

MARKET NOTICE

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SUBJECT: CHANGES TO INITIAL MARGIN REQUIREMENTS



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The JSE will be updating the initial margin requirements for some of the grain products in order to align within our risk parameters. The changes will be introduced on **28 May 2014 for settlement 29 May 2014** and will be as follows for the physically settled grain contracts;

SOYA	R15 000/ contract up to first position day	Increase of R100/ton
	R20 000/contract from first position day or at extended limits	Increase of R80/ton
	R26 000/contract from last trading day up until last delivery day	
SUNS	R15 000/ contract up to first position day	Increase of R60/ton
	R20 000/contract from first position day or at extended limits	Increase of R100/ton
	R30 000/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 **Wednesday 28 May 2014 for settlement on Thursday 29 May 2014**

Contract Code	Expiry Date	Fixed Margin	Margin Change	Calendar Spread Margin	Series Spread Margin
CORN	01/07/2014	19,700	700	6,000	5,000
CORN	02/09/2014	19,800	300	6,000	5,000
CORN	01/12/2014	20,000	800	6,000	5,000
BEAN	01/07/2014	46,100	1,600	12,500	6,700
BEAN	02/09/2014	40,400	100	12,500	6,700
BEAN	03/11/2014	39,000	100	12,500	6,700
MEAL	01/07/2014	46,900	3,300	13,200	6,700
MEAL	02/09/2014	41,300	1,100	13,200	6,700
OILS	01/07/2014	15,500	100	4,700	n/a
OILS	02/09/2014	15,500	0	4,700	n/a
KANS	01/07/2014	12,000	100	3,700	7,000
KANS	02/09/2014	12,200	200	3,700	7,000
KANS	01/12/2014	12,500	100	3,700	7,000
REDW	01/07/2014	14,900	700	4,600	7,000
REDW	02/09/2014	15,300	600	4,600	7,000
REDW	01/12/2014	15,800	700	4,600	7,000
DSEL	01/07/2014	2,800	100	800	n/a
DSEL	01/08/2014	2,800	100	800	n/a
DSEL	01/09/2014	2,800	100	800	n/a
DSEL	01/10/2014	2,800	100	800	n/a
DSEL	02/11/2014	2,700		800	n/a
BRNT	13/06/2014	8,300	300	2,500	500
BRNT	15/09/2014	8,300	300	2,500	500
WTIO	13/06/2014	8,800	100	2,600	500
WTIO	15/09/2014	8,700	100	2,600	500
GOLD	13/06/2014	7,500	1,000	2,300	1,000
GOLD	15/09/2014	7,600	1,000	2,300	1,000
PLAT	13/06/2014	9,500	500	2,900	1,000
PLAT	15/09/2014	9,700	400	2,900	1,000
COPP	13/06/2014	5,700	100	1,700	n/a
COPP	15/09/2014	5,700	200	1,700	n/a
SILV	13/06/2014	8,600	1,700	2,600	n/a
SILV	15/09/2014	8,800	1,700	2,600	n/a
QBRN	12/08/2014	8,200	0	2,400	n/a
QBRN	11/11/2014	8,100	0	2,400	n/a
QCFF	12/08/2014	5,200	0	1,600	n/a
QCFF	11/11/2014	5,300	0	1,600	n/a
QCOC	12/08/2014	2,000	100	600	n/a
QCOC	11/11/2014	2,000	100	600	n/a
QCOP	12/08/2014	5,900	200	1,800	n/a
QCOP	11/11/2014	5,800	100	1,800	n/a
QCRN	12/08/2014	2,100	100	600	n/a
QCRN	11/11/2014	2,100	0	600	n/a
QCTN	12/08/2014	3,100	300	900	n/a
QCTN	11/11/2014	3,100	100	900	n/a

Contract	Expiry	Fixed	Margin	Calendar Spread	Series Spread
Code	Date	Margin	Change	Margin	Margin
QGAS	12/08/2014	10,600	100	3,000	n/a
QGAS	11/11/2014	9,700	600	3,000	n/a
QGLD	12/08/2014	6,200	500	1,900	1,000
QGLD	11/11/2014	6,200	500	1,900	1,000
QHEA	12/08/2014	8,800	0	2,600	n/a
QHEA	11/11/2014	8,800	0	2,600	n/a
QNAT	12/08/2014	5,400	100	1,700	n/a
QNAT	11/11/2014	5,600	100	1,700	n/a
QPLD	12/08/2014	4,700	200	1,400	n/a
QPLD	11/11/2014	4,700	200	1,400	n/a
QPLT	12/08/2014	8,500	100	2,600	1,000
QPLT	11/11/2014	8,500	100	2,600	1,000
QSIL	12/08/2014	8,500	1,200	2,600	n/a
QSIL	11/11/2014	8,500	1,200	2,600	n/a
QSUG	12/08/2014	1,800	100	500	n/a
QSUG	15/02/2015	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 (R1000/R1000)
- WEAT, REDW and KANS (R7000/R7000/R7000)
- 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. As an example, in terms of the maize and corn spread position, depending on the expiry, the margin could increase by anything between R7200 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 7231 or e-mail commodities@jse.co.za