
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za**Number:** 560/2020**Relates to:**

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

Date: 16 October 2020**SUBJECT:** CHANGES TO INITIAL MARGIN REQUIREMENTS FOR DERIVATIVE MARKETS**Name and Surname:** Alex Comninos**Designation:** Chief Risk Officer – JSE Clear

Dear JSE Stakeholder

In line with JSE Clear's stress testing policy to review and update stress testing scenarios on an ongoing basis, 4 new scenarios will be added to the set of scenarios used to stress test derivative portfolios for purposes of sizing the Large Exposure Margin Add-on and the default fund. Three new scenarios are related to historic stresses observed during the recent Covid-19 related market volatility and one is a hypothetical stress scenario.

Clients can find the instrument-level charges associated with the new scenarios for the Commodity and Interest Rate Derivatives markets at the location below. The change will be implemented on 22 October 2020 with the new vectors applied in the initial margin calculation with effect from 22 October 2020.

Large Exposure Add-on Margin Vectors - <https://www.jse.co.za/downloadable-files?RequestNode=/Initial%20Margin%20Parameter%20Data/Concentration%20Margin%20Vectors>

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>