
MARKET NOTICEJohannesburg
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Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
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SUBJECT: FINAL LOCATION DIFFERENTIALS FOR SUNFLOWER SEEDS FOR THE 2020-21 MARKETING SEASON

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Dear Market Participant,

1. Final Sunflower Seeds Location Differentials for 2020/21 Marketing Season

Subsequent to market notice 50A/2019 of 21 February 2020, this notice serves to release the final location differentials for sunflower seeds for the 2020/21 marketing season. As mentioned before, we have adopted a formula-based approach to determine location differentials for wheat as follows:

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

Where: Distance is distance in km's to the reference point,
RLF is the return load factor,
RPK is Rand per km based on the contributions received from the market, and
Payload is in tons and in this case is 30 tons

The provisional results published last week remain unchanged, except for the following locations where adjustments have been made to Randfontein distances:

Location	Old Distance to Randfontein (Km)	New Distance to Randfontein (Km)
Strydpoort	230	220
Van Tonder	385	395
Bloemfontein	376	410
De Brug	410	445

The revised Location Differentials corresponding with the new distances are published in the excel spreadsheet.

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.

The final list of location differentials for sunflower seeds for 2019/20 marketing season is attached. Below are the final RPK rates and return load factors (RLF) used in our model for 2019/20 season:

2020/21		2020/21		Distance	RLF
KM	RPK	KM	RPK		
0-10 km	485,89	221-230 km	19,04	<325 km	2.0
11-20 km	173,24	231-240 km	18,91	326-350 km	1.9
21-30 km	118,33	241-250 km	18,87	351-375 km	1.8
31-40 km	88,6	251-260 km	18,7	376-400 km	1.7
41-50 km	55,72	261-270 km	18,66	>400 km	1.6
51-60 km	52,5	271-280 km	18,57		
61-70 km	38,76	281-290 km	18,46		
71-80 km	35,37	291-300 km	18,42		
81-90 km	31,65	301-310 km	18,41		
91-100 km	30,11	311-320 km	18,38		
101-110 km	27,95	321-330 km	18,38		
111-120 km	25,61	331-340 km	18,38		
121-130 km	23,29	341-350 km	18,38		
131-140 km	21,31	351-360 km	18,11		
141-150 km	20,22	361-370 km	18,11		
151-160 km	20,03	371-380 km	18,11		
161-170 km	19,78	381-390 km	18,11		
171-180 km	19,52	391-400 km	18,11		
181-190 km	19,24	401-410 km	18,11		
191-200 km	19,13	411-420 km	18,11		
201-210 km	19,26	421-430 km	18,11		
211-220 km	19,1	>430 km	18,11		

2. Standard Storage Rates for delivery in completion of a sunflower seed futures contract

The standard storage rate for the marketing season 1 March 2020 – 28 February 2021 will increase based on the PPI rate as published in December 2019, namely 2.3% and so the standard storage rate applied to outstanding storage in completion of a futures contract will increase to **R1.66 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 29 February 2020.

Should you have any queries please contact Commodities team on 011 520 7039 or e-mail commodities@jse.co.za

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