

## MARKET NOTICE

**Number:** 96A/2017

Relates to:  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives

**Date:** 8 March 2017

**SUBJECT:** CPI REBASE 2017

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Rebasing of the CPI – Impact on Listed Inflation Linked Bonds.

Based on the January release by Statistics South Africa (P0141) regarding the rebasing of the Consumer price indices, this notice serves to advise all members and data subscribers to the impact of the rebasing on the Inflation Linked Bonds (ILB's).

All base CPI values on the Listed Inflation Linked Bonds and CPI index values have been rebased by a factor of 1.247 to align with the previous returns on ILB's and to set the new base of 100 at December 2016. As such the JSE has calculated all historical CPI values (15 digits apply) as well as all Base CPI values (15 digits apply) back to October 1999.

Any deals settling on or after 1st April 2017 will require the new rebased CPI values in order to calculate the All in Price, Clean Price, Accrued Interest, Duration, Modified Duration and Convexity correctly.

Users are able to change to the new base currently without impact to pricing as the old and new CPI index series will still reconcile until the 1st April. Please refer to the attached document/s:

Consumer Price Index (P0141) Statistics South Africa: <http://www.statssa.gov.za>  
CPI Rebase – Dec 2016

The JSE will only be implementing the new CPI series on the 22 March 2017 in production, allowing lead time for all members and data subscribers to test and update their internal systems.

Should you have any further questions please feel free to contact us: [valuations@jse.co.za](mailto:valuations@jse.co.za)

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