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MARKET NOTICE

Number:	**279A/2025**
Relates to:	☐ Equity Market ☐ Equity Derivatives Market ☒ Commodity Derivatives Market ☐ Currency Derivatives Market ☐ Interest Rate Derivatives Market ☐ Bond Market ☐ Bond ETP Market
Date:	21 August 2025
SUBJECT:	**MULTIPLE REFERENCE POINTS MODEL UPDATE – SOYBEAN CONTRACT**
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Dear Client

The JSE is pleased to provide its second update to the **Multiple Reference Point Model**, following the completion of its first year of implementation. This update provides a comprehensive overview of the evolving dynamics in soybean deliveries and redeliveries across various silo locations between the 2024 and 2025 seasons. In the previous year's multiple reference points update, an increase in both deliveries and redeliveries was observed, alongside the emergence of additional silo locations facilitating delivery. This expansion aligned with the model's objective to distribute deliveries across a broader network, thereby mitigating concentration risk and reducing reliance on a limited number of silos operating through the exchange.

A peak in redeliveries was also observed, at the time this was primarily attributed to the temporary closure of the Winterton processing facility for upgrades, as well as the suspension of operations at RSP processing. While the model does account for demand points—namely, processing plants—it is important to recognise that these facilities may halt operations due to various factors.

The JSE does not exercise control over these factors, nor are processing plants subject to its regulatory oversight. Nonetheless, we maintain that such operational dynamics existed prior to the introduction or trial of the model, and the market has historically adapted to these conditions accordingly. When a major processing plant undertook extended maintenance or upgrades, the JSE took the decision to exclude the associated demand point from the model. This exclusion is based on the rationale that these areas no longer function as active consumption zones, thereby mitigating the risk of redeliveries. However, if the demand point resumes operations during the season after being excluded, it is expected—at least theoretically—that buyers will pay a premium for stock in that area. This premium will serve to address the re-emergence of demand area as observed with Winterton silo thus far.

Accompanying this market notice is JSE physical delivery data for Soybeans covering the 2024 (**29 Feb-31 Jul 2024**) and 2025 (**28 Feb-31 Jul 2025**). Below is a detailed analysis of delivery and redelivery activity observed between these two years.

Overall Delivery Performance:

