

**MARKET NOTICE**

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**NOTICE NO.**            **011/2015**

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**DATE:**                    **6 January 2015**

**SUBJECT:**                **CHANGES TO THE COMMODITIES INITIAL, CALENDAR AND SERIES SPREAD MARGIN REQUIREMENTS**

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Dear JSE Stakeholder

**CHANGES TO THE COMMODITIES INITIAL, CALENDAR AND SERIES SPREAD MARGIN REQUIREMENTS**

To recap from the previous market notice that was published regarding margin requirements, the JSE has amended the initial margining methodology to consider the below:

- A liquidation period of at least 2-days P&L's will be applied to all asset classes.
- A 1000-day (4 year) look-back period will be used.
- Look-back will consist of a rolling 750-day rolling look-back and a 250-day stressed look-back.
- Returns will be scaled according to current volatility.

An important change to be aware of that was agreed at the Agricultural Advisory Committee as well as the JSE Clear Advisory Committee is that margin requirements will be updated on a more frequent basis going forward. The JSE has decided that as from the beginning of October 2014 margin requirements will be updated every two weeks. The intention with this process change is that changes to margins will be more frequent but each change is expected to be smaller. This will ensure that the margin as a percentage of the contract value will not vary as much as is currently the case.

Should there be any further questions regarding this process and envisaged changes going forward, please feel free to contact the Head of Risk, Terence Saayman on +27 11 520 7713 or email [risk@jse.co.za](mailto:risk@jse.co.za).

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notice-and-circulars>

**Please note the following changes will be introduced on Monday 12 January 2015 for settlement Tuesday 13 January 2015**

Contract Code	Expiry Date	Fixed Margin	Margin Change	Spread Margin	VSR	Series Spread Margin	Settlement Margin
WMAZ	23/01/2015	20600	500	11500	3.5	5000	30000
WMAZ	20/02/2015	12300	2200	8330	3.5	5000	30000
WMAZ	24/03/2015	12200	200	8260	3.5	5000	30000
WMAZ	22/05/2015	12100	400	8200	3.5	5000	30000
WMAZ	24/07/2015	12000	400	8150	3.5	5000	30000
WMAZ	22/09/2015	12200	400	8150	3.5	5000	30000
WMAZ	23/12/2015	12600	-	8150	3.5	5000	30000
WMAZ	22/07/2016	11700	700	8150	3.5	5000	30000
YMAZ	23/01/2015	19000	500	7990	3.5	5000	30000
YMAZ	20/02/2015	13100	300	7490	3.5	5000	30000
YMAZ	24/03/2015	13100	300	7450	3.5	5000	30000
YMAZ	22/05/2015	12900	100	7340	3.5	5000	30000
YMAZ	24/07/2015	12900	200	7340	3.5	5000	30000
YMAZ	22/09/2015	13100	200	7340	3.5	5000	30000
YMAZ	23/12/2015	13600	700	7340	3.5	5000	30000
YMAZ	22/07/2016	12300	100	7340	3.5	5000	30000
WEAT	23/01/2015	10100	1600	4810	3.5	6500	20000
WEAT	20/02/2015	6800	300	4270	3.5	6500	20000
WEAT	24/03/2015	6900	400	4330	3.5	6500	20000
WEAT	22/05/2015	7000	400	4360	3.5	6500	20000
WEAT	24/07/2015	7000	400	4380	3.5	6500	20000
WEAT	22/09/2015	6600	-	4380	3.5	6500	20000
SUNS	23/01/2015	38300	3500	7270	3.5	n/a	30000
SUNS	20/02/2015	20200	800	5460	3.5	n/a	30000
SUNS	24/03/2015	20400	1000	5510	3.5	n/a	30000
SUNS	22/05/2015	18800	1000	5060	3.5	n/a	30000
SUNS	24/07/2015	19200	1100	5180	3.5	n/a	30000
SUNS	22/09/2015	19400	900	5180	3.5	n/a	30000
SUNS	23/12/2015	19400	900	5180	3.5	n/a	30000

