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MARKET NOTICE

Number: 042/2026

Relates to:

- ☐ Equity Market
- ☒ Equity Derivatives Market
- ☐ Commodity Derivatives Market
- ☒ Currency Derivatives Market
- ☐ Interest Rate Derivatives Market
- ☐ Bond Market
- ☐ Bond ETP Market

Date: 29 January 2026

Subject: **MARGIN UPDATE – IMPLEMENTATION OF INSTRUMENT-SPECIFIC STRESS PERIODS FOR EDM AND FXM**

Name and Surname: Alex Comninos

Designation: JSE Clear - Chief Risk Officer

Dear Client,

JSE Clear will implement **instrument-specific stress periods** for all Equity Derivatives Market (EDM) and Currency Derivatives Market (FXM) instruments, **effective in the end-of-day (EOD) margin run on Thursday, 5 February 2026**, for settlement on **Friday, 6 February 2026**.

This enhancement replaces the current benchmark-based approach and strengthens the risk sensitivity of initial margin.

Summary of stress period change

JSE Clear is moving from a single benchmark stress period (the Global Financial Crisis period) to a per-instrument stress period determined from each instrument's historical return series for all Equity Derivatives Market (EDM) and Currency Derivatives Market (FXM) instruments.

Margin stress periods will now be calculated using each instrument's own historical severe-loss window rather than a single asset-class benchmark. The objective of the change is to improve the accuracy of stress component margin rates by reflecting each underlying's idiosyncratic stress behaviour.

Non-Executive Directors: Dr HA Nelson[†] (Chairman), LE Currie, Dr RM Lee[†], I Monale, FJ Oosthuizen[†], GE Raine[†], VJ Reddy, TW Spanner[†], K van Rensburg

Executive Directors: Dr A. Greenwood (CEO)

Company Secretary: GA Brookes

[†] Independent

Technical Detail

Current Method (Benchmark Stress Period)

- A single benchmark per asset class is used:
 - EDM: FTSE/JSE Top 40 Index
 - FXM: USD/ZAR
- Stress period: **31 May 2008 – 1 June 2009 (GFC period)**.
- Stress component margin rate = average of the three largest 2-day price moves (both positive and negative returns tails) within this period.

New Method (Instrument-Specific Stress Period)

- Historical returns evaluated per instrument.
- A rolling 250-day window is applied across the available history.
- For each window, compute the average of the three largest 2-day day price moves (both positive and negative returns tails) within this period
- The window that yields the highest stress component margin becomes that instrument's stress period.

This approach reduces reliance on proxies and better captures idiosyncratic risks.

Market Impact

Indicative impacts based on exposures as at 26 January 2026:

- +R575m increase in total initial margin across EDM and FXM (+1.4%).
- Base IM (JSPAN): +2.7% (increase)
- Liquidation Period Add-on: -2.8% (decrease)
- Large Position Add-on: -8.6% (decrease)

Client-specific indicative changes will be provided to Clearing Members for onward distribution.

Effective Date

- First applied in the EOD margin run: **5 February 2026**
- Settlement date: **6 February 2026**

Access to Updated Parameters

Revised Initial Margin Rates (IMRs) will be published in the following directories:

- EDM – <https://www.jse.co.za/downloadable-files?RequestNode=/Initial Margin Parameter Data/Official Initial Margin Parameters/EDM>
- FXD – <https://www.jse.co.za/downloadable-files?RequestNode=/Initial Margin Parameter Data/Official Initial Margin Parameters/IRC/FX>

Further Information

- For assistance locating IMR files:
Client Service Centre (CSC) — +27 11 520 7777 or CustomerSupport@jse.co.za
- For queries regarding this notice:
risk@jse.co.za

- All market notices:
[JSE Market Notices](#)