

MARKET NOTICE

Number: 300A/2024

Relates to:

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

Date: 08 October 2024

SUBJECT: UPDATE ON SOYA BEAN MULTIPLE REFERENCE POINT MODEL

Name and Surname: Anelisa Matutu

Designation: Head - Commodities

Dear Client

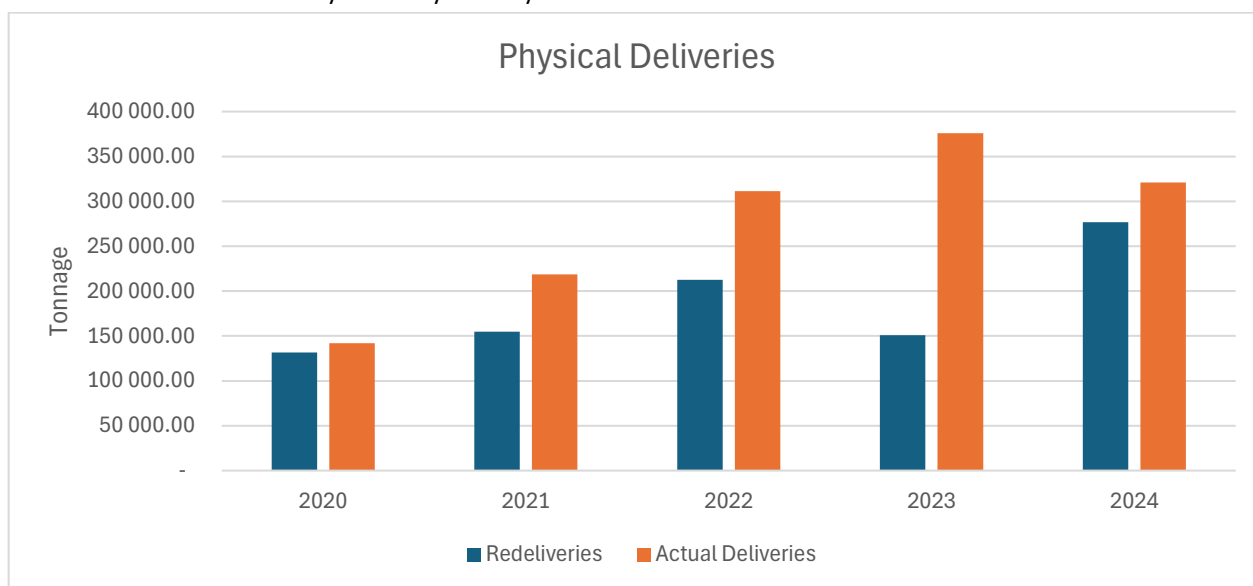
The JSE would like to give an update on the Multiple Reference Point location differential model used on Soya bean futures contracts.

The JSE committed to trialing the multiple reference point model for two years, to reaffirm, the JSE is not exploring this model for any other JSE-traded commodities at this point. With reference to [Market Notice 410A/2023](#) and specifically to exports, the JSE simulated a scenario in which an export demand point is added to the model. The results indicated that silos closer to the demand point will experience a significant reduction in differential values. Following input from the market on this point, the JSE made the decision not to include an export demand point since seasonal swings may be greater than those seen at an operational crushing facility. Furthermore, to avoid the impact of reference points not demonstrating consistent demand on the model, the JSE has decided on a minimum monthly crush volume of 5000 tons per month, in order to qualify as a reference point under the JSE's multiple reference point model. This reduces the impact of crushing plants withdrawing or suspending crushing activity, mitigating risk to buyers and addressing the concerns encountered this year at Winterton. Therefore, the following demand points will be excluded from the model for the 2025/26 marketing season and reconsidered each year should they meet the JSE criteria.

