the former in ZAR.</p> <p>The JSE reserves the right to amend the contract specifications including settlement methodology should this be amended by the reference exchange.</p>	<p>A platinum futures contract that is cash settled and traded in ZAR, but mimics the performance of the foreign referenced USD price of platinum as traded on NYMEX (product symbol PL), a subsidiary of the CME Group Inc.</p> <p>Any relative price change in the latter will be matched by the former in ZAR.</p> <p>The JSE reserves the right to amend the contract specifications including settlement methodology should this be amended by the reference exchange</p>	<p>A silver futures contract that is cash settled and traded in ZAR, but mimics the performance of the foreign referenced USD price of silver as traded on NYMEX through its COMEX Division (product symbol SI), a subsidiary of the CME Group Inc.</p> <p>Any relative price change in the latter will be matched by the former in ZAR.</p> <p>The JSE reserves the right to amend the contract specifications including settlement methodology should this be amended by the reference exchange</p>
<b>Contract months</b>	February, May, August, November.				
<b>Contract size</b>	1 contract = 100 multiplier of the reference price per troy ounce	1 contract = 25,000 multiplier of the reference price per pound.	1 contract = 100 multiplier of the reference price per ounce.	1 contract = 100 multiplier of the reference price per ounce.	1 contract = 5000 multiplier of the reference price per ounce.
<b>Quotations</b>	Denominated in South African Rand				

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	<p>(ZAR) with the contract price referencing the foreign underlying commodity market for the expiry linked delivery period.</p>	<p>(ZAR) with the contract price referencing the foreign underlying commodity market for the expiry linked delivery period.</p> <p>As an example, if for the December delivery month in the US trades at USD 3.5680 per pound, the JSE November quanto futures will be quoted very close to ZAR 3.5680 per single unit depending on the market makers spread.</p>	<p>(ZAR) with the contract price referencing the foreign underlying commodity market for the expiry linked delivery period.</p> <p>As an example, if for the December delivery month in the US trades at USD 1700.30 per ounce, the JSE November quanto futures will be quoted very close to ZAR 1700.30 per single unit depending on the market makers spread.</p>	<p>(ZAR) with the contract price referencing the foreign underlying commodity market for the expiry linked delivery period.</p> <p>As an example, if for the April delivery month in the US trades at USD 1562.30 per ounce, the JSE February quanto futures will be quoted very close to ZAR 1562.30 per single unit depending on the market makers spread.</p>	<p>(ZAR) with the contract price referencing the foreign underlying commodity market for the expiry linked delivery period.</p> <p>As an example, if for the December delivery month in the US trades at USD 31.620 per ounce, the JSE November quanto futures will be quoted very close to ZAR 31.620 per single unit depending on the market makers spread.</p>
<b>Minimum price movement</b>	0.05 ZAR per contract unit.	0.0005 ZAR per contract unit.	0.10 ZAR per contract unit.	0.10 ZAR per contract unit.	0.005 ZAR per contract unit.
<b>Listing programme</b>	Ensure a minimum of two expiries are available for trade with the near having committed market maker(s). Should there be demand for any other calendar month combinations, these will be introduced on a demand basis and will apply to the standard contract conditions.				
<b>Expiry dates &amp; times ( see the product trading calendar on the web page <a href="http://www.jse.co.za/commodities">www.jse.co.za/commodities</a> for the detailed trading calendar)</b>	Expiry date will be the 15 <sup>th</sup> business day prior to the first business day of the reference month, should the day fall on a national holiday in either South Africa or US, or a weekend, the first business day prior to this will be referenced :	Expiry date will be the 15 <sup>th</sup> business day prior to the first business day of the reference month, should the day fall on a national holiday in either South Africa or US, or a weekend, the first business day prior to this will be referenced:	Expiry date will be the 15 <sup>th</sup> business day prior to the first business day of the reference month, with the exception of the Feb and Aug expiries which will reference a further dated month but continue to expire on the same calendar day as all other Quanto's. Should the day fall on a national holiday in either South Africa or US, or a weekend, the first business day prior to this will be referenced:	Expiry date will be the 15 <sup>th</sup> business day prior to the first business day of the next calendar month, with only three reference months applicable. Contract will continue to expire on the same calendar day as all other Quanto's. Should the day fall on a national holiday in either South Africa or US, or a weekend, the first business day prior to this will be referenced:	Expiry date will be the 15 <sup>th</sup> business day prior to the first business day of the reference month, with the exception of the May expiry which will reference a further dated month but continue to expire on the same calendar day as all other Quanto's. Should the day fall on a national holiday in either South Africa or US, or a weekend, the first business day prior to this will be referenced:

