

MARKET NOTICE

Johannesburg
Stock Exchange

Tel: +27 11 520 7000
www.jse.co.za

Number: 051/2023
Relates to:

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

Date: 2 February 2023

SUBJECT: CHANGES TO INITIAL MARGIN REQUIREMENTS FOR DERIVATIVE MARKETS

Name and Surname: Alex Comninos
Designation: Chief Risk Officer (JSE Clear)

Dear Client,

The hedge cost matrix is based on estimates of the bid/ask spreads that active market makers would apply when executing trades of different sizes underlyings under stressed market conditions. The spreads are updated annually based on the survey of market makers. The hedge cost matrix update will be implemented on 3 February 2023 for settlements on 6 February 2023.

The updated hedge cost matrix can be found at this directory:

- IRD Margin Parameters – [https://www.jse.co.za/downloadable-files?RequestNode=/Initial Margin Parameter Data/Official Initial Margin Parameters/IRC/Fixed Income](https://www.jse.co.za/downloadable-files?RequestNode=/Initial%20Margin%20Parameter%20Data/Official%20Initial%20Margin%20Parameters/IRC/Fixed%20Income)

The Portfolio VaR implementation for Interest Rate Derivatives can be found in this directory:

- IRD Margin Methodology - https://www.jse.co.za/sites/default/files/media/documents/2020-11/Portfolio%20VaR%20Implementation%20for%20Interest%20Rate%20Derivatives_1.pdf

For any queries regarding the location of the files containing these parameters, please contact the Client Service Centre (CSC) on +27 11 520 7777 or CustomerSupport@jse.co.za

Should you have any queries regarding this Market Notice, please contact risk@jse.co.za

This Market Notice is available on the website at <https://clientportal.jse.co.za/communication/jse-market-notices>