

Market Notice

Number: A1764

Date 20 February 2013

Changes to Initial Margin Requirements – Foreign Referenced Commodities

The cash settled CORN, REDW, KANS, SOY COMPLEX (BEAN, MEAL and OILS), GOLD, PLAT, WTIO, COPP, SILV, Quanto Futures (QBRN, QCOP, QGLD, QPLT & QSIL) contracts initial margin requirements are determined using the same methodology as per the currency futures. Margins are adjusted on a monthly basis unless market conditions require otherwise.

Please note the following changes to initial margin requirements will take effect **Tuesday 26 February 2013** for settlement on **Wednesday 27 February 2013**:

Contract Code	Expiry Date	Fixed Margin	Margin Change	Calendar Spread Margin	Series Spread Margin
CORN	Mar-13	20400	0	6000	3000
CORN	May-13	21700	1100	6000	3000
CORN	Jul-13	21500	1000	6000	3000
CORN	Sep-13	18500	500	6000	3000
CORN	Dec-13	17900	400	6000	3000
CORN	Jul-14	18700	400	6000	3000
BEAN	Mar-13	30500	0	9400	1000
BEAN	May-13	32300	1800	9400	1000
BEAN	Jul-13	32400	1800	9400	1000
BEAN	Sep-13	29500	new	9400	1000
BEAN	Nov-13	29800	800	9400	1000
MEAL	May-13	31500	2200	8700	
MEAL	Jul-13	30200	1200	8700	
MEAL	Sep-13	27500	new	8700	
MEAL	Dec-13	26800	400	8700	
OILS	May-13	16000	800	4800	
OILS	Jul-13	16200	100	4800	
OILS	Sep-13	16100	new	4800	
OILS	Dec-13	16100	100	4800	
KANS	Mar-13	9400	0	3000	4000
KANS	May-13	9700	new	3000	4000
KANS	Jul-13	9700	0	3000	4000
KANS	Sep-13	10400	new	3000	4000
KANS	Dec-13	10300	100	3000	4000
REDW	Mar-13	10300	0	3200	4000



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Member of the World Federation of Exchanges

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Non-Executive Directors: HJ Borkum (Chairman), AD Botha,
MR Johnston, DM Lawrence, A Mazwai, NS Nematswerani,
N Nyembezi-Heita, N Payne, Dr. MA Matookane, NP Mnxasana

Alternate Directors: JH Burke, LV Parsons

Company Secretary: GC Clarke

REDW	May-13	10600	new	3200	4000
REDW	Jul-13	10500	100	3200	4000
REDW	Sep-13	10800	0	3200	4000
REDW	Dec-13	11200	0	3200	4000
COPP	Mar-13	6300	300	1900	n/a
COPP	Jun-13	6400	200	1900	n/a
COPP	Sep-13	6400	new	1900	n/a
GOLD	Mar-13	8900	100	2700	700
GOLD	Jun-13	9000	100	2700	700
GOLD	Sep-13	9300	new	2700	700
PLAT	Mar-13	10700	800	3200	700
PLAT	Jun-13	10800	700	3200	700
PLAT	Sep-13	10800	new	3200	700
SIL	Mar-13	12300	400	3600	n/a
SIL	Jun-13	12400	400	3600	n/a
SIL	Sep-13	13000	new	3600	n/a
WTIO	Mar-13	8800	400	2600	n/a
WTIO	Jun-13	9000	500	2600	n/a
WTIO	Sep-13	8900	new	2600	n/a
QBRN	May-13	10200	600	2900	n/a
QBRN	Aug-13	10000	500	2900	n/a
QCOP	May-13	7500	200	2200	n/a
QCOP	Aug-13	7400	0	2200	n/a
QGLD	May-13	7700	100	2300	700
QGLD	Aug-13	7800	0	2300	700
QPLT	May-13	10500	5200	1700	700
QPLT	Aug-13	11000	5700	1700	700
QSIL	May-13	14300	0	4300	n/a
QSIL	Aug-13	14100	300	4300	n/a

* Changes in **red** denote an increase and **green** a decrease in initial margin.

Please note in terms of the series spread margin, offset margin is recognized for the following products:

- WMAZ, YMAZ CORN and SORG
- GOLD and PLAT
- WEAT, REDW and KANS
- SOYA and BEAN (R250 / R1000)

It is important that the difference in outright initial margin between the products is added to the series spread margin in order to determine the total initial margin required per structure. As an example, in terms of the maize and corn spread position, depending on the expiry, the margin could increase by anything between R6900 and R10700 (e.g. 17900 – 11000 = 6900) per contract.

The JSE is busy investigating introducing a soybean crush complex in line with CBOT principles, in other words if you long bean and short meal and oil the necessary correlation factors will be recognised. Further to notice A1763 series spread will be available between SOYA and BEAN contracts with the most efficient offset when 4 SOYA contracts are held against an opposite 1 BEAN contract recognizing the different nominal sizes of the two contracts.

Should you have any queries regarding the margining methodology in use, please contact the Commodities Team on 011 520 7535 or e-mail commodities@jse.co.za



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