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## SERVICE HOTLINE

**REFERENCE NUMBER:** 007/2020

16 January 2020

### FLAT VOLATILITY SKEWS DISSEMINATED 13 AND 14 JANUARY 2020

Further to Service Hotline, 006/2020 the JSE has done further investigations regarding the volatility skews used. The technical problem with the end of day Valuations production routines occurred on 13 and 14 January 2020.

The root cause of the problem was the skew calculation for the MTM implied volatilities for the USDZAR currency options contracts, specifically the March 2020 expiry.

The attached indicative values are provided for clients for consumption in respect of the Currency Derivatives Non-Live Market Date files that cannot be reproduced for the above dates.

As at end of day on 15 January 2020 the Currency Derivatives Non-Live Market Data files reflect the correct values. The correct skews were applied in the Real Time Clearing system on 15 January 2020 resulting in the appropriate cash flows.

We apologise for the impact to your operations and resultant inconvenience to your data clients.

#### Market / Service:

Currency Derivatives Market

#### 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](mailto:CustomerSupport@jse.co.za)

#### Issued By:

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