

Market Notice

Number: A1975
Date: 12 March 2014

Changes to the Spot Month Initial Margin Requirements

Further to the recent price moves in the spot month expiries, these have triggered a number of alerts whereby the required initial margin defined does not meet the JSE's margining requirements.

The JSE has consulted with the commodity clearing members and agreed to adjust the initial margin requirements on **Monday 17 March 2014 for settlement on Tuesday 18 March 2014**. We appreciate the initial margin will again increase as per the standard process on last trading day, namely 24 March 2014.

The JSE is mindful of the concern in the market around the current physical stock levels and would like to reassure participants that the JSE continues to consult with members who hold short positions ensuring participants are aware of their obligations around making physical delivery. In addition to the correspondence with position holders, the JSE as from the beginning of last year also performs audits on individual storage complexes to confirm the stock levels held at each of the operations. We confident the additional audits and regular communication further strengthens the settlement processes we have in place.

Considering the recent price movements in the Mar14 expiry month for white maize, yellow maize and soya beans where there are no price limits, the JSE will be adjusting the initial margin requirements as follows for the physically settled grain contracts:

WMAZ + WNCI	R12 500/contract up to first position day.	
	R20 000/ contract from first positions day or at extended limits.	Increases by R50/ton
	R30 000/contract from last trading day up and until last delivery day.	
YMAZ + YNCI	R12 500/contract up to first position day.	
	R20 000/ contract from first positions day or at extended limits.	Increases by R50/ton
	R30 000/contract from last trading day up and until last delivery day.	
SOYA	R10 000/contract up to first position day.	
	R16 000/ contract from first positions day or at extended limits.	Increases by R60/ton
	R26 000/contract from last trading day up and until last delivery day.	
WEAT	R7 000/contract up to first position day.	
	R9 000/ contract from first positions day or at extended limits.	No changes



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NS Nematswerani, N Nyembezi-Heita, N Payne
Alternate Directors: JH Burke, LV Parsons
Company Secretary: GC Clarke

	R18 000/contract from last trading day up and until last delivery day.	
SUNS	R12 000/contract up to first position day.	
	R15 000/ contract from first positions day or at extended limits.	No changes
	R30 000/contract from last trading day up and until last delivery day.	
SORG	R11 000/contract up to first position day.	
	R15 000/ contract from first positions day or at extended limits.	No changes
	R30 000/contract from last trading day up and until last delivery day.	
SGBT	R18 000/contract up to first position day.	
	R20 000/ contract from first positions day or at extended limits.	No changes
	R40 000/contract from last trading day up and until last delivery day.	

There will be further changes to the spot month initial margins applicable on the first position day for the Apr13 expiry (**changes introduced on 27 March2014 for settlement 28 March2014**) and will be as follows:

WMAZ + WNCI	R12 500/contract up to first position day.	
	R25 000/ contract from first positions day or at extended limits. (increases by a further R5000/contract)	
	R30 000/contract from last trading day up and until last delivery day.	
YMAZ + YNCI	R12 500/contract up to first position day.	
	R25 000/ contract from first positions day or at extended limits. (increases by a further R5000/contract)	
	R30 000/contract from last trading day up and until last delivery day.	
SOYA	R10 000/contract up to first position day.	
	R16 000/ contract from first positions day or at extended limits.	
	R26 000/contract from last trading day up and until last delivery day.	
WEAT	R7 000/contract up to first position day.	
	R9 000/ contract from first positions day or at extended limits.	
	R18 000/contract from last trading day up and until last delivery day.	
SUNS	R12 000/contract up to first position day.	
	R13 000/ contract from first positions day or at extended limits. (reduces by R2000/contract)	
	R30 000/contract from last trading day up and until last delivery day.	
SORG	R11 000/contract up to first position day.	
	R15 000/ contract from first positions day or at extended limits.	
	R30 000/contract from last trading day up and until last delivery day.	
SGBT	R18 000/contract up to first position day.	
	R20 000/ contract from first positions day or at extended limits.	
	R40 000/contract from last trading day up and until last delivery day.	

If there are any questions regarding the changes please feel free to contact the Commodities Team or Terence Saayman, Head of Risk on email risk@jse.co.za.



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