

Market Notice

Number: A1749

Date 23 January 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 29 January 2013** for settlement on **Wednesday 30 January 2013**:

Contract Code	Expiry Date	Fixed Margin	Margin Change	Calendar Spread Margin	Series Spread Margin
CORN	Mar-13	20400	1100	5800	3000
CORN	May-13	20600	1200	5800	3000
CORN	Jul-13	20500	1200	5800	3000
CORN	Sep-13	18000	1600	5800	3000
CORN	Dec-13	17500	1800	5800	3000
BEAN	Mar-13	30500	2000	9100	3000
BEAN	May-13	30500	1900	9100	3000
BEAN	Jul-13	30600	1800	9100	3000
BEAN	Nov-13	29000	1200	9100	3000
MEAL	May-13	29300	2500	8600	3000
MEAL	Jul-13	29000	2500	8600	3000
MEAL	Dec-13	27200	1200	8600	3000
OILS	May-13	15200	600	4800	3000
OILS	Jul-13	16300	0	4800	3000
OILS	Dec-13	16200	0	4800	3000
KANS	Mar-13	9400	1200	2900	3500
KANS	Jul-13	9700	1000	2900	3500
KANS	Dec-13	10200	900	2900	3500
REDW	Mar-13	10300	1100	3200	3500
REDW	Jul-13	10600	1200	3200	3500
REDW	Sep-13	10800	1200	3200	3500
REDW	Dec-13	11200	1100	3200	3500
COPP	Mar-13	6000	100	1800	n/a
COPP	Jun-13	6200	0	1800	n/a
GOLD	Mar-13	8800	200	2600	700



JSE Limited Registration Number: 2005/022939/06

One Exchange Square, Gwen Lane, Sandown, South Africa.
Private Bag X991174, Sandton, 2146, South Africa. Telephone:
+27 11 520 7000, Facsimile: +27 11 520 8584, www.jse.co.za

Member of the World Federation of Exchanges

Executive Director: NF Newton-King (CEO)

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

GOLD	Jun-13	8900	300	2600	700
PLAT	Mar-13	9900	0	3000	700
PLAT	Jun-13	10100	100	3000	700
SIL	Mar-13	11900	1000	3600	n/a
SIL	Jun-13	12000	1100	3600	n/a
WTIO	Mar-13	8400	400	2600	n/a
WTIO	Jun-13	8500	300	2600	n/a
QBRN	Feb-13	9800	300	2900	n/a
QBRN	May-13	9600	200	2900	n/a
QBRN	Aug-13	9500	300	2900	n/a
QCOP	Feb-13	7300	0	2200	n/a
QCOP	May-13	7300	100	2200	n/a
QCOP	Aug-13	7400	100	2200	n/a
QGLD	Feb-13	7800	100	2400	700
QGLD	May-13	7800	200	2400	700
QGLD	Aug-13	7800	100	2400	700
QPLT	Feb-13	5300	100	1600	700
QPLT	May-13	5300	0	1600	700
QPLT	Aug-13	5300	100	1600	700
QSIL	Feb-13	14200	1100	4300	n/a
QSIL	May-13	14300	1100	4300	n/a
QSIL	Aug-13	14400	600	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

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 R6500 and R9600 (e.g. 20600 – 11000 = 9600) per contract.

The JSE is busy investigating providing offset margin in line with CBOT principles around the soybean complex, in other words if you long bean and short meal and oil the necessary correlation factors as per CBOT will be recognised. The local SOYA contract will also be included in this offset. Therefore notice is provided that the soybean complex will no longer be included in the CORN/WMAZ/YMAZ series spread as from end of February 2013.

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



Chris Sturgess

Designation Director
Division Commodity Derivatives
Tel +27 11 520-7299
Fax +27 11 520-7558
E-mail address: chriss@jse.co.za

Distributed by the Company Secretariat +27 11 520 7346