

SERVICE HOTLINE

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Name and Surname: Mzwandile Riba
Designation: Head - Pricing Solutions

UPGRADE TO INTERNAL JSE CASH BOND VALUATION SYSTEMS

EXECUTIVE SUMMARY

The JSE has embarked on a project to upgrade the existing bond valuation system. The replacement of the legacy platform brings with it significant improvements to the operational processes, automated validations, modern data workflow and quality management. There will be improved scalability and automated consumption of issuer valuations in a standardised template. There will be no impact to the users of the closing mark-to-market files as it is intended that these will maintain the same structure and formatting.

USE OF THE JSE SWAP CURVE (NACC) IN THE VALUATION OF FLOATING RATE INSTRUMENTS

The JSE has historically made use of the JSE Linear Swap curve to value floating rate instruments due to systems constraints. All the JSE's Swap Curves use the exact same inputs in their construction. The use of the Swap Curve (NACC) will be introduced, which provides a more granular and accurate depiction as the JSE's published yield curve methodology. The interpolation methodology that is used in the bootstrapping of the curve is the Monotone Preserving methodology as published by Du Preez and Maré (2013). The Linear Swap curve will thus be discontinued on go live of the project. This will bring a consistency with the published and licensed JSE yield curve through the enhanced functionality.

MARKETS / SERVICES:

- Equity Market
- Equity Derivatives Market
- Interest Rate Derivatives Market
- Currency Derivatives Market
- Commodity Derivatives Market
- Bond Market
- Bond ETP Market
- JSE Broker Deal Accounting (BDA)
- Real Time Clearing (RTC)
- Colocation
- International Access Point (IAP)
- EOD Information Subscribers
- Live Information Subscribers

ENVIRONMENT:

Production

ADDITIONAL INFORMATION:

If you have any queries about this announcement, please contact the Client Service Centre on +27 11 520 7777 or customersupport@jse.co.za

NO CHANGES TO THE STRUCTURE AND FORMAT OF THE MARKET DATA FILES

There will not be any changes to the existing MTM files and yield curve files as produced by the exiting bond valuation model. The fields and file format will remain the same. There are reported some reported fields which are not consistent due to issues experienced with the legacy database, such as last “Last Trade Date”. The improvement to the integration with upstream systems will serve to improve the ability to report these more accurately.

PLANNED GO LIVE

The go live date is scheduled for **11 November 2023** and the changes will be effective **Monday, 13 November 2023**. While every effort has been made to test all scenarios, provision has been made for the possibility of defects post go-live. The JSE team will be on high alert to identify and resolve these as quickly as possible. The usual communication channels will remain open via the JSE’s Client Services Centre (CSC) on +27 11 520 7777 or e-mail Customersupport@jse.co.za

Should you have any queries regarding this JSE Service Hotline, please e-mail valuations@jse.co.za