



TALX Member Forum

Operations & Services Division
1 July 2008

Leanne Parsons
Chief Operating Officer

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JSE – Africa's premier exchange





AGENDA

1. Change in Executive Responsibility
2. TALX TRM II Software Release
3. TALX Recovery
4. TALX Product Development
5. TALX Customer Focus
6. TALX Strategy
7. TALX Member Stats
8. JSE TradElect Release 3 Update
9. JSE Equity Market Rankings
10. GEM (Growth for Equity Market)
11. Other JSE Initiatives
12. Questions?



Equities Market Update

Change in Executive Responsibility

- Leanne Parsons (COO) responsible for Equities Market overall
 - Also includes JSE TALX offering
- Allan Thomson responsible for Equity Derivatives and Yield-X Markets overall
- Riaan Van Wamelen (CIO) responsible for JSE IT



TALX TRM II Software Release

Release Fixes

Front-end Bug Fixes

- Intermittent issue on Order modification that results in a decimal point appearing in the price field (i.e. 1200.00 instead of 1200)
- Allow for decimals (fractions) to be captured in the order price field for reported trades as per JSE rules
- Historical Data Window loses its update link and then crashes or the window stops updating
- Allow for Client reference modification on fully matched trades

SLE Fixes

- Validation to reject the entry of special characters in the Client Reference & Participant Order Reference fields

GL Tactics Fixes

- Peak on Iceberg orders currently defaults to GFD, if order not matched today it expires and is not automatically resubmitted to the order book the next day. Change applied to ensure the peak is automatically re-submitted next day





TALX TRM II Software Release

Release Enhancements

Release Enhancements

- Report only Basket upload window to allow for the submission of multiple trade reports
- Counterparty drop down list for manual Trade Reports
- Popup menu to enable all Windows for controlled setup
- Automatic saving option for Watch list files
- Self matching notification / warning popup
- Hide all active windows option on TALX toolbar
- TALX user guide available on front-end
- Front-end Incident reporting functionality
- Column setup Search functionality

