MARKET NOTICE

Number:	**195/2024**
Relates to:	☐ Equity Market
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Date:	09 July 2024
SUBJECT:	**REVISED CONTRACT SIZE FOR SOYA BEAN CONTRACT**
Name and Surname:	Anelisa Matutu
Designation:	Head - Commodities

Dear Client

In response to a request from market participants, the JSE is reviewing the standard contract size of the soya bean futures contract. The request to increase the soya (SOYA) contract size was mainly motivated by growth in crop production over recent years, logistical efficiencies that could be introduced by a 100-ton contract and simplification and ease of trading the soya/bean split on a 1:1 ratio. The request was presented before the Commodities Advisory Committee in April 2024, and received unanimous support.

To facilitate the change in an orderly manner and effectively manage the open interest on the 50 tons contract that spans into the 2025 marketing season, we propose the following.

1. The existing 50-ton Soya contract for 2025 expiries (March and May) will cease to exist from 16 August 2024. Market participants are advised to manage their positions accordingly before the prescribed date.
2. A new 100-ton Soya contract, with a different trading code will be introduced on 17 July 2024 to replace the 50-ton Soya contract for 2025 expiries (March and May).
3. All existing 2024 expiries will continue to trade until their respective expiry dates, with the December 2024 contract being the last.

This approach was taken in light of all the system and admin implications the change will have on market participants.

The following expiries will be available for trading on Wednesday, 17 July 2024 on the new contract with a nominal of 100-tons.

ShortName	ExpiryDate	IMR	SSMR	VAR%
SOYB	24/03/2025	55 700	18 500	6.3%
SOYB	23/05/2025	50 700	18 500	6.3%
SOYB	24/07/2025	51 100	18 500	6.3%

There will be NO calendar spread offset available between SOYA and SOYB expiries however within each product set this will be maintained.

Market participants including Clearing Members are encouraged to ensure their third-party system vendors are aware of the contract code change and to **co-ordinate the change** to avoid any potential downstream system impact. Once the new contract is introduced, market participants will be able to download via the API the updated contract details.

Kindly submit your feedback on the proposed transition by no later than 16 July 2024.

Please see below updated contract specifications for the 100- tons SOYB contract.

FUTURES CONTRACT	SOYA BEANS
Trading system code	SOYB
Trading Hours	09:00 to 12:00
Underlying Commodity	Soybeans of Class SB as defined in the South African grading regulations of the Agricultural Products Standards Act of 1990. Soybeans originating in South Africa, Argentina, Brazil, Malawi, United States, and Zambia will be deliverable as long as the product conforms to the SB grade.
Contract Size	100 metric tons
Expiry Dates & Times(Last Trading Day)	12h00 on the sixth last business day of March, May, July, September, and December. Physical deliveries from first business day to 4th last business day of the expiry month.
Constant Month Contract	Except for April expiry that will be introduced on **01 September prior**, all other calendar months are introduced 40 business days preceding the new month. Once the month is introduced it is traded in the same fashion as the 5 hedging months
Settlement Method	Physical delivery of JSE silo receipts giving title to soya beans in bulk storage at approved silos at an agreed storage rate.
Quotations	Rand/ton
Minimum Price Movement	Twenty cents per ton
Daily Limits	R270/t (Extended R405/t)
Initial Margin	As per the JSE margining methodology, for the latest initial margin requirements per contract please visit the products page on the web: **IM Parameters**

FUTURES CONTRACT	SOYA BEANS
Maximum position limits	Position limits for speculators – see rule 10.40. Spot month limit: 270 contracts effective on the first business day of the delivery month Single Limit: 1200 contracts All months combined limit: 2000 contracts
Expiry valuation method	Closing futures price as determined by the JSE
JSE Booking Fees (incl VAT)	Onscreen: **Futures** R21.26 per contract Reported Trades: **Futures** R22.61 per contract
JSE Delivery Fees (incl VAT)	R244.27/contract/delivery

OPTIONS CONTRACT	SOYA BEANS
Trading system code	SOYB
Trading Hours	09:00 to 12:00
Underlying Commodity	1 Soya bean futures contract
Options	American type, puts and calls
Strike price intervals	R20.00 per ton
Quotation	In whole Rand per contract
Contract months	March, May, July, September, and December
Quotations	Rand/ton
Expiration date and time	12h00 on the fifth last trading day of the month preceding the expiration month of the underlying future contract
Exercise	Long position holders may exercise/abandon their options during market hours at any time up to and including 15 minutes prior to the expiration date; provided that all in-the money options shall be automatically exercised by the exchange at expiration whilst those that are at-the-money or out the-money will expire worthless resulting in no futures equivalent position.
Expiration Price (for automatic exercise)	Mark-to-market price of the underlying future on expiration date
Calculation of Mark-to-market	Mark-to-market prices will be calculated from volatility quotes for at-the-money using the Black options pricing model

OPTIONS CONTRACT	SOYA BEANS
Expiry valuation method	Closing futures price as determined by the JSE
JSE Booking Fees (incl VAT)	Onscreen: **Options** R11.05 per contract Reported Trades: **Options** R11.73 per contract

Should you have any queries regarding this Market Notice, please e-mail: **commodities@jse.co.za**

This Market Notice is available on the JSE website at: **JSE Market Notices**