



Market Notice

Number: Y1102A
Date: 04 March 2013

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 CPI indices, this notice serves to advise all members and data subscribers as to the consequences of the rebasing on the Inflation Linked Bonds (ILB's).

All base CPI values and historical values have been rebased at a factor of 1.267 in order to align with previous returns on ILB's and to set the new base of 100 at December 2012.

As such the JSE has calculated all historical CPI values (unrounded) as well as all Base CPI values (unrounded) back to October 1999.

Any deals settling on or after 1st April 2013 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 documents:

- Consumer Price Index (P0141) Statistics South Africa
- CPI Rebasing – March 2013

Due to system limitations the JSE will only be implementing the new CPI series later in the month.

Should you have any further questions please feel free to contact us.

Regards,
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