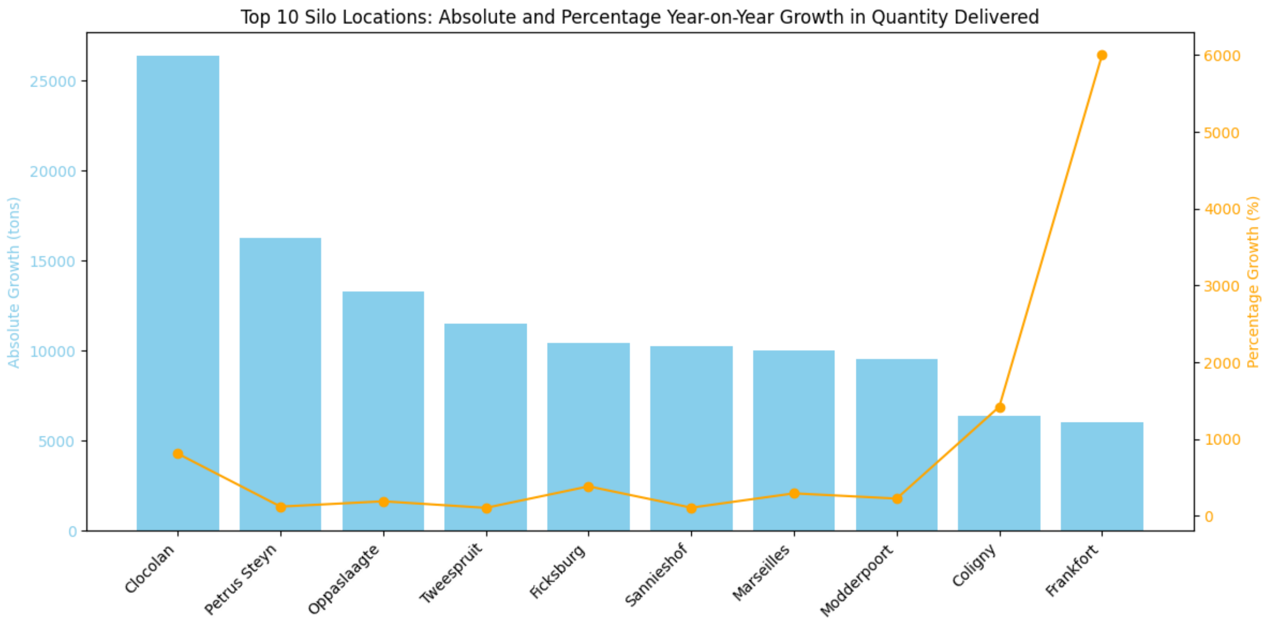
Total Quantity Delivered

- 2024: 551 850 tons
- 2025: 416 050 tons
- Overall growth: -24.61% (a decline in total deliveries)

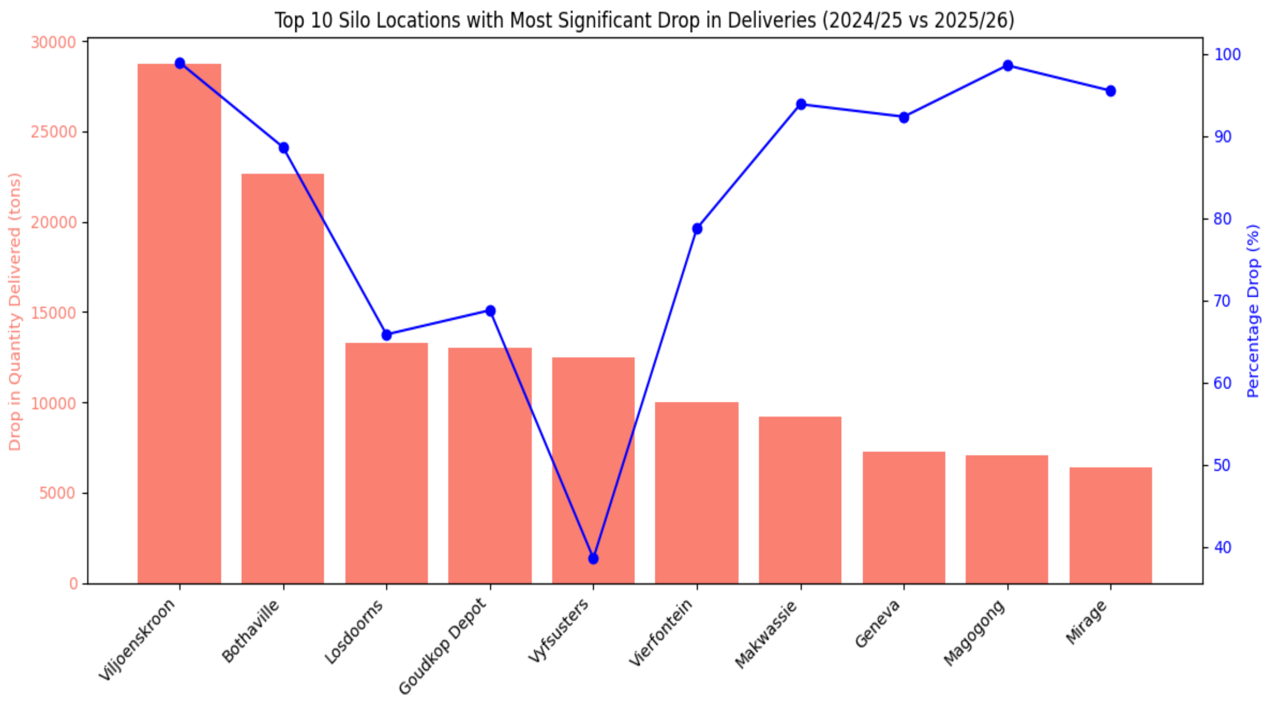
Soybean delivery volumes in 2025 show a marked decline compared to 2024, likely influenced by shifting market dynamics and exacerbated by unseasonal weather conditions that disrupted harvesting schedules. The number of active silo locations fell from 126 in 2024 to 112 in 2025, reflecting a contraction in delivery points utilised. Despite the overall decline, it is noteworthy that 29 new silo locations—previously inactive during the 2024/2025 marketing season—have now facilitated deliveries.

