
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za**Number:** 027/2021

Relates to:

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

Date: 26 January 2021**SUBJECT:** MARGIN METHODOLOGY UPDATE FOR COMMODITY DERIVATIVES MARKET**Name and Surname:** Alex Comminos**Designation:** Chief Risk Officer (JSE Clear)

Dear JSE Stakeholder

As per [Market Notice 631/2020](#) distributed on Friday, 27 November 2020, please be informed that Liquidation Period Add-On (LiPAO) will be implemented on Tuesday, 2 February 2021.

The LiPAO levies an additional margin on large positions which would take longer than 2 days to liquidate (based on the assumption that one third of the average daily value traded (ADVT) of a contract can be traded without adversely affecting the price).

The change results in an approximate 0.4% overall increase in margin across the Commodity Derivatives market. Clients that are most affected by this update have been notified in advance.

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

<https://www.jse.co.za/sites/default/files/media/documents/2020-12/JSE%20Clear%20Initial%20Margin%20Methodology.pdf>

Should you have any queries about this Market Notice, please contact the Client Service Centre (CSC) on +27 11 520 7777 or e-mail to CustomerSupport@jse.co.za

This Market Notice is available on the website at <https://clientportal.jse.co.za/communication/jse-market-notice>