

MARKET NOTICE

Johannesburg
Stock Exchange

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Number: 630/2020
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Currency Derivatives
 Interest Rate Derivatives
Date: 27 November 2020

SUBJECT: CHANGES TO INITIAL MARGIN PARAMETERS

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Designation: Chief Risk Officer (JSE Clear)

Dear JSE Stakeholder

The margins for the Interest Rate Derivative market are calculated using the portfolio VaR (Value at Risk) methodology applying the following parameters:

Methodology	Confidence Level	Liquidation Period	Look-Back Period
Historical Value-at-Risk	99.7%	At least 2-days	Rolling 750-days plus 250-days stressed

The stress period is determined using the highest 90 day volatility of the GOVI Index, the benchmark for the IRD market. As per the Initial Margin Policy the stressed period must be reviewed at least annually.

The recalibration of the stress period has been completed and the new stress period falls over the Nenegate period, Nov 2015 - Nov 2016. It was previously the period over the Global Financial Crisis, Jun 2008- Jun 2009.

The stress period will be updated on the **4 December 2020**.

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>