

## MARKET NOTICE

Johannesburg  
Stock Exchange

Tel: +27 11 520 7000  
[www.jse.co.za](http://www.jse.co.za)

**Number:** 514/2021

Relates to:

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

Date: 3 November 2021

**SUBJECT:** IRD - CHANGES TO INITIAL MARGIN REQUIREMENTS FOR BOND OPTIONS - 3 NOVEMBER 2021

**Name and Surname:** Alex Comninos

**Designation:** Chief Risk Officer - JSE Clear

Dear Client,

An enhancement to the methodology used for margining bond options will be implemented on 5 November 2021 for settlement on 8 November 2021. The enhancement will result in the implementation of add-on vectors for bond options covering the vega and gamma risk associated with these contracts. This change better captures non diversifiable option risks in line with the Portfolio VaR methodology for the IRD market.

The bond options add-on vectors will be available at this directory on the morning of 5 November 2021:

- IRD – <https://www.jse.co.za/downloadable-files?RequestNode=/Initial Margin Parameter Data/Official Initial Margin Parameters/IRC/Fixed Income>

The total margin impact is expected to be approximately R6.5m across the IRD market which is less than 0.1% of total margin held in the IRD market. The impacts to the most adversely affected clients have been communicated directly to the clients concerned.

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](mailto:CustomerSupport@jse.co.za)

Should you have any queries regarding this notice, please contact [risk@jse.co.za](mailto:risk@jse.co.za)

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