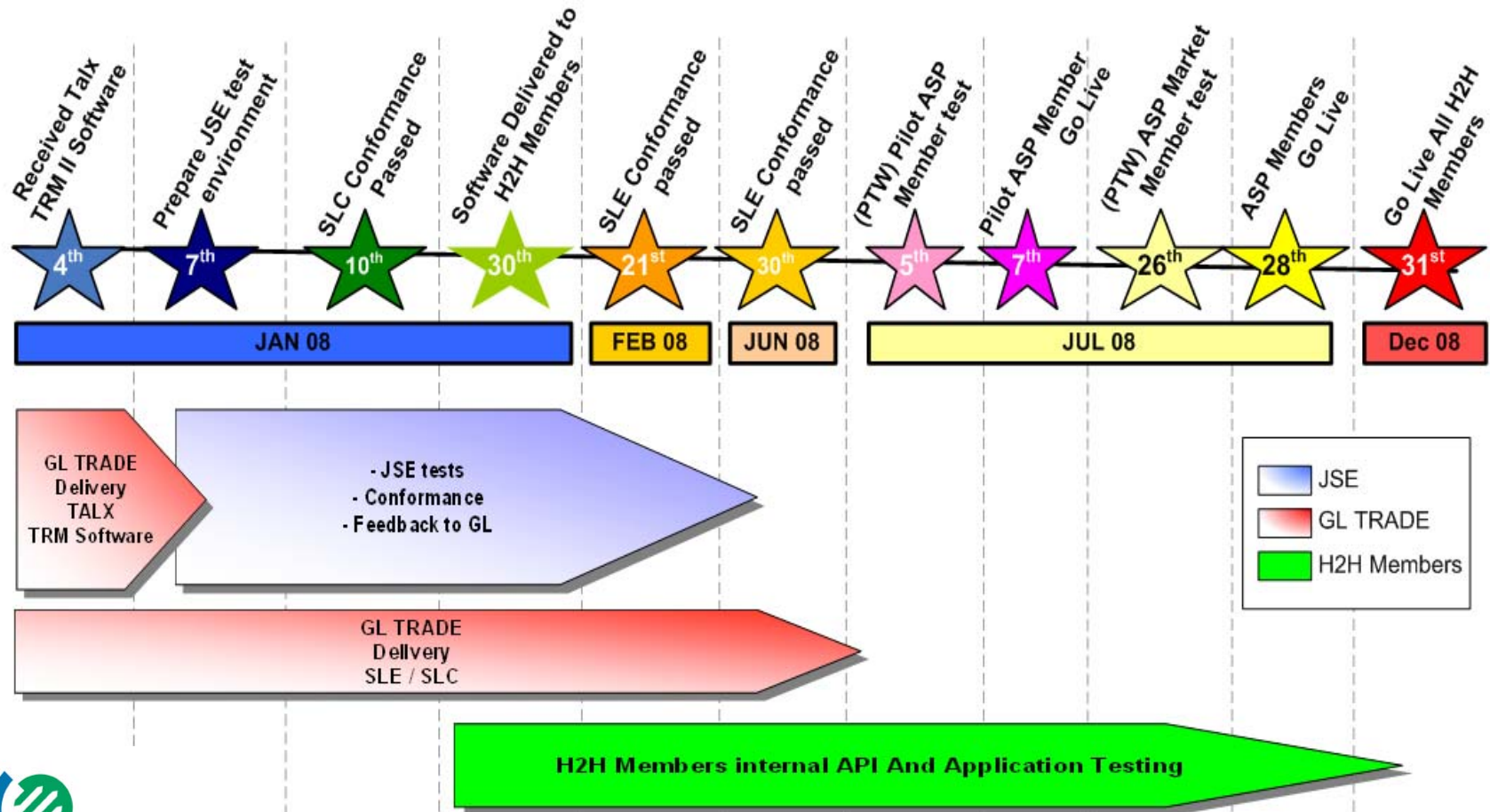


GL TRADE

SOUTH AFRICA



TALX TRM II Software Release Release Timeline





SLC Recovery Procedure for H2H Members

- TALX SLC Recovery User Guide circulated to all TALX H2H Members at the TALX H2H Forum on the 18th June 2008 is available on the TALX Website. www.talx.co.za

SLC Recovery Procedure for H2H Members (5 Golden rules)

- Leave the TALX application to recover automatically as it is designed for auto recovery
- Provide the JSE with Add Gap Report details to assist in confirming how many messages you have missed and need to recover
- If recovery is not adequate or is too slow, stop your secondary SLC(s) and allow the Primary SLC to recover. Once your Primary SLC is up-to-date, restart the Secondary SLC(s) and allow it to recover from the last point
- Review TALX spooling parameters to ensure adequate buffer sizing to retain multicast data while TALX recovery from IRI is in progress
- Review your TALX Usage reports on a regular basis to ensure adequate configurations in place



Product Offerings under investigation:-

- Position Keeping Via Selector Manager
- Configurable at the SLE level
- The JSE is looking to provide this functionality to TALX ASP clients to assist with Risk Mgmt
- BDA Account positions will be downloaded at EOD, these positions will then be maintained real-time with intra-day trade updates as they occur
- Currently in testing phase
- File fields that will be available:-

Client	Buy / Sell
Account	Quantity
Exchange	Executed
Market	Price
Symbol	Currency



Product Offerings under investigation:-

- Improved SLC recovery for TALX
- Investigating SLC Relays (Primary/Secondary)
- One IRI connection and one SLC – data is distributed by the RELAY functionality to create multiple instances from the one master copy
- Reduces the number of IRI connections required and the number of re-requests required for recovery
- More efficient use of Bandwidth
- Ability to maintain an up-to-date copy at user DR site facilitating
- The JSE is also investigating alternate DR recovery options for the TALX ASP solution. Connectivity of JSE SLC's to GL NET



TALX Customer Focus

- Equity Market roles and responsibilities being reviewed
- TALX team roles and responsibilities being reviewed
- Team structures will be communicated once these are finalised
- Focused team to provide improved support to TALX customers, both ASP & H2H
- Discussions in progress with IT post the insource and appointment of the CIO to improve technical IT support to JSE Customers
- TALX Forums will be held on a Quarterly basis with actions being formally assigned and to ensure effective communication
- TALX Users to escalate any TALX related matters to Leanne Parsons if they are not satisfied with current service (please give us a little bit of time to get our new roles & responsibilities in place)
- User Documentation Library to assist with technical support



TALX Strategy

- TALX Architecture review – way forward for the H2H customers and JSE ASP solution
- JSE to understand customer appetite to move to a new operating system
- JSE to understand impact to H2H Customers and downstream integration impacts
- Value Add TALX functionality – ability to trade across the JSE markets via TALX
- FIX Enabled TALX
- TALX ASP DMA Offering
- Portfolio Management System add-in for TALX
- Improved TALX monitoring tools
- TALX connectivity via the Internet
- Basic Order Management System to assist with order routing