Contract Code	Expiry Date	Fixed Margin	Margin Change	Spread Margin	VSR	Series Spread Margin	Settlement Margin
SOYA	23/01/2015	21600	1300	7970	3.5	3400	30000
SOYA	20/02/2015	19400	300	8320	3.5	3400	30000
SOYA	24/03/2015	18000	1700	7740	3.5	3400	30000
SOYA	22/05/2015	16400	1800	7030	3.5	3400	30000
SOYA	24/07/2015	16600	1800	7140	3.5	3400	30000
SOYA	22/09/2015	16800	1800	7140	3.5	3400	30000
SOYA	23/12/2015	17100	1500	7140	3.5	3400	30000
SORG	24/03/2015	10500	800	3390	3.5	5000	30000
SORG	22/05/2015	10800	-	3390	3.5	5000	30000
SORG	24/07/2015	10400	200	3390	3.5	5000	30000
SORG	22/09/2015	11300	-	3390	3.5	5000	30000
SGBT	24/03/2015	11300	-	3270	3.5	5000	40000
SGBT	22/05/2015	10800	-	3270	3.5	5000	40000
SGBT	24/07/2015	10600	-	3270	3.5	5000	40000
SGBT	22/09/2015	11300	-	3270	3.5	5000	40000
CORN	02/03/2015	17200	600	6000	3.5	5000	n/a
CORN	04/05/2015	18100	1000	6000	3.5	5000	n/a
CORN	01/07/2015	18200	1100	6000	3.5	5000	n/a
CORN	01/09/2015	18900	1800	6000	3.5	5000	n/a
CORN	01/12/2015	19200	2100	6000	3.5	5000	n/a
BEAN	02/03/2015	37500	1400	10030	3.5	6700	n/a
BEAN	04/05/2015	38200	1500	10200	3.5	6700	n/a
BEAN	01/07/2015	38800	1700	10370	3.5	6700	n/a
BEAN	01/09/2015	38500	1400	10290	3.5	6700	n/a
BEAN	02/11/2015	38400	1300	10270	3.5	6700	n/a
MEAL	02/03/2015	57400	3300	16270	3.5	6700	n/a
MEAL	04/05/2015	54500	3000	15670	3.5	6700	n/a
MEAL	01/07/2015	52400	400	16540	3.5	6700	n/a
MEAL	01/09/2015	55400	3900	16450	3.5	6700	n/a
MEAL	01/12/2015	55100	3600	16130	3.5	6700	n/a
OILS	02/03/2015	11300	800	4380	3.5	n/a	n/a
OILS	04/05/2015	11500	800	4370	3.5	n/a	n/a
OILS	01/07/2015	11500	600	4560	3.5	n/a	n/a
OILS	01/09/2015	11900	400	4500	3.5	n/a	n/a
OILS	01/12/2015	11800	500	4510	3.5	n/a	n/a

