
MARKET NOTICEJohannesburg
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Number: 633A/2020

Relates to:

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

Date: 1 December 2020

SUBJECT: MARGIN METHODOLOGY UPDATE FOR COMMODITY DERIVATIVES MARKET – STRESS PERIOD CHANGE

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Designation: Chief Risk Officer (JSE Clear)

Dear JSE Stakeholder

Further to Market Notice **631/2020** informing clients of the change to the margin calculation to apply the stress period applicable to each agricultural product as opposed to applying that of the benchmark white maize product for all, please find attached the contract level margin parameters file specifying the new Initial Margin Requirements (IMRs).

The change results in an approximate 0.9% overall increase in margin across the Agricultural Derivative market. Given that the IMR changes across the products are varied with some products increasing and some decreasing, the impacts to client portfolios are varied.

Client level margin impacts will be communicated to the Clearing Members for on-sending to their clients.

The implementation date for the change will also be moved to the end of day margin run on Thursday, 10 December 2020 to allow participants additional time to prepare for this change.

Please contact the Client Service Centre (CustomerSupport@jse.co.za or 011 520 7777) or Risk@jse.co.za for any queries or further information regarding this notice.

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