

## **JSE EQUITY FUTURES CLOSE-OUT**

**JOHANNESBURG, 18 June 2009** – Today's equity trading figures reveal 332 336 931 in volume of trades. The value of these trades is more than R12 billion.

"This increased activity is due to yesterday's equity futures close-out as traders closed out their positions and purchased the underlying shares," comments Allan Thomson, Head of Derivatives Trading at the JSE. "Futures close-outs occur every three months and result in a spike in trading volumes." The JSE is currently ranked the 9<sup>th</sup> largest derivatives exchange in the world by the Futures Industry Association (FIA) by the number of contracts traded.

In a futures contract, two parties agree to transact a set of financial instruments for future delivery at a particular price. The profits and losses of a futures contract depend on the movements of the market for that contract. Futures accounts are credited or debited daily on this basis. Close-outs are the dates when futures contracts are settled.

"The JSE's equity trading volumes to date are up year on year," comments Leanne Parsons, Head of Equities Trading at the JSE "Some of this increase is due to greater foreign interest in the JSE. Our stats for May indicate that year on year, foreigners invested a net amount of R26.7 billion on the JSE in contrast with the same period last year when they were net sellers of R54.4 billion.

Recent trading activity on the JSE's equity market has been stimulated by increased market volatility. The JSE-calculated South African Volatility Index (SAVI) is an indication of market volatility. Though current volatility is considerably lower than November 2008 highs – 28.2% as against 56.42% in November last year - - the market still has elevated levels of volatility compared to levels in 2007 and early 2008.