Shifts within the supply chain have become increasingly evident, with locations such as Clocolan (810.77%) and Ficksburg (385.19%) recording notable increases in delivery volumes. Among the various sites, Thaba Nchu stood out with notable deliveries. However, the silo recorded no deliveries during the 2024/2025 season, resulting in its growth rate being considered infinite. Furthermore, the uptick in deliveries at these silo locations suggests that sellers are currently facing challenges in securing buyers in the cash market, prompting them to utilise the JSE delivery mechanism as an alternative route to the market**.** In contrast, Bothaville and Viljoenskroon experienced significant declines in soybean delivery volumes. This downward trend may suggest increased on-farm loading or direct sales activity, potentially resulting in reduced deliveries or transactions that are currently passing the JSE. These shifts highlight the evolving nature of regional supply and demand dynamics.

Top 10 silos with the largest year-on-year growth on a marketing season comparison:



Silos with the most significant drop in deliveries on a marketing season comparison:



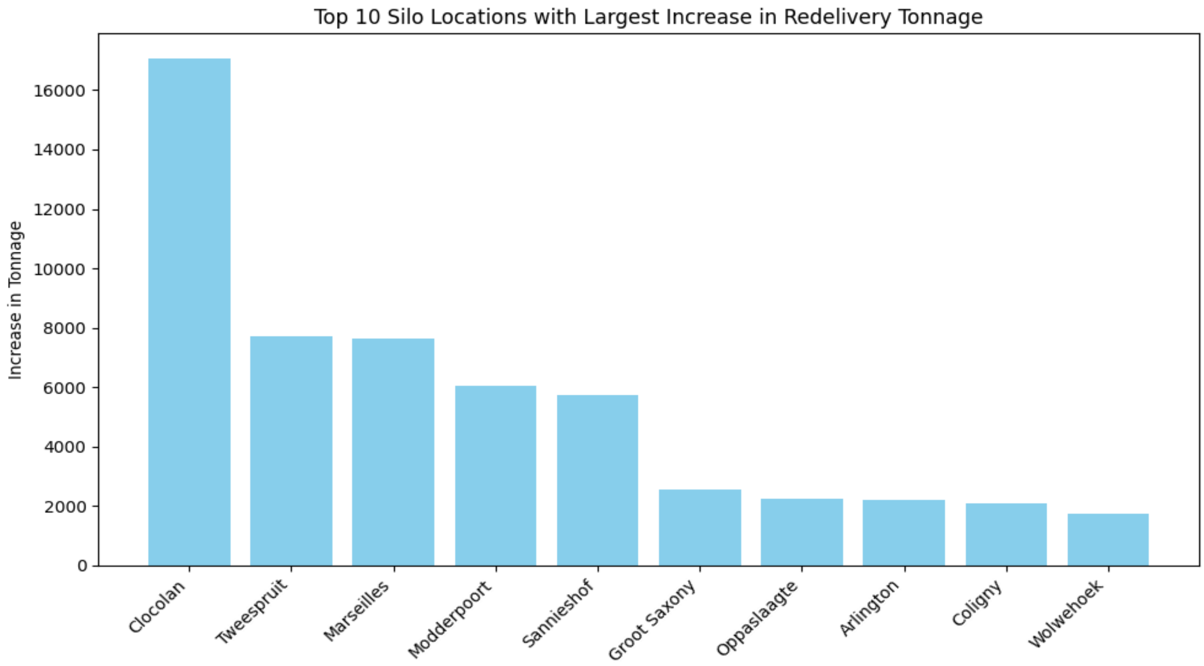
Summary of marketing season comparison for redeliveries:

