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**MARKET NOTICE**Johannesburg  
Stock ExchangeTel: +27 11 520 7000  
[www.jse.co.za](http://www.jse.co.za)

**Number:** 099/2020  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Currency Derivatives  
 Interest Rate Derivatives

**Date:** 24 March 2020

**SUBJECT:** CHANGES TO INITIAL MARGIN REQUIREMENTS FOR DERIVATIVE MARKETS

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**Designation:** Head of Risk

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Dear JSE Stakeholder

Due to the volatility observed in the interest rate derivatives market, the profit and loss vectors will be updated and implemented on 24 March 2020 for settlement 25 March 2020.

The profit and loss vectors can be found at this directory:

- IRC – [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 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 derivatives portfolios, will be decreased from 70 bps to 60 bps. The parameter change will take effect in today's end of day margin call for settlement on Wednesday, 25 March 2020. This update is aimed at ensuring sufficient margin is called on bond derivatives portfolios during volatile market conditions.

Please contact the Client Service Centre on +27 11 520 7777 or [CustomerSupport@jse.co.za](mailto:CustomerSupport@jse.co.za) for any queries regarding the location of the files containing these parameters.

Should you have any queries regarding this notice, please contact [risk@jse.co.za](mailto:risk@jse.co.za).

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