

MARKET NOTICE

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Stock Exchange

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Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 29 April 2020

SUBJECT: FINAL MAIZE LOCATION DIFFERENTIALS AND STORAGE RATES FOR 2020/21 MARKETING SEASON

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1. Final Maize Location Differentials for 2020/21 marketing season.

Subsequent to market notice 164A/2020 of 20 April 2020, this notice serves to release the final location differentials for maize for the 2020/21 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

We have made one correction to the rail rate for Danielsrus and the revised location differential for Danielsrus to R303/ton. We also adjusted location differential for TransOranje to bring it on par with Oranjerivier as the silos on either side of each other.

The final list of location differentials for maize for 2020/21 marketing season is attached. Please also note that we have received applications for 10 new sites for maize. These are Memel Silo (VKB), Goedgedacht Bunker (VKB), Wilgerspruit Bunker (VKB), Chelmsford Bunker (AFG), Kortlaagte Bunker (AFG), Vaaldrift Bunker (AFG), Delmas Bunker (AFG), Eenboom Bunker (AFG), Klipfontein Bunker (AFG), and Bloekomhoek Depot (BKB). We will add these to the list of registered maize silos once we have received any comments from the market and/or once they have met all our requirements.

Below are the final RPK rates and return load factors (RLF) used in our model for the 2020/21 season:

2020-21		Distance	RLF
Distance	RPK		
		<300 km	2
0-7 Km	405,00	301-325 km	1,9
8-15 Km	152,00	326-350 km	1,8
16-25 Km	102,89	351-375 km	1,7
26-50 Km	57,19	376-400 km	1,6
51-75 Km	35,89	401-425 km	1,5
76-100 Km	29,04	426-450 km	1,4
101-125 Km	24,95	451-475 km	1,4
126-150 Km	22,07	476-500 km	1,4
151-175 Km	21,03	501-525 km	1,4
176-200 Km	20,71	>525 km	1,4
201-225 Km	20,44		
226-250 Km	19,92		
251-275 Km	19,24		
276-300 Km	18,71		
301-325 Km	18,64		
326-350 Km	18,19		
351-375 Km	17,87		
376-400 Km	17,52		
>400 Km	17,30		

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 1 May 2020 were included.

2. Standard Storage Rates

The standard storage rate for the marketing season 1 May 2020 – 30 April 2021 will increase based on the PPI rate as published at the end of February 2020, namely 4.6% and so the standard storage rate applied to outstanding storage in completion of a futures contract will be **83 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 2020.

Should you have any questions regarding the above, please do not hesitate to contact the Commodities Team at 011 520 7039 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>