Total Quantity Redelivered

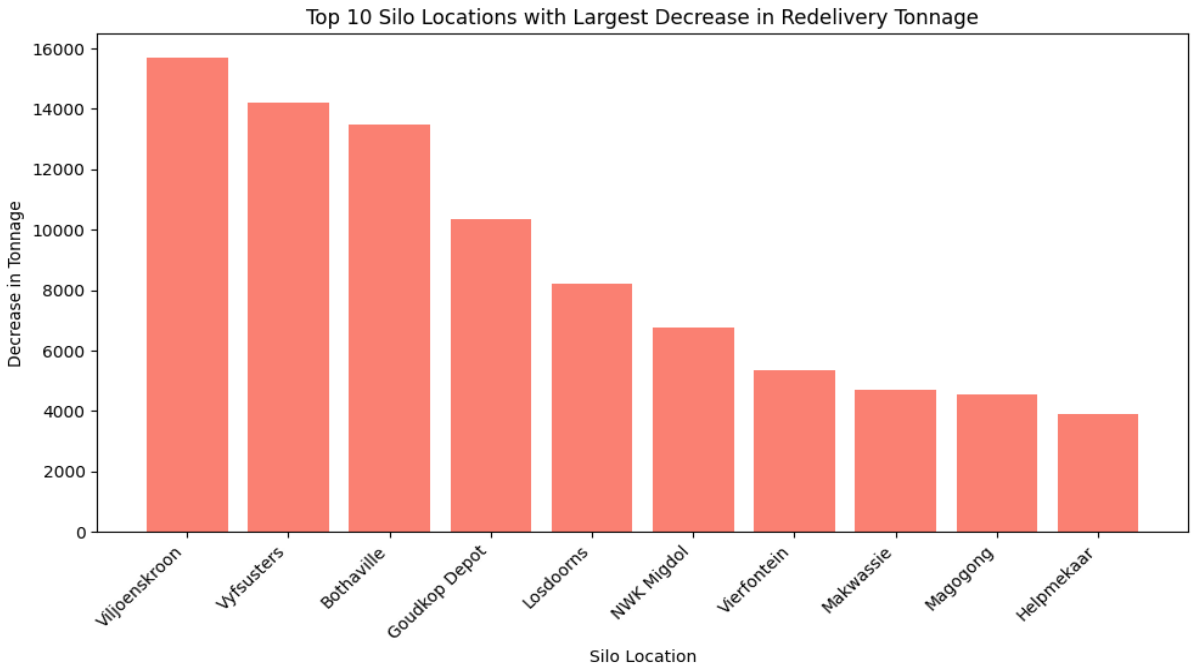
- 2024: 244 150 tons
- 2025: 146 050 tons
- Overall growth: -40.18% (a decline in total redeliveries)

The 2025 soybean redelivery data reflect a notable decline in redelivered quantities compared to 2024. The number of silo locations reporting redeliveries dropped significantly from 91 in 2024 to 52 in 2025. Of these, 42 locations were consistent across both years, while 10 new locations emerged with higher redeliveries in 2025. This contraction in redelivery points indicates that the smaller crop likely drove increased demand early in the season, thereby reducing redelivery volumes. While most silo locations reported a 0% redelivery rate (60 silos) in 2025 relative to 34 silos in 2024, a few outliers exhibited exceptionally high rates, reaching up to 71.88%. These elevated percentages are tied to relatively small delivery volumes, where even modest redeliveries disproportionately impact the rate. While the overall reduction in redelivery is a positive development, it remains premature to draw definitive conclusions. Continued observation and analysis will be essential to validate this emerging trend.

These locations had the biggest redelivery surges:



Silos with the steepest redelivery declines:



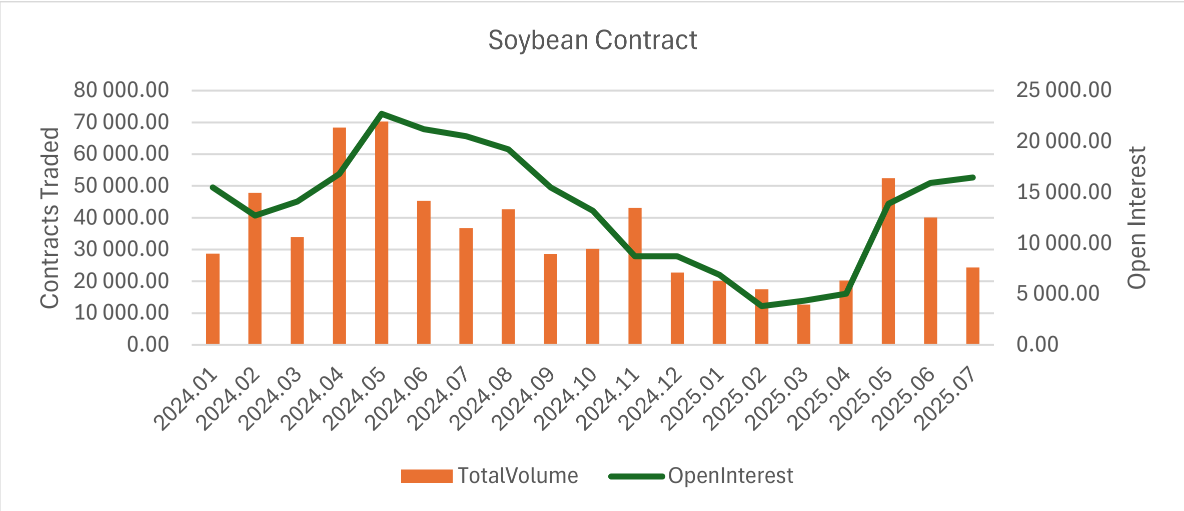
Assessment of Deliveries to Zero Zone Locations

