



## Market Notice

**Number:** Y566A

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### JSE lists Rand Currency Index Futures Contract (RAIN)

Today, the JSE's new Rand Index (RAIN) will go live. The RAIN index is a currency index which can be used by the asset management industry, economists as well as importers and exporters as a tracking and forecasting tool to determine the rand's strength against a basket of currencies.

The Rand's been under the spotlight in recent weeks due to its strength, with much debate around whether to intervene or not. The RAIN -- which tracks the movement of the Rand against the currencies of South Africa's top 5 major international trading partners (the Euro, US Dollar, Chinese Yuan, UK Pound and Japanese Yen) -- provides a much-needed public benchmarking tool.

The representative weight of each currency in the Index will be calculated using audited import and export data of physical goods obtained from the South African Revenue Service, data which is currently only available two months in arrears.

The JSE believes the Index will be particularly useful to those users wanting to measure the competitiveness of South African goods in international import and export markets.

The RAIN gauges Rand volatility versus that of South Africa's key trading partners' currencies and so should prove a useful tool in determining whether the rand is under or over-valued.

The JSE has listed the tradable products based on the RAIN as per the attached specification.

Calculated daily by the JSE at 15h00 and 17h00, the RAIN will be distributed daily. A review of the inclusion of each of the five currencies and changes in individual currency weightings will take place annually at Index review. The JSE will then communicate any changes to currencies that make up the index or their weighting to the market.



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The specifications for the Rand Currency Index (RAIN) contract are outlined in the attached document.

**Exchange Fees – Sliding Scale fee structure for Futures and Options:**

Number of contracts traded	Futures trading fee per contract	Options trading fee per contract
1 – 999	R5,00	R2,50
1,000 – 4,999	R4,50	R2,25
5,000 – 7,499	R4,00	R2,00
7,500 – 9,999	R3,50	R1,75
10,000 or more	R3,00	R1,50

\*All the above fees exclude VAT of 14%.

**Initial Margin Requirements for Rand Currency Index (RAIN) Contracts:**

Contract Code	Expiry Date	Initial Margin Requirement	Spread Margin Requirement
RAIN	13 December 2010	<u>R4,891</u>	<u>289</u>
RAIN	14 March 2011	<u>R4,960</u>	<u>293</u>

**Traders loading the new Rand Currency Index (RAIN):**

All traders wishing to trade the new RAIN Index contract will be able to do so by adding the new contract into their existing trading window in Nutron.

- Right click over the currency contracts
- Click on add/delete contracts
- Select Add/Delete Class of contract and click on ok
- Click on the drop down arrow to select RAIN
- Click on the + sign and click on ok
- Log off and log back into Yield-X/Nutron

If you have any queries, please feel free to contact Warren Geers (+27 11 520 7470) / [warreng@jse.co.za](mailto:warreng@jse.co.za) or Andrea Maisel (+27 11 520 7487) / [andream@jse.co.za](mailto:andream@jse.co.za).

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