

MARKET NOTICE

Number: 296/2024
Relates to: Equity Market
 Equity Derivatives Market
 Commodity Derivatives Market
 Currency Derivatives Market
 Interest Rate Derivatives Market
 Bond Market
 Bond ETP Market

Date: 07 October 2024

SUBJECT: COMMODITY STRESS PERIODS AND PRICE LIMIT UPDATES

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Dear JSE Stakeholder

JSE Clear calculates contract-level base initial margin requirements (IMRs) in the commodity derivatives market by applying a historical simulation Value-at-Risk model calibrated to a 99.7% confidence interval with a 1,000-day lookback period consisting of 750 days recent rolling observations and a stress period of 250 days, as per the JSEC Initial Margin Methodology.

Stress periods are periodically reassessed as part of a regular review of the initial margin methodology. Following a recent review, the stress periods for CORN, SOYA and WMAZ contracts will be updated to those shown below.

Shortname	Stress Period
CORN	15-Dec-2015 to 13-Dec-2016
SOYA	28-Feb-2020 to 25-Feb-2021
WMAZ	10-Mar-2014 to 10-Mar-2015

Clients are also notified of a system implementation update to address a recently established issue relating to the determination of initial margins on hedge contracts in scenarios where price limits are applied.

These updates will result in an estimated 1% overall net decrease in initial margin across the market – individual client margin impacts vary and could be either an increase or decrease depending on client portfolio composition. Client-level margin impacts will be communicated to Clearing Members for communication on to their clients.

Updated margins will be implemented in the end-of-day margin run on **Tuesday, 15 October 2024** for settlement **Wednesday, 16 October 2024**.

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](#)