TALX Member Stats

30 of 52 brokers	Use TALX as their Primary Solution
4 of 4 Namibian Brokers	Use TALX as their Primary Solution
2 Institutions / Fund Managers	Use TALX as their Primary Data Solution
Currently 57% of the Equity Brokers use TALX	



JSE TradElect Release 3

- This release caters for :-
 - Sending trade information to central counterparties and settlement systems nominated by the counterparty and includes a netting facility – this functionality will not be implemented by the JSE
 - Introduces trading capability for trading Contracts for Difference (CFD's) - this functionality will not be implemented by the JSE at this stage
 - Migration of the Italian cash equities market to TradElect
 - Increase TradElect throughput and capacity



JSE TradElect Release 3

- Impact to the JSE Market is minor and includes the renaming of one field – no conformance required
- **5SV AA Settlement Venues** Message impacted:-
"Settlement Venue Counterparty Name" field becomes a **reserved field, renamed accordingly** and will be populated with blanks. This message is published on the cross market start-of-day (SOD) BDG, B10 & Intra-day changes BDG, B11
- SOD Reference data download will take approximately 10 min longer, due to inclusion of the Italian Stock Exchange reference data. Total new time approx 44 minutes
- Internal impacts of JSE market operations functionality in progress
- TradElect Release 3 Go live in the Customer test environment (CDS) is scheduled for 5 July 2008. The JSE is participating in the scheduled CDS Internal Dress Rehearsal on Sat 21 June 2008
- TradElect Release 3 Technical Go live planned for the Q3/4 2008



JSE TradElect Release 3

- Following is a list of **optional functionality** being introduced with TradElect Release 3. The JSE wants to implement this functionality in the future
- **New** 5BN message indicating when reference data download has completed for all SOD BDG's
- **New** configuration to include closing prices in the SOD full reference data download. This would publish yesterday's closing price
- **New** BDG to publish FTSE Indices in non-truncated form. Current Index codes published via InfoWiz are four characters, however within the FTSE Index Calculation system Index codes can be up to 50 characters. This new BDG will publish Indices using this non-truncated code
- Reintroduction of the publication of FTSE Indices via Infolect as part of the LSE service, this will however be on the non-truncated FTSE codes only
- Improved handling of invalid MAC'ed messages
- Conformance requirements will be confirmed once we have agreed how the above is to be configured for the JSE market
- Future Release: Introduction of a FIX Interface to TradElect



Trading Service Providers Rankings Publication

- A gazette was issued to all Trading Service Providers to submit their opinion on publishing member rankings information
- Their opinions were discussed at the TAC (Trading Advisory Committee) meeting in March and the Committee submitted their recommendation to Exco (JSE Executive committee)
- The final JSE EXCO decision was to publish the names, rank and figures in terms of value, volume, and number of trades on a monthly basis from May 2008 for:
 - Top 10 Trading Service Providers for the total JSE Equities Market, i.e. Central Order Book trades and Reported Trades
 - Top 10 Trading Service Providers for the JSE Equities Market, for JSE Equities Central Order Book trades only, i.e. excluding Reported Trades
- This is published for the overall market as well as the trading segments, ZA01, ZA02, ZA03, and ZA04



Billing Model Key Principles

- Reward Liquidity
- Reward increased market activity
- Accommodate Diverse Market Participants
- Improve Predictability
- Encourage Algorithmic Trading
- Encourage DMA Trading

Process

- Consulted with Trading Service Providers
- Refined possible methodologies
- Modelling in progress
- After modelling completed further consultation with Equity Market Billing Forum and Trading Advisory Committee



Retail Investor Strategy

- As part of the research for the Retail Investor Strategy, a survey is being conducted
- A pilot survey was conducted with JSE employees
- A gazette was issued to all Trading Service Providers to determine whether the survey could be conducted on their employees and whether they would be involved in retail investor education initiatives
- Surveys will be conducted June/July and meetings will be conducted in July and August on education initiatives

Connectivity Strategy

- JSE EXCO approved the Connectivity Strategy in March 2008, which sets out the revised options available to customers to connect to the JSE trading systems
- A document will be distributed to stakeholders



JSE Dark Pool of Liquidity Offering

- Traditionally, dark pools of liquidity are crossing networks that provide liquidity that is not displayed on order books
- The international trend has demonstrated a market requirement to move large numbers of shares without revealing themselves to the central order book or incur market impact costs
- After receiving enquiries and requests from various market participants, the JSE has conducted some preliminary research and has concluded that it would like to offer JSE customers some form of dark pool facility
- The JSE will be consulting with other exchanges, international customers of existing dark pool facilities and market participants



