

MARKET NOTICE

Johannesburg
Stock Exchange

Tel: +27 11 520 7000
www.jse.co.za

Number: 104/2022
Relates to: Equity Market
 Equity Derivatives Market
 Commodity Derivatives Market
 Currency Derivatives Market
 Interest Rate Derivatives Market
 Bond Market
 Bond ETP Market

Date: 8 March 2022

SUBJECT: CHANGES TO INITIAL MARGIN REQUIREMENTS FOR CASH EQUITY MARKETS

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Designation: Chief Risk Officer (JSE Clear)

Dear JSE Stakeholder

Please be advised that given the current market volatility, driven by Russia's invasion of Ukraine, the JSE will be updating Equity Market initial margin requirements.

The margin updates will be affected through the adjustment of the volatility parameter in the margin calculation to ensure market volatility observed in the recent period is appropriately weighted. The parameter to be adjusted is the number of price points used in calculating the volatility of each instrument (i.e. the volatility lookback period). This parameter will be adjusted from 60 to 45 daily points. Margin changes will be implemented with effect from tomorrow, **Wednesday, 9 March 2022**, as part of the 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>

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 Market Notice please e-mail risk@jse.co.za

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