

JSE Eris Interest Rate Swap Futures

N-Y Standard Contract Specifications
June 2015

Trading Hours	Regular Trading Hours (RTH): 08h00 -17h00
Contract Structure	R100,000 notional principal whose value is based upon the difference between a stream of quarterly fixed interest payments and a stream of quarterly floating interest payments based on 3 month JIBAR, over a term to maturity.
Underlying Swap Tenor	1, 2, 5 and 10 Years *More tenors envisaged to be launched in the future.
Contract Short Name	N-Y Stnd <Fixed Rate> <Month> <YYYY-YYYY>, where the <Month> will be the first three characters of the month of the Effective Date and <YYYY-YYYY> will represent the year of the Effective Date and the year of the Maturity Date For example, the 10Y Standard with an IMM Effective Date in September 2015 and a Maturity Date in September 2025 will have a Contract Short Name of "10Y Stnd 5.8% Sep 2015-2025"
Fixed Rate	Pre-determined rate set by JSE Ltd which will remain static throughout the life of the contract <ul style="list-style-type: none"> • Determined just prior to quarterly listing • Multiple fixed rates may be pre-determined • Rounding convention: to the nearest 25bp on listing date
Contract Size	1 Contract = 1 lot = R100,000 face value
Trading Conventions	Buy = Pay Fixed Sell = Receive Fixed
Swap Futures Leg Conventions	<p>Fixed Leg</p> <ul style="list-style-type: none"> • Reset Frequency Quarterly • Day Count Convention Act/365 • Currency ZAR • Holiday Calendar(s) South Africa • Business Day Convention Modified Following with adjustment to period end dates <p>Floating Leg</p> <ul style="list-style-type: none"> • Reset Frequency Quarterly • Day Count Convention Actual/365 • Currency ZAR • Holiday Calendar(s) South Africa • Business Day Convention Modified Following with adjustment to period end dates.

Effective Dates	<p>Quarterly IMM Dates</p> <ul style="list-style-type: none"> • 3rd Wednesday of each March, June, September, December.
Cash Flow Alignment Date (CFAD)	<p>The date used for aligning all fixed and floating Reset Dates, and for determination of the Maturity Date.</p> <p>CFAD can be derived by adding N-Years to the Effective Date.</p>
Maturity Date	<p>The final date to which fixed and floating amounts accrue. The last date of the contract.</p> <p>Maturity Date is determined by applying the Modified Following rule to the Cash Flow Alignment Date. If the Cash Flow Alignment Date is a non-business day in South Africa, go forward to the next day that is a business day in South Africa.</p> <p>Eris PAI™ accrues up to and including the Maturity Date</p> <p>The Maturity Date may also be referred to as Termination Date.</p>
Underlying Tenor	<p>The duration of time from the Effective Date to the Cash Flow Alignment Date.</p>
Remaining Tenor	<p>The duration of time from today to the Cash Flow Alignment Date.</p>
Reset Dates	<p>Dates utilized to determine fixed and floating amounts throughout the life of the Contract. Reset Dates define the beginning and end of fixed and floating interest accrual periods. Floating Rate Reset Dates facilitate the determination of the JIBAR Fixing Dates.</p> <p>The Cash Flow Alignment Date will be used as the basis for determining Reset Dates. Each Reset Date is subject to adjustment based on Modified Following convention</p> <ul style="list-style-type: none"> • For example, if the CFAD is 16/09/2015, the Reset Dates will be on the 16th of December, March, June and September, subject to the Modified Following convention.
First JIBAR Fixing Date	<p>The Effective Date.</p>
Other JIBAR Fixing Dates	<p>For all periods other than the first floating rate period, the JIBAR Fixing Date matches each Reset Date.</p>
Floating Rate Index	<p>3 Month Johannesburg Interbank Agreed Rate (JIBAR) calculated by the JSE Ltd</p>

<p>Daily Settlement Price (Futures-Style Price)</p>	<p>JSE Interest Rate Swap Futures are priced on a basis of 100, similar to market practice for futures contracts.</p> <p>The settlement value for each Contract is defined as:</p> $S_t = 100 + A_t + B_t - C_t$ <p>S_t = settlement price at time t A_t = net present value of the future cash flows at time t B_t = value of the historical fixed and floating amounts since contract inception C_t = Price Alignment Interest (or Eris PAI™).</p> <p>JSE calculate Daily Settlement Price to 5 decimals of precision (e.g. 100.12345).</p> <p>Eris PAI™ is a cumulative value calculated daily by applying the JSE Overnight Deposit Rate to the contract's NPV, using an Actual/365 day-count convention. Eris PAI™ will start accruing on the first listing date.</p>
<p>Final Settlement Price</p>	$S_{final} = 100 + B_{final} - C_{final}$ <p>S_{final} = Settlement price at maturity B_{final} = Historical fixed and floating amounts since contract inception through maturity C_{final} = Eris PAI™, at maturity</p>
<p>Quoting Convention</p>	<p>Net Present Value (NPV) per Contract will be used for trade execution.</p> <p>NPV is expressed in per contract terms for the Buyer (fixed rate payer).</p> <p>Each Swap Future negotiated in NPV terms has an implicit futures-style trade price of</p> $Trade\ Price = 100 + A_{negotiated} + B_t - C_t$ <p>where $A_{negotiated}$ is the NPV per Contract agreed upon between the counterparties (divided by 1,000 to normalize units to R100 face amount), B_t is the value of the historical fixed and floating amounts, and C_t is Eris PAI™ at time t.</p> <p>The B and C components are calculated once daily and applied by the Exchange, and are not subject to negotiation by the counterparties.</p>

Trade Execution Types	<p>JSE Interest Rate Swap Futures are eligible to be traded as privately negotiated, off-exchange and reported to the Exchange as Report Only Trades.</p> <p>Central Order Book trading functionality will also be also available for these instruments</p> <p>No minimum block size rule.</p>
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***Certain elements of the contract design and pricing construct are patent-pending.**