In considering the Zero Zone silo locations, a total of 13 silos facilitated deliveries amounting to only 12,300 tons. Among these, five silos—Bronkhorstspruit, Harvard, Marble Hall, Standerton and Ventersdorp recorded redeliveries. However, the redelivery volumes were minimal, totaling 950 tons, which represents only 7.72% of the total tonnage delivered within the zone. It is worth noting that deliveries to Zero Zone silo locations accounted for only 2.96% of the total quantity delivered, while redeliveries from these sites represented a mere 0.65% of the overall quantity redelivered. This indicates minimal activity from these locations within the broader delivery and redelivery landscape.

Overall, the JSE has been experiencing an increase in redeliveries at sites located outside the zero zone—a trend that was evident even prior to the model's implementation and continues to occur more frequently as compared to previous years. It is important to emphasize that redelivery is a useful market mechanism that should not be perceived negatively. Due to the JSE's random allocation mechanism, market participants may occasionally be assigned stock in silo locations that are either less desirable or not immediately required for operational use. While some silos may be considered unpopular, the stock held in these locations is expected to be drawn down and utilized as the season progresses.

Market Analysis: Soybean Contract Trends (Jan 2024 – Jul 2025)

The graph below illustrates monthly fluctuations in trading volume and open interest for soybean contracts over the period from January 2024 to July 2025.



Key observations include:

- **Trading Volume**: Volume exhibits significant month-to-month variability, with notable peaks observed around **May 2024** and again in **May 2025**. These surges likely reflect periods of heightened market activity, potentially driven by seasonal factors, or events impacting the soybean market.
- **Open Interest**: Open interest shows a steady upward trend until mid-2024, followed by a sharp decline through early 2025. A gradual recovery begins around mid-2025, indicating renewed market participation.
- **Volume vs Open Interest Relationship**: From January to June 2024, both trading volume and open interest rose, indicating increased market participation. Between July 2024 and April 2025, both declined, reflecting reduced activity and position unwinding. A recovery is evident from May to July 2025, likely driven by renewed interest or seasonal factors. Notably, open interest typically lags volume due to its gradual adjustment nature. The observed decline in both metrics this year aligns with trends across all physically settled contracts.

In closing, the 2025 update to the Multiple Reference Point Model reflects a maturing market that continues to adapt to evolving supply chain dynamics and shifts in demand. While the decline in both deliveries and redeliveries may signal a more efficient allocation of resources, it also underscores the importance of ongoing monitoring and stakeholder engagement to ensure the model remains responsive and effective.

Market participants are reminded that the JSE will evaluate the success of the model after two full years based on the following criteria:

1. **Trading Activity**: Demonstrated trading volumes and open interest levels, indicating continued use of the Soybean contract as an effective tool for managing price risk relative to crop size.
2. **Market Participation**: The number of active participants in the current contract will be tracked and assessed at the end of the pilot period to determine the impact on overall market engagement.
3. **Stock Management**: Evidence of no excessive accumulation of physical stock at delivery points within zero-differential areas.
4. **Redelivery Monitoring**: Close monitoring of the redelivery of JSE silo receipts to identify any significant areas of concern.
5. **Stakeholder Feedback**: Input from market participants regarding their views and experiences with the model.

As the JSE, we remain committed to transparency and collaboration. We encourage all market participants whether in support or critical of the current model to share their experiences and insights. Your feedback is instrumental in shaping a resilient and inclusive JSE delivery mechanism for the soybean market. Feedback must be submitted to the JSE by 17 September 2025.

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**