

MARKET NOTICE

Number: 073/2020

Relates to:

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

Date: 13 March 2020

SUBJECT: CHANGES TO INITIAL MARGIN REQUIREMENTS FOR DERIVATIVE MARKETS

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Designation: Head of Risk

Dear JSE Stakeholder

The JSE will make a change to a parameter used in the Value-at-Risk Margin Methodology which will take effect in today's end of day margin call for settlement on Monday 16 March 2020. This update is aimed at ensuring sufficient margin is called on bond derivate portfolios during volatile market conditions.

The Value-at-Risk Margin amount is supplemented by a minimum margin amount that is determined using a stressed loss approach. The parameter that is used in shifting the yield curve when determining this minimum margin on the bond derivate portfolios, will be increased from 50 bps to 60 bps.

Not all bond derivate portfolios will be affected by the update.

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

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notice-and-circulars>