

MARKET NOTICE

Johannesburg
Stock Exchange

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Number: 103/2020
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Currency Derivatives
 Interest Rate Derivatives
Date: 25 March 2020

SUBJECT: CHANGES TO INITIAL MARGIN REQUIREMENTS FOR DERIVATIVE MARKETS

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Designation: Head of Risk

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 25 March 2020 for settlement 26 March 2020.

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

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

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 60 bps to 50 bps. The parameter change will take effect in today's end of day margin call for settlement on Thursday, 26 March 2020. This update is aimed at ensuring sufficient margin is called on bond derivatives portfolios during volatile market conditions.

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 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>