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KANS	02/03/2015	10500	1300	3500	3.5	6600	n/a
KANS	04/05/2015	10000	600	3500	3.5	6600	n/a
KANS	01/07/2015	10900	1500	3500	3.5	6600	n/a
KANS	01/09/2015	9800	600	3500	3.5	6600	n/a
KANS	01/12/2015	11700	2100	3500	3.5	6600	n/a
REDW	02/03/2015	12700	2300	3500	3.5	6600	n/a
REDW	04/05/2015	12900	2200	3500	3.5	6600	n/a
REDW	01/07/2015	13100	2300	3500	3.5	6600	n/a
REDW	01/09/2015	13400	2800	3500	3.5	6600	n/a
REDW	01/12/2015	14100	2500	3500	3.5	6600	n/a
BRNT	16/03/2015	8090	60	2150	3.5	700	n/a
BRNT	12/06/2015	7800	140	2150	3.5	700	n/a
COPP	16/03/2015	7250	140	2280	3.5	n/a	n/a
COPP	12/06/2015	7240	180	2280	3.5	n/a	n/a
DSEL	02/02/2015	2630	160	830	3.5	n/a	n/a
DSEL	02/03/2015	2660	60	830	3.5	n/a	n/a
DSEL	01/04/2015	2770	-	830	3.5	n/a	n/a
DSEL	04/05/2015	2780	360	830	3.5	n/a	n/a
DSEL	01/06/2015	2810	1100	830	3.5	n/a	n/a
DSEL	01/07/2015	2700	250	830	3.5	n/a	n/a
DSEL	03/08/2015	2830	280	830	3.5	n/a	n/a
GOLD	16/03/2015	8830	690	2770	3.5	400	n/a
GOLD	12/06/2015	8820	550	2770	3.5	400	n/a
PLAT	16/03/2015	12180	1340	3940	3.5	400	n/a
PLAT	12/06/2015	12150	1100	3940	3.5	400	n/a
QBRN	10/02/2015	6660	600	1890	3.5	n/a	n/a
QBRN	12/05/2015	7030	420	1890	3.5	n/a	n/a
QCFF	10/02/2015	7830	560	2430	3.5	n/a	n/a
QCFF	12/05/2015	8260	440	2430	3.5	n/a	n/a
QCOC	10/02/2015	2070	680	630	3.5	n/a	n/a
QCOC	12/05/2015	2050	670	630	3.5	n/a	n/a
QCOP	10/02/2015	6230	100	1920	3.5	n/a	n/a
QCOP	12/05/2015	6430	360	1920	3.5	n/a	n/a
QCRN	10/02/2015	1560	10	480	3.5	n/a	n/a
QCRN	12/05/2015	1590	20	480	3.5	n/a	n/a
QCTN	10/02/2015	2630	140	820	3.5	n/a	n/a
QCTN	12/05/2015	2600	250	820	3.5	n/a	n/a
QGAS	10/02/2015	8580	20	2520	3.5	n/a	n/a
QGAS	12/05/2015	10600	40	2520	3.5	n/a	n/a

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QGLD	10/02/2015	7500	90	2430	3.5	400	n/a
QGLD	12/05/2015	7460	60	2430	3.5	400	n/a
QHEA	10/02/2015	7260	640	2110	3.5	n/a	n/a
QHEA	12/05/2015	8220	730	2110	3.5	n/a	n/a
QNAT	10/02/2015	3940	520	1140	3.5	n/a	n/a
QNAT	12/05/2015	4140	560	1140	3.5	n/a	n/a
QPLD	10/02/2015	7610	540	2590	3.5	n/a	n/a
QPLD	12/05/2015	7350	210	2590	3.5	n/a	n/a
QPLT	10/02/2015	11890	320	3990	3.5	400	n/a
QPLT	12/05/2015	11880	40	3990	3.5	400	n/a
QSIL	10/02/2015	8040	980	2500	3.5	n/a	n/a
QSIL	12/05/2015	8040	870	2500	3.5	n/a	n/a
QSUG	10/02/2015	2220	1350	720	3.5	n/a	n/a
QSUG	12/05/2015	2290	1310	720	3.5	n/a	n/a
SILV	16/03/2015	9170	370	2840	3.5	n/a	n/a
SILV	12/06/2015	9170	400	2840	3.5	n/a	n/a
WTIO	16/03/2015	8950	120	2670	3.5	700	n/a
WTIO	12/06/2015	9070	150	2670	3.5	700	n/a

In terms of the margin change indicators, red denotes an increase in margin whilst green indicates a reduction in the required margins from the previous adjustment.

Please note in terms of the series

Spread margin, offset margin is recognized for the following products:

- WMAZ, YMAZ CORN and SORG (R5000/R5000/R5000/R5000)
- GOLD and PLAT (R400/R400)
- WEAT, REDW and KANS (R6500/R6600/R6600)
- SOYA/ BEAN/MEAL (R3400/ R6700/ R6700)

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 require per structure