

Subject: Revision of FX and CFD Margin Requirements

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Dear Client,

Following the removal of the floor in EURCHF by the Swiss National Bank on Thursday, January 15th 2015, Saxo Bank has decided to increase margin requirements across a number of instruments. The changes affect:

- New FX margin requirements
- New CFD Index & CFD Single Stock margin requirements
- Changes to the FX Option margin calculation
- FX Option trading in Swiss Franc

After a long period with low volatilities across asset classes, we foresee a paradigm shift in the financial markets.

We want to signal and prepare our clients to have sufficient margin to support for potential bigger and more extreme short term shocks. CHF was one example. This week's potential quantitative easing announcement from ECB and the election in Greece, January 25th, are other such events.

In future we expect to be more dynamic on margin levels depending on the financial environment and calendar such as the increase in margin requirements implemented for CHF in Sep 2014 from 4% to 8%.

Read commentary [‘Macro Digest: Endgame for Central Bankers’](#) by our Chief Economist Steen Jakobsen on TradingFloor.com.

As a result, Saxo Bank will increase margin requirements for the following instruments on **Wednesday, 21st of January 2015, at 16.00 CET** as follows:

New Foreign Exchange Margin Requirements

Currency Code	Name	Current Margin	*New Margin
EUR	Euro	0.5%/1%	2%
USD	US Dollar	0.5%/1%	2%
GBP	British Pound	0.5%/1%	2%
JPY	Japanese Yen	0.5%/1%	3%
CHF	Swiss Franc	4%/8%	15%
XAU	Gold	2%/4%	6%
XAG	Silver	3%/6%	8%

*The 50% margin reduction offered for the first EUR 300,000 of your investment collateral will be removed. Corresponding CFDs on FX and Commodities will be increased similar to the above.

New CFD Index & CFD Single Stock Margin Requirements

Ticker	Name	Current Margin*	New Margin
DAX.I	Germany 30	0.5%/1%	2%
SP500.I	US SPX500	0.5%/1%	2%
DJI.I	US 30 Wall Street	0.5%/1%	2%
NAS100.I	US Tech 100 NAS	0.5%/1%	2%
FTSE100.I	UK 100	0.5%/1%	2%
CAC40.I	France 40	0.5%/1%	5%
DEN20.I	Denmark 20	0.5%/1%	5%
DEN20CAP.I	Denmark 20 Capped	0.5%/1%	5%
STOXX50E.I	EU Stocks 50	0.5%/1%	5%
BELG20.I	Belgium 20	0.5%/1%	5%
MDAX.I	Germany Mid-Cap 50	0.5%/1%	5%
HSLI	Hong Kong Index	0.5%/1%	5%
AEX.I	Netherlands 25	0.5%/1%	5%
NOR25.I	Norway 25	0.5%/1%	5%
SWE30.I	Sweden 30	0.5%/1%	5%
FTSE250.I	UK Mid 250	0.5%/1%	5%
US2000	US 2000	4%	5%
TECDAX.I	Germany Tech 30	0.5%/1%	5%
NI225.I	Japan 225	0.5%/1%	5%
ASXSP200.I	Australia 200	0.5%/1%	5%
SPMIB.I	Italy 40	0.5%/1%	5%
ZA40.I	South Africa	5%	10%
CHINA50	China 50 Index	4%	10%
INDIA50	India 50 Index	4%	10%
SINGAPORE	Singapore Index	4%	10%
TAIWAN	Taiwan Index	4%	10%
PSI20.I	Portugal 20	0.5%/1%	10%
IBEX35.I	Spain 35	0.5%/1%	10%
SMLI	Switzerland 20	0.5%/1%	10%

*The 50% margin reduction offered for the first EUR 50,000 of your investment collateral will be removed. For the full list of affected Single Stock CFDs, please click here: http://www.saxobank.com/Documents/email/StockReratings_Jan_2015.pdf

Changes to the FX Option Margin Calculation:

The volatility floor value in the Vega Margin requirement will be changed from 10% to 20%

The FX Option margin requirement consists of Delta Margin + Vega Margin, where the Vega Margin is calculated as follows:

- $\text{Vega Margin} = \text{Notional Amount} * \text{Vega} * \text{Max (Implied Volatility, Floor Value)} * \text{Volatility Factor}$
- The floor value in the calculation above will be changed to 20%.

FX Option trading in CHF

Saxo Bank will resume FX Option trading in CHF after the margin change has taken place on Wednesday in the following crosses: EURCHF, USDCHF, CHFJPY and GBPCHF.

More Information

You can get an overview of upcoming margin and collateral changes in WebConnect and on SaxoTrader:

- In SaxoTrader: Click on Account > Reports > Margin & Collateral Changes
- In WebConnect: Click on Trading > Margin & Collateral Changes

Please note that the removal of half margin is not included in these overviews.

If you have any questions please do not hesitate to contact your Account Manager.

Yours sincerely,
Saxo Bank

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