

MARKET NOTICE

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NOTICE NO. **67/2015**

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DATE: **02 February 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.

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 09 February 2015 for settlement Tuesday 10 February 2015

Contract Code	Expiry Date	Fixed Margin	Margin Change	Spread Margin	VSR	Series Spread Margin	Settlement Margin
WMAZ	2015/02/20	22200	-2900	11580	3.5	5000	30000
WMAZ	2015/03/24	14500	-1900	9170	3.5	5000	30000
WMAZ	2015/05/22	14400	-1800	9070	3.5	5000	30000
WMAZ	2015/07/24	14300	-1600	9050	3.5	5000	30000
WMAZ	2015/09/22	14600	-1800	9200	3.5	5000	30000
WMAZ	2015/12/23	14900	-1900	9200	3.5	5000	30000
WMAZ	2016/07/22	13900	-500	9200	3.5	5000	30000
YMAZ	2015/02/20	18100	-600	8080	3.5	5000	30000
YMAZ	2015/03/24	12400	-400	7430	3.5	5000	30000
YMAZ	2015/05/22	12300	-100	7320	3.5	5000	30000
YMAZ	2015/07/24	12200	100	7300	3.5	5000	30000
YMAZ	2015/09/22	12400	-	7420	3.5	5000	30000
YMAZ	2015/12/23	12800	-200	7420	3.5	5000	30000
YMAZ	2016/07/22	12700	200	7420	3.5	5000	30000
WEAT	2015/02/20	12900	-2000	5400	3.5	6500	20000
WEAT	2015/03/24	6800	-100	4330	3.5	6500	20000
WEAT	2015/05/22	6900	-200	4400	3.5	6500	20000
WEAT	2015/07/24	6900	-100	4410	3.5	6500	20000
WEAT	2015/09/22	6700	100	4260	3.5	6500	20000
SUNS	2015/02/20	40300	-1500	6660	3.5	n/a	30000
SUNS	2015/03/24	20900	-300	4900	3.5	n/a	30000
SUNS	2015/05/22	20200	-	4740	3.5	n/a	30000
SUNS	2015/07/24	20400	-1800	4790	3.5	n/a	30000
SUNS	2015/09/22	20600	-1400	4830	3.5	n/a	30000
SUNS	2015/12/23	20800	-1400	4830	3.5	n/a	30000
SOYA	2015/02/20	26200	-500	7020	3.5	3400	30000
SOYA	2015/03/24	21600	900	7070	3.5	3400	30000
SOYA	2015/05/22	19900	1000	6520	3.5	3400	30000
SOYA	2015/07/24	20000	-1200	6570	3.5	3400	30000
SOYA	2015/09/22	20200	-1200	6640	3.5	3400	30000
SOYA	2015/12/23	20500	-1200	6640	3.5	3400	30000

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SORG	2015/03/24	10000	400	4000	3.5	5000	30000
SORG	2015/05/22	9900	-	3960	3.5	5000	30000
SORG	2015/07/24	9900	-	3960	3.5	5000	30000
SORG	2015/09/22	11300	-	4520	3.5	5000	30000
SGBT	2015/03/24	5800	900	1740	3.5	5000	40000
SGBT	2015/05/22	12000	900	3600	3.5	5000	40000
SGBT	2015/07/24	12000	900	3600	3.5	5000	40000
SGBT	2015/09/22	12000	900	3600	3.5	5000	40000
CORN	2015/03/02	17500	400	6840	3.5	5000	n/a
CORN	2015/05/04	18000	500	6150	3.5	5000	n/a
CORN	2015/07/01	18500	400	6320	3.5	5000	n/a
CORN	2015/09/01	19000	400	6490	3.5	5000	n/a
CORN	2015/12/01	19800	200	6740	3.5	5000	n/a
BEAN	2015/03/02	34800	800	9270	3.5	6700	n/a
BEAN	2015/05/04	35400	700	9430	3.5	6700	n/a
BEAN	2015/07/01	35900	900	9570	3.5	6700	n/a
BEAN	2015/09/01	35700	900	9530	3.5	6700	n/a
BEAN	2015/11/02	35600	900	9500	3.5	6700	n/a
MEAL	2015/03/02	49500	-1200	17480	3.5	6700	n/a
MEAL	2015/05/04	49900	100	15130	3.5	6700	n/a
MEAL	2015/07/01	52700	100	15980	3.5	6700	n/a
MEAL	2015/09/01	52400	100	15890	3.5	6700	n/a
MEAL	2015/12/01	51400	100	15580	3.5	6700	n/a
OILS	2015/03/02	11100	1000	4640	3.5	n/a	n/a
OILS	2015/05/04	12300	-100	4510	3.5	n/a	n/a
OILS	2015/07/01	12800	-100	4710	3.5	n/a	n/a
OILS	2015/09/01	12700	-200	4650	3.5	n/a	n/a
OILS	2015/12/01	12700	-100	4660	3.5	n/a	n/a
KANS	2015/03/02	9100	700	6030	3.5	6600	n/a
KANS	2015/05/04	10100	200	6220	3.5	6600	n/a
KANS	2015/07/01	9400	700	5770	3.5	6600	n/a
KANS	2015/09/01	10000	100	6120	3.5	6600	n/a
KANS	2015/12/01	10700	100	6540	3.5	6600	n/a

