

CURRENCY FUTURES BREAKS THE R100 BILLION MARK

JOHANNESBURG, 16 SEPTEMBER 2009. This week the value of currency futures contracts traded on the JSE's interest rate exchange, Yield-X broke through the R100 billion mark while trading volumes have exceeded 11 billion contracts since the inception of currency futures in 2007. These figures affirm growing market awareness of these derivatives as a useful currency risk management tool.

Currency derivatives volumes on Yield-X have grown phenomenally in volumes as more companies, institutions and individuals take advantage of the risk-management benefits that these products offer. Year-on-year, the volume of currency derivatives traded has grown by approximately 106%. The Dollar/Rand currency derivative contract is the most traded with 80% of all contracts traded.

"Since approval was granted for corporations and institutional investors to trade currency derivatives in February 2008, the market has grown substantially," comments Warren Geers, General Manager of Yield-X. Geers estimates that currently 90% of the trades by value carried out on Yield-X to date have been by corporations, asset managers and institutions and only 10% is retail. "In terms of the number of deals, retail investors still dominate, but the value of their transactions is much lower," adds Geers.

With regards to the range of clients, Geers comments that a wide variety of clients make use of the platform. "Trading currency derivatives is not restricted to importers and exporters. While import and export volumes are down this year, Yield-X volumes continue to grow through other types of transactions including portfolio and asset managers dealing with overseas risk and individuals covering themselves for portfolio risk management, travel or overseas expenses."

Currency derivatives are not only used for hedging purposes but are also used for trading and speculating. "South Africa's foreign currency market is very active with the Rand the sixth most traded currency in the world. This makes our currency market attractive to speculators," he adds.

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ON BEHALF OF

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About JSE Limited

As South Africa's only full service securities exchange, the JSE connects buyers and sellers in four different financial markets, namely equities, equity derivatives, agricultural derivatives and interest rate instruments (Yield-X). The JSE Ltd offers the investor a truly first world trading environment, with world class technology, surveillance and settlement in an emerging market context. It is amongst the top 20 largest equities exchanges in terms of market capitalisation in the world.

For further information, please visit www.jse.co.za