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Number:	**336/2020**
Relates to:	☐ Equity Market
	☒ Equity Derivatives
	☐ Commodity Derivatives
	☐ Currency Derivatives
	☐ Interest Rate Derivatives
Date:	2 July 2020
SUBJECT:	**CHANGES TO INITIAL MARGIN REQUIREMENTS FOR DERIVATIVE MARKETS**
Name and Surname:	Alex Comninos
Designation:	Head of Risk

Dear JSE Stakeholder

Several margin management measures were taken to manage the extreme volatility experienced during the Covid-19 related market crisis, and elevated levels of systemic risk. The JSE started lowering margin levels in a phased approach since the end of May after a decrease in volatility was observed. Margin requirements will now be adjusted back to a 99.7% confidence-level with volatility experienced during the crisis incorporated in the models. The adjustment will result in an overall lowering of initial margin from current levels, on a portfolio basis.

The new initial margin parameters for the Equity Derivatives and Currency Derivative markets, to be implemented Friday, **3 July 2020**, can be found in these directories:

- EDM – **https://www.jse.co.za/downloadable-files?RequestNode=/Initial Margin Parameter Data/Official Initial Margin Parameters/EDM**

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

In addition, the equity ADVT values which are input into the liquidation period add-on calculation have been recalibrated.

We will continue to monitor market volatility very closely and may need to implement further margin adjustments if market riskiness demands it.

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-notices-and-circulars**