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REDW	2015/03/02	10800	900	4490	3.5	6600	n/a
REDW	2015/05/04	11000	800	4580	3.5	6600	n/a
REDW	2015/07/01	11200	900	4660	3.5	6600	n/a
REDW	2015/09/01	11500	800	4780	3.5	6600	n/a
REDW	2015/12/01	12000	900	4960	3.5	6600	n/a
BRNT	2015/03/16	6640	490	1960	3.5	700	n/a
BRNT	2015/06/12	6960	170	1960	3.5	700	n/a
COPP	2015/03/16	7130	100	2180	3.5	n/a	n/a
COPP	2015/06/12	7270	40	2180	3.5	n/a	n/a
DSEL	2015/02/02	2260	150	710	3.5	n/a	n/a
DSEL	2015/03/02	2270	150	710	3.5	n/a	n/a
DSEL	2015/04/01	2310	170	710	3.5	n/a	n/a
DSEL	2015/05/04	2330	170	710	3.5	n/a	n/a
DSEL	2015/06/01	2350	180	710	3.5	n/a	n/a
DSEL	2015/07/01	2360	130	710	3.5	n/a	n/a
DSEL	2015/08/03	2660	60	710	3.5	n/a	n/a
GOLD	2015/03/16	9880	-350	2970	3.5	400	n/a
GOLD	2015/06/12	10010	-410	2970	3.5	400	n/a
PLAT	2015/03/16	13630	-350	4150	3.5	400	n/a
PLAT	2015/06/12	13800	-430	4150	3.5	400	n/a
QBRN	2015/02/10	5430	380	1640	3.5	n/a	n/a
QBRN	2015/05/12	5790	380	1640	3.5	n/a	n/a
QBRN	2015/08/12	6100	400	1640	3.5	n/a	n/a
QBRN	2015/11/11	6290	290	1640	3.5	n/a	n/a
QCFF	2015/02/10	7880	150	2410	3.5	n/a	n/a
QCFF	2015/05/12	8260	340	2410	3.5	n/a	n/a
QCOC	2015/02/10	1950	110	610	3.5	n/a	n/a
QCOC	2015/05/12	1940	90	610	3.5	n/a	n/a
QCOP	2015/02/10	5910	180	1820	3.5	n/a	n/a
QCOP	2015/05/12	6150	530	1820	3.5	n/a	n/a
QCRN	2015/02/10	1530	30	470	3.5	n/a	n/a
QCRN	2015/05/12	1590	10	470	3.5	n/a	n/a
QCTN	2015/02/10	2560	80	790	3.5	n/a	n/a
QCTN	2015/05/12	2600	30	790	3.5	n/a	n/a
QGAS	2015/02/10	7350	420	2240	3.5	n/a	n/a
QGAS	2015/05/12	9400	1750	2240	3.5	n/a	n/a
QGLD	2015/02/10	8630	-390	2610	3.5	400	n/a
QGLD	2015/05/12	8640	-420	2610	3.5	400	n/a

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QHEA	2015/02/10	6040	470	1840	3.5	n/a	n/a
QHEA	2015/05/12	6770	1610	1840	3.5	n/a	n/a
QNAT	2015/02/10	3680	200	1120	3.5	n/a	n/a
QNAT	2015/05/12	3930	450	1120	3.5	n/a	n/a
QPLD	2015/02/10	8420	-410	2580	3.5	n/a	n/a
QPLD	2015/05/12	8430	-430	2580	3.5	n/a	n/a
QPLT	2015/02/10	13640	-460	4180	3.5	400	n/a
QPLT	2015/05/12	13530	-670	4180	3.5	400	n/a
QSIL	2015/02/10	9890	-690	2930	3.5	n/a	n/a
QSIL	2015/05/12	9740	-1010	2930	3.5	n/a	n/a
QSUG	2015/02/10	2390	-30	740	3.5	n/a	n/a
QSUG	2015/05/12	2460	-40	740	3.5	n/a	n/a
SILV	2015/03/16	10010	-240	3010	3.5	n/a	n/a
SILV	2015/06/12	10150	-300	3010	3.5	n/a	n/a
WTIO	2015/03/16	7590	630	2340	3.5	700	n/a
WTIO	2015/06/12	8080	450	2340	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