
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za

Number: 08/2019

Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives

Date: 09 January 2019

SUBJECT: WHITE MAIZE PRICE VOLATILITY

Name and Surname: Raphael Karuaihe
Designation: Head - Commodities

Dear Stakeholder,

On 8 January 2019, a market notice was issued advising of new initial margin parameters for CDM products to be effective Monday, 14 January 2019. The new initial margin parameters is available for download at

https://www.jse.co.za/downloadable-files?RequestNode=/Initial_Margin_Parameter_Data/Official_Initial_Margin_Parameters/APD

In the past couple of weeks, the market has seen incredible volatility in the price of the White Maize contracts listed on the exchange which has resulted in a number of expiries trading at extended limits. This has heightened exposure to risk. Margin is an important risk management tool to protect market stability and the interests of all users in the event of a default by a participant.

The JSE is mindful of the impact that the margin change may have on participants, and has sought to be as least disruptive as possible by providing advance notice of the changes while putting in place risk parameters that reflects the current state of the risk within the market.

To ensure that the margin requirements for the CDM products continue to provide the right level of risk management protection, these parameters will be implemented on Monday, 14 January 2019.

Should you have any queries regarding this notice, please contact commodities@jse.co.za

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