

MARKET NOTICE

Number: 200/2024

Relates to:

- Equity Market
- Equity Derivatives Market
- Commodity Derivatives Market
- Currency Derivatives Market
- Interest Rate Derivatives Market
- Bond Market
- Bond ETP Market

Date: 16 July 2024

SUBJECT: REVISED CONTRACT SIZE FOR SOYA BEAN CONTRACT

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Designation: Head - Commodities

Dear Client,

Following [Market Notice 195/2024](#) and feedback from the market, the JSE has decided to proceed in this manner.

- The 2025 MAR25 SOYA contract will remain as is and trade until expiration.
- Endeavour to introduce MAY25 and JUL25 SOYB contracts once the regulatory consultation processes have been completed.
- Introduce MAY25 SOYB/SOYA split to provide a more efficient transition to the 100 ton contract size. Members remain welcome to roll positions via trading individual contracts vs spreads as this is an option that is available. Members have until 30 September to transition to the 100 ton contract, after which the MAY25 SOYA will cease to exist.
- All MAY25 SOYA positions that are rolled into the MAY25 SOYB expiry will not be charged fees on both sides since the net tonnages remain open however to qualify for this member must contact us on the same day of the trade and before close of administration period.
- Any MAY25 SOYB positions rolled via the calendar functionality to JUL25 SOYB or further out will continue to attract the published JSE fees.
- SOYB contract for May 2025 will be treated as a standard delivery month. Clients wishing to make delivery on the MAY25 SOYB contract will need to register silo receipts in multiples of 100 tons in order for the systems to accommodate this. We therefore encourage clients to consider this when requesting electronic silo receipts.

As we phase out the 50-ton contract leading up to MAY25 SOYA, clients must be aware that silo receipts that are not in multiples of 100 tons will have to be converted by the relevant storage operator to be accepted in the new marketing season.

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.

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 4 th last business day of the expiry month.
Constant Month Contract	Except for April expiry that will be introduced on 1 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
Maximum position limits	Position limits for speculators – see rule 10.40. <u>Spot month limit</u> : 135 contracts effective on the first business day of the delivery month <u>Single Limit</u> : 600 contracts <u>All months combined limit</u> : 1000 contracts

FUTURES CONTRACT	SOYA BEANS
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
Expiry valuation method	Closing futures price as determined by the JSE

OPTIONS CONTRACT	SOYA BEANS
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](#)