

MARKET NOTICE

Number: 268/2023

Relates to:

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

Date: 13 July 2023

SUBJECT: CHANGES TO INITIAL MARGIN REQUIREMENTS FOR DERIVATIVE MARKETS

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Designation: Chief Risk Officer - JSE Clear

Dear JSE Stakeholder

Further to recent market notices, please be informed that initial margin requirements will be adjusted downwards in the equity and currency derivative markets. The update will be implemented in the EOD margin run today for settlement on Friday, **14 July 2023**.

JSE Clear continues to closely monitor market conditions and the sufficiency of the central counterparty's prefunded resources to safeguard the derivative markets. In June, adjustments to the large exposure margin add-on and to base margins (IMRs) were implemented following high default fund exposures observed since early April (refer to market notices 258/2023 and 255/2023). The high default fund exposures were driven predominantly by portfolio changes (increased exposures) as well as by reduced margins due to the roll off, over March and April 2023, of the Covid stress period returns from the 750-day rolling lookback period used in the JSE Clear initial margin methodology.

The default fund exposure decreased in late June and has reached levels during July enabling JSE Clear to consider returning IMRs to the levels observed post the roll off of the Mar-Apr 2020 Covid stress period returns. The base margin adjustment that will be implemented will reduce IMRs for the majority of contracts.

The new initial margin parameters for the Equity Derivative and Currency Derivative markets to be implemented on **Thursday, 13 July 2023**, can be found in these directories:

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

All margins will be published whether they are changed or not with the date of the implementation in the file name.

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 e-mail: risk@jse.co.za

This Market Notice is available on the JSE website at: [JSE Market Notices](#)