
MARKET NOTICEJohannesburg
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Number: 623/2020
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Currency Derivatives
 Interest Rate Derivatives
Date: 25 November 2020

SUBJECT: CHANGE TO INITIAL MARGIN PARAMETER FOR CASH EQUITY MARKET

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Designation: Head of Risk

Dear JSE Stakeholder

Please be advised that the margin parameter that determines the number of price points used in calculating the volatility of each instrument will be set back to 60 points. It was previously adjusted to 45 points to cater for the volatility that was experienced in the first months of the Covid-19 related market crisis. By using fewer price points the market volatility seen in March and April 2020 was less diluted and better incorporated into the margin that was called shortly after the height of the crisis. Setting it back to 60 points will mean a bigger sample will be used that better represents longer-term market conditions. The change will be made with effect from Friday, 27 November 2020, end of day margin run.

The margin methodology for the equity market can be found on the JSE website at:

<https://www.jse.co.za/services/post-trade-services/risk-management/equity-market>

Should you have any queries regarding this notice, please contact risk@jse.co.za or the Client Service Centre (CSC) on +27 11 520 7777 or Customersupport@jse.co.za

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notice-and-circulars>