

MARKET NOTICE

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Number: A2006
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SUBJECT: CHANGES TO INITIAL MARGIN REQUIREMENTS

Further to the recent price moves in the White and Yellow Maize spot month expiries which have triggered alerts whereby the required initial margin defined does not meet the JSE's margin requirements, **the JSE will be adjusting the initial margin requirements for the spot month. The changes will be applicable on the first position day for the May14 expiry.** Changes will be introduced on **25 April 2014 for settlement 29 April 2014** and will be as follows for physically settled grain contracts;

WMAZ+		
WNCI	R12 500/ contract up to first position day.	
	R28 500/contract from first position day or at extended limits.	Increase by R3500/contract
	R30000/contract from last trading day up until last delivery day	
YMAZ +		
YNCI	R12 500/ contract up to first position day.	
	R28 500/contract from first position day or at extended limits.	Increase by R3500/contract
	R30000/contract from last trading day up until last delivery day	

The cash settled 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 **Friday 25 April 2014 for settlement on Tuesday 29 April 2014:**

Contract Code	Expiry Date	Fixed Margin	Margin Change	Calendar Spread Margin	Series Spread Margin
CORN	2014/05/02	18 700	0	6 000	5 000
CORN	2014/07/01	19 700	700	6 000	5 000
CORN	2014/09/02	19 800	300	6 000	5 000
CORN	2014/12/01	20 000	800	6 000	5 000
BEAN	2014/05/02	44 600	0	13 800	3 400
BEAN	2014/07/01	48 000	3 500	13 800	3 400
BEAN	2014/09/02	48 000	7 500	13 800	3 400
BEAN	2014/11/03	42 000	2 900	13 800	3 400
MEAL	2014/05/02	44 300	0	13 400	3 400
MEAL	2014/07/01	47 400	3 800	13 400	3 400
MEAL	2014/09/02	42 000	1 800	13 400	3 400
OILS	2014/05/02	15 400	0	4 700	n/a
OILS	2014/07/01	15 600	0	4 700	n/a

OILS	2014/09/02	15 600	100	4 700	n/a
KANS	2014/05/02	11 900	0	3 700	5 500
KANS	2014/07/01	12 000	100	3 700	5 500
KANS	2014/09/02	12 200	200	3 700	5 500
KANS	2014/12/01	12 600	200	3 700	5 500
REDW	2014/05/02	15 300	0	4 800	5 500
REDW	2014/07/01	15 600	0	4 800	5 500
REDW	2014/09/02	16 500	600	4 800	5 500
REDW	2014/12/01	16 000	500	4 800	5 500
DSEL	2014/06/02	2 900	0	900	n/a
DSEL	2014/07/01	2 900	0	900	n/a
DSEL	2014/08/01	2 900	0	900	n/a
DSEL	2014/09/01	2 900	0	900	n/a
DSEL	2014/10/01	2 900	0	900	n/a
BRNT	2014/06/13	8 400	200	2 500	600
BRNT	2014/09/15	8 500	100	2 500	600
WTIO	2014/06/13	9 100	200	2 700	600
WTIO	2014/09/15	8 900	100	2 700	600
GOLD	2014/06/13	7 700	800	2 400	800
GOLD	2014/09/15	7 900	700	2 400	800
PLAT	2014/06/13	9 500	500	2 900	800
PLAT	2014/09/15	9 700	400	2 900	800
COPP	2014/06/13	5 700	100	1 700	n/a
COPP	2014/09/15	5 800	100	1 700	n/a
SILV	2014/06/13	9 000	1 300	2 700	n/a
SILV	2014/09/15	9 200	1 300	2 700	n/a
QBRN	2014/05/13	8 300	100	2 500	n/a
QBRN	2014/08/12	8 200	100	2 500	n/a
QCFF	2014/05/13	5 200	0	1 600	n/a
QCFF	2014/08/12	5 300	0	1 600	n/a
QCOC	2014/05/13	2 100	0	600	n/a
QCOC	2014/08/12	2 100	0	600	n/a
QCOP	2014/05/13	5 800	100	1 700	n/a
QCOP	2014/08/12	5 800	100	1 700	n/a
QCRN	2014/05/13	2 200	0	600	n/a
QCRN	2014/08/12	2 200	100	600	n/a
QCTN	2014/05/13	3 500	100	1 000	n/a
QCTN	2014/08/12	3 100	0	1 000	n/a
QCTN	2014/11/11	3 100	100	1 000	n/a
QGAS	2014/05/13	11 100	400	3 300	n/a
QGAS	2014/08/12	10 600	300	3 300	n/a
QGLD	2014/05/13	6 300	400	1 900	800
QGLD	2014/08/12	6 300	400	1 900	800
QHEA	2014/05/13	9 000	200	2 700	n/a
QHEA	2014/08/12	8 900	100	2 700	n/a
QNAT	2014/05/13	5 600	100	1 700	n/a
QNAT	2014/08/12	5 600	100	1 700	n/a
QPLD	2014/05/13	4 600	100	1 400	n/a

QPLD	2014/08/12	4 600	100	1 400	n/a
QPLT	2014/05/13	8 300	300	2 500	800
QPLT	2014/08/12	8 300	300	2 500	800
QSIL	2014/05/13	8 600	1 100	2 600	n/a
QSIL	2014/08/12	8 700	1 000	2 600	n/a
QSUG	2014/05/13	1 700	0	500	n/a
QSUG	2014/08/12	1 800	0	500	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 (R5000/R5000/R5000/R5000)
- GOLD and PLAT (R800/R800)
- WEAT, REDW and KANS (R5500/R5500/R5500)
- SOYA/ BEAN/MEAL (R1700/ R3400/ R3400)

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. As an example, in terms of the maize and corn spread position, depending on the expiry, the margin could increase by anything between R6200 and R7500 (e.g. 20000 – 12500 =R7500) per contract.

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



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