Other JSE Initiatives

- T+3 Settlement
- Africa Board
- TradElect Release 4
- New Trade Types
 - GU: Give Up Trade
 - BB: Book Build
- JSE Router Upgrade
- SENS stories in XML format
- Equity Market bandwidth requirements review
- Connectivity Strategy offering alternative options for connecting to JSE services
- Investigating new NW monitoring tools



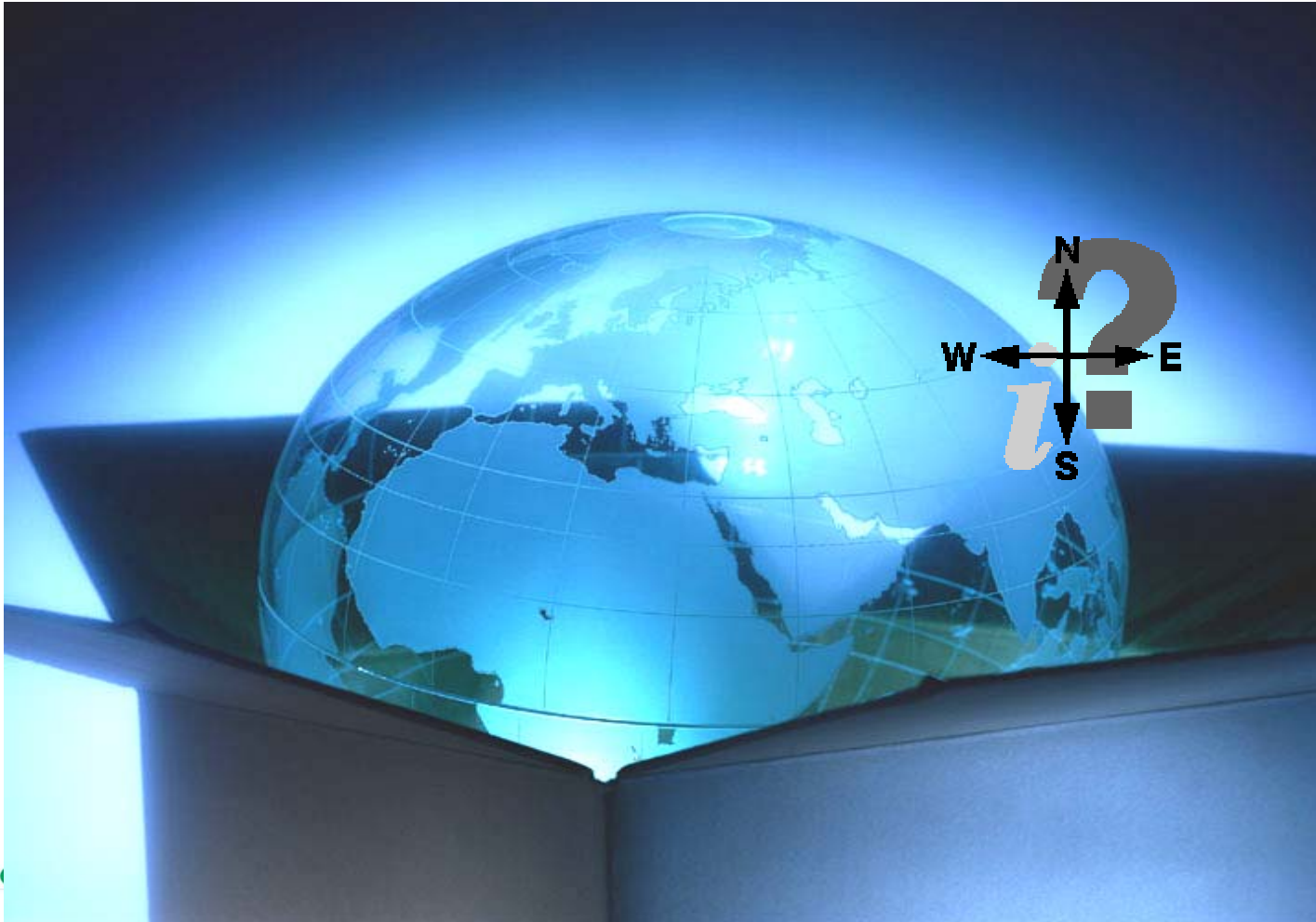
THANK YOU

A huge thank you to all our TALX members for their continued support over the past 6 Years.





QUESTIONS?



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