

MARKET NOTICE

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Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
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SUBJECT: FINAL MAIZE LOCATION DIFFERENTIALS AND STORAGE RATES FOR 2015/16 MARKETING SEASON

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1. Final Maize Location Differentials for 2015/16 marketing season.

Subsequent to market notice 248A/2015 of 14 April 2015, this notice serves to release the final location differentials for maize for the 2015/16 marketing season. As mentioned before, we have adopted a formula-based approach to determine location differentials for maize as follows:

$$RPT = \frac{Distance * RLF * RPK}{Payload}$$

Where: Distance is the distance in km to Randfontein,
 RLF is the return load factor,
 RPK is in Rand per km and
 Payload is in tons with 34 tons applied

No new road rates were submitted and so in the absence of any additional information the JSE could only action on available information. We continue to encourage market participants to contribute road rates when requested in order to assist in determining accurate rates at the time of publishing. It is also important to note that the JSE does not take into account any forward looking scenarios in these calculations and therefore only considers transport rates as currently quoted. That said rail rates for the new season commencing 01 April were included.

The JSE did receive a number of queries and comments in writing from various market participants however only in two instances was additional information provided supporting the request. In these specific cases two storage locations, namely Bleskop (BKB) and Wonderfontein (AFG) were identified as referencing different distances to Randfontein respectively. The JSE conducted an independent survey amongst transporters and the average distances

from these transporters warranted the JSE to revise the road distances for those locations. As a result the respective location differentials were also revised.

Another adjustment was made for Wesselsbron where the rail-road out loading for 2014 was wrongly entered in our model to determine the 2-year average out loading ratio. This correction has led to 2015 location differentials for Wesselsbron being revised as seen in the final publication.

Except for the abovementioned changes, no other changes were made to the proposed location differentials published earlier. The final list of location differentials for maize for 2015/16 marketing season is attached.

Below are the final RPK rates and return load factors (RLF) used in our model for the 2015/16 season:

2015			
Distance	RPK	Distance	RLF
0-15 Km	80.70	<300 km	2
16-25 Km	60.55	301-325 km	1.9
26-50 Km	31.47	326-350 km	1.8
51-75 Km	22.80	351-375 km	1.7
76-100 Km	20.81	376-400 km	1.6
101-125 Km	18.42	401-425 km	1.5
126-150 Km	17.27	426-450 km	1.4
151-175 Km	16.96	451-475 km	1.4
176-200 Km	16.75	476-500 km	1.4
201-225 Km	16.68	501-525 km	1.4
226-250 Km	16.43	>525 km	1.4
251-275 Km	16.36		
276-300 Km	16.11		
301-325 Km	15.94		
326-350 Km	15.84		
351-375 Km	15.66		
376-400 Km	15.50		
>400 Km	15.01		

2. Standard Storage Rates

The standard storage rate for the marketing season 1 May 2015 – 30 April 2016 will increase based on the PPI rate as published at the end of February 2015, namely 3.5% and so the standard storage rate applied to outstanding storage in completion of a futures contract will be **63 cents per ton per day**.

Please note that the PPI figure of 2.61% used earlier is the February 2015 figure published in March 2015 and we corrected this to reflect the January 2015 published in February 2015. However, the correction from 2.61% to 3.5% did not lead to any change in the new storage rate of 63 cents per ton per day.

Please ensure that when making delivery of JSE silo receipts issued in the previous marketing season, all storage is paid up to and including 30 April 2015.

Should you have any questions regarding the above, please do not hesitate to contact the Commodities Team at 011 520 7231 or email commodities@jse.co.za.

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