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**MARKET NOTICE**Johannesburg  
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**Number:** 015A/2017  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Date:** 17 January 2017

**SUBJECT:** INTRODUCTION OF DECEMBER 2017 AND MARCH 2018 WHEAT EXPIRIES AND ORIGIN DISCOUNTS FOR THE NEW SEASON

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**Designation:** Director: Commodities & Key Client Management

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Dear Stakeholder,

The JSE would like to propose the following for the new wheat season that runs from 1 October 2017 to 30 September 2018. The JSE is fully mindful that the uncertainty around the wheat import tariff has impacted trading activity resulting in an 18% reduction in trading volumes when comparing 2016 with the previous year and so does hope more certainty particularly in this area will help improve activity.

The following is proposed:

**1. Listing of Dec17 and Mar 18 WEAT expiry will take place on Wednesday 1 February 2017**

As supported by the Agricultural Advisory Committee, the suggestion was to continue with the listing of expiry months for the WEAT contract even though the way forward in terms of the wheat import tariff has not been published by Government. Attached to this market notice was communication from National Treasury from late last year with an indication that they expect the review process to be completed by the end of Q1 2017. The JSE therefore proposes we continue with the new marketing season expiries.

**2. Deliverable foreign wheat origin discounts – new proposal!**

The subject of the wheat origin discount was discussed at a recent Agricultural Advisory Committee meeting where the majority members felt the remaining R100 discount on certain origins should be removed. The JSE did receive further correspondence after the advisory meeting from a member of the committee that requested for the status quo to remain.

The JSE in its internal deliberations has decided to keep the discount in place for another year but would apply this only to the two most recent origins added as the JSE has not received deliveries from these origins as yet. **The JSE therefore PROPOSES the following:**

- Bread milling wheat originating in Argentina, US Hard Red Spring (DNS & NSW), USA Hard Red Winter, no 3 or better Canadian Red Western Spring wheat, Australian Hard wheat, Australian Prime white, Australian Standard White wheat and German Type A or B wheat be at a **zero origin discount**.
- Bread milling wheat originating from Ukrainian and Russian wheat will incur a **–R 100** discount for product delivered in completion of a futures contract.

**3. Grade discounts and standard storage rates and location differentials**

The JSE proposes making no further changes to the WEAT contract, and so the proposed methodology to determine the wheat grade discounts, standard storage rates and location differentials will continue as before and published as per the normal timelines closer to the new marketing season.

**4. Import permits for wheat deliveries**

The JSE would like to remind all clients of the additional requirements we have implemented that we now require all storage operators to first collect all relevant paper work from importers before they are in a position to issue JSE silo receipts for foreign product. Particular care should be taken by importers to ensure the permits do allow for wheat to be stored in commercial storage facilities which we know is common practice. If there are any questions in this regard please feel free to contact the commodities team.

Please could stakeholders consider the proposals as highlighted in points 1 and 2 and revert back to the JSE by no later than Thursday 26 January 2017 in order for the JSE to make the final decision regards the 2017/2018 wheat marketing season series of expiries. Please email your feedback to [commodities@jse.co.za](mailto:commodities@jse.co.za) or feel free to call me directly.

Thank you for your inputs.

Should you have any queries regarding this notice, please contact [commodities@jse.co.za](mailto:commodities@jse.co.za)

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