

To: Market Participants
 From: JSE Indices Department
 Date: 9 April 2014
 Subject: Notes from the JSE Fixed Income Index Series Advisory Committee Meeting held on Wednesday, 9 April 2014
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1. Background

The JSE Fixed Income Index Series Advisory Committee (AC) met on Wednesday, 9 April 2014 to approve the second quarter Reconstitution changes to the JSE Fixed Income Index Series and to discuss matters relating to the indices. The items listed below were discussed during the meeting.

2. Index Reconstitution

There were no constituent changes to the ALBI, and two changes were made to the CILI. The AC noted and approved the changes and the Index Reconstitution papers were distributed to the market.

Index	Additions	Deletions	Weight changes since April 2014 Reweighting
ALBI	None	None	9
CILI	EL29	EL15	3
	FRBI23	ABSI2	

3. Treatment of Bond Split Options

The AC decided that the third child of a bond split should automatically replace its parent at the first reconstitution following the final split, and should be ranked on its own merit thereafter. Based on this, the R159 will replace the R157 at the August 2014 reconstitution and will be ranked on its own merit at the following reconstitution.

4. Feedback on Market Notice Y1293

The first round of the market consultation is done and the JSE is currently consolidating and analysing the feedback received.

5. Developing Regulation on Financial Indices

There has been an increase in the regulation of financial instruments globally. The IOSCO Principles for Financial Benchmarks were published and the JSE is currently keeping track of this and will identify possible gaps in the current treatment of the JSE Fixed Income Indices.

The AC acknowledged this and will be working to ensure compliance.

The Next AC meeting will be held on Wednesday, 9 July 2014

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