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<b>Determination of final cash settlement value</b>	<p>The final settlement price for cash settlement of the contract will require only a CME Group component, denominated in ZAR. There will be no foreign exchange rate adjustments.</p> <p>The CME Group settlement value (MTM) as published on the expiry date of the South African contract will be applied as the final cash settlement value. For details of the trading calendar please see the following link <a href="http://www.ise.co.za/Libraries/Commodity_Derivatives_Products_-_Quanto_Futures_Options/Trading_Dates_Quanto_Futures.sflb.ashx">http://www.ise.co.za/Libraries/Commodity_Derivatives_Products_-_Quanto_Futures_Options/Trading_Dates_Quanto_Futures.sflb.ashx</a>. Due to the time difference the final cash settlement value published by CME will only be reflected the following business day (which is the clearance date) for the final cash settlement process for remaining position holders. This value will be released to the market by 08h30 the following morning and processed as the final settlement value during the end of day clearing run – no trading will be accommodated on this day. An example the last trading day for NOV15 QPLD is Tuesday 10 November 2015, on this day the contract will cease to trade. On Wednesday 11 November 2015 no trading activity will be accommodated. Further the final cash settlement value (the CME Group settlement value (MTM) for 10 November 2015) will be released to the market by 8h30 and processed on 11 November 2015 as the final settlement during the end of day clearing run also initial margin held by the exchange will be returned to all position holders.</p> <p>Should the ZAR expiry day fall on an unannounced CME non trading day, the final cash settlement will reference the next CME business days MTM.</p> <p>The final ZAR settlement value will be rounded off to 4 decimals.</p> <p>The final ZAR settlement value will be publish via the trading system (NUTRON) the next business day and included in the end of day settlement prices.</p> <p>In the event that any of the reference markets are not available to determine the final settlement value, the JSE will consider all relevant facts, information and circumstances to determine the final cash settlement value in order to ensure that it reflects a fair market value.</p>																																																						
<b>Settlement method</b>	Denominated and cash settled in South African Rands (ZAR).																																																						

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<b>Initial margin requirements</b>	As per the JSE margining methodology, for the latest initial margin requirements per contract please visit the products page on the web: <a href="https://www.jse.co.za/downloadable-files?RequestNode=/Safex/APD%20Margin%20Requirements">https://www.jse.co.za/downloadable-files?RequestNode=/Safex/APD%20Margin%20Requirements</a>				
<b>Daily mark-to-market</b>	As determined by the JSE, a snapshot from trading activity in the last 5 minutes will be considered for the daily m-t-m.				
<b>Exchange fees (incl. VAT)</b>	R7.48 per contract	R 10.70 per contract	R 13.90 per contract.	R 13.90 per contract.	R 13.90 per contract.
<b>Daily price limits</b>	No price limits will be applicable				
<b>Position limits</b>	No position limits in South Africa however the JSE reserves the right to implement such.				
<b>Volatility scanning range</b>	3.5				
<b>Qualifying audience allowed to participate</b>	<ul style="list-style-type: none"> <li>• Individuals and Foreigners have no limits.</li> <li>• Corporate entities have no limits.</li> <li>• Retirement funds and long term insurance companies subject to their 25% foreign allocation limits.</li> <li>• Investment managers and registered collective investment schemes subject to their 35% foreign allocation limits.</li> </ul>				
<b>Trade types accommodated</b>	<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"> <li>• Exchange for Risk (EFR's).</li> <li>• Net-off of positions applicable to the same legal entity.</li> <li>• The JSE will accept transactions specific to the contract outside of the standard trading hours as agreed between registered counterparties. A minimum contract volume of 30 contracts will be required in order for this transaction to be processed. These transactions must be reported to the JSE before 07h30 the following morning and must be market related – the transactions will then be entered into the order book by the JSE before market opens</li> </ul>				

## CONTRACT SPECIFICATIONS – QUANTO OPTIONS – METALS

OPTIONS CONTRACT	PALLADIUM QUANTO	COPPER QUANTO	GOLD QUANTO	PLATINUM QUANTO	SILVER QUANTO
<b>Trading System Code</b>	QPLD	QCOP	QGLD	QPLT	QSIL
<b>Trading Hours</b>	09:00 to 17:00 South African time. (Monday to Friday except South African national holidays)				
<b>Underlying Instrument</b>	A JSE Palladium Futures Contract	A JSE Copper Quanto contract	A JSE Gold Quanto Futures contract	A JSE Platinum Quanto Futures contract	A JSE Silver Quanto Futures contract
<b>Options Type</b>	American style options				
<b>Contract size</b>	One contract = QPAL futures contract (100 multiplier)	One contract = QCOP futures contract (25,000 multiplier)	One contract = QGLD futures contract (100 multiplier)	One contract = QPLT futures contract (100 multiplier)	One contract = QSIL futures contract (5000 multiplier)
<b>Contract months</b>	February, May, August and November			February, May and August	February, May, August and November
<b>Price Quotation</b>	Options will be quoted in ZAR <b>per full nominal of each contract</b>				
<b>Strike price intervals (flexible based on market demand)</b>	R20.00 per contract unit strike price intervals	R1.00 per contract unit strike price intervals	R20.00 per contract unit strike price intervals	R20.00 per contract unit strike price intervals	R1.00 per contract unit strike price intervals
<b>Expiration of trading</b>	Options will expire on the same day as the listed futures contract and reference the published closing price in order to determine if the option strike is in the money.				
<b>Exercise Criteria</b>	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				

OPTIONS CONTRACT	PALLADIUM QUANTO	COPPER QUANTO	GOLD QUANTO	PLATINUM QUANTO	SILVER QUANTO
	automatically exercised by the JSE at expiration.				
<b>Daily Mark-to-market</b>	The JSE will determine the daily m-t-m in accordance with the defined processes. The JSE reserves the right to introduce a volatility surface.				
<b>Settlement Method</b>	Cash settled in ZAR.				
<b>Exchange Fees</b>	R6.41 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.	R6.41 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.	R8.55 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.	R8.55 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.	R8.55 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.
<b>Trade types accommodated</b>	<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"> <li>• Exchange for Risk (EFR's).</li> <li>• Net-off of positions applicable to the same legal entity.</li> <li>• The JSE will accept transactions specific to the contract outside of the standard trading hours as agreed between registered counterparties. A minimum contract volume of 30 contracts will be required in order for this transaction to be processed. These transactions must be reported to the JSE before 07h30 the following morning and must be market related – the transactions will then be entered into the order book by the JSE before market opens.</li> </ul>				

