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SERVICE HOTLINE

REFERENCE NUMBER: 052/2020

12 March 2020

UPDATE - MARKET VOLATILITY & SYSTEM MANAGEMENT OF HIGH VOLUMES

As an update to Service Hotline 051/2020, published 11 March 2020, concerning the recent market volatility and high volumes, clients are requested to take note of the following:

Update to Circuit Breaker Thresholds

The circuit breakers for the DTOP and DCAP index futures will be updated as follows:

- Dynamic circuit breaker threshold will be set to **2%**
- Static circuit breaker threshold will remain at **5%**

This will be effective prior to start of trading tomorrow, 13 March 2020.

Member Settlement Obligations

In normal market conditions, the JSE Settlement Authority generally considers borrowing on behalf of participants who are short from 10am on settlement day (T3).

Given the current market conditions, the JSE Settlement Authority may, at any point prior to 08h00 on Settlement Date, institute a force borrow where they become aware that the member will not be able to settle a sale transaction on settlement date. This action will be deemed necessary to prevent a trade from failing.

Please be reminded of the Settlement Obligations stated in the JSE Rules and Directives as referred to by extracts below:

References:

Section 10 (Clearing and Settlement) of JSE rules

Directive E (Clearing and Settlement) of JSE Directives

Market / Service:

All JSE Markets and Services

Environment(s):

Production

Additional Information:

If you have any queries about this announcement, please contact the Client Service Centre (CSC) on +27 11 520 7777 or e-mail customersupport@jse.co.za

Directive E (All referenced to Rule 10 of the JSE rules)

9.2 A non-controlled client must provide settlement instructions to its CSDP upon acceptance of a transaction reflected on a contract note, but by no later than 12h00 (T+1)

9.3 A controlled client must by no later than 16h00 (T+1) ensure that the member will be in a position to settle on settlement date.

12.2 A member must by no later than 12h00 (T+2) ensure that his CSDP has committed to settle the transactions in respect of controlled accounts.

13.1 A member will, by no later than 16h00 (T+2), assume the obligation to settle the transaction through the member's CSDP in the event that the CSDP of a non-controlled client fails to commit to settle transactions by 15h00 (T+2)

13.2 A member will, by no later than 16h00 (T+2), assume the obligation to settle the transaction through the member's CSDP in the event that a controlled client fails to cover a sale transaction by 15h00 (T+2)

14 A member must, by no later than 18h00 (T+2), ensure that the CSDP of the member commits to settle the said transaction.

15 Between 08h00 and 10h00, Where a member has acted in terms of EF 14 and is unable to procure the commitment to settle by his CSDP by 18h00 on T+2, the Settlement Authority will endeavor by 10h00 on T+3 to have secured a borrow in respect of a sale transaction.

Risk Management

The JSE is closely monitoring risk and margin levels across all markets and will adjust margins accordingly in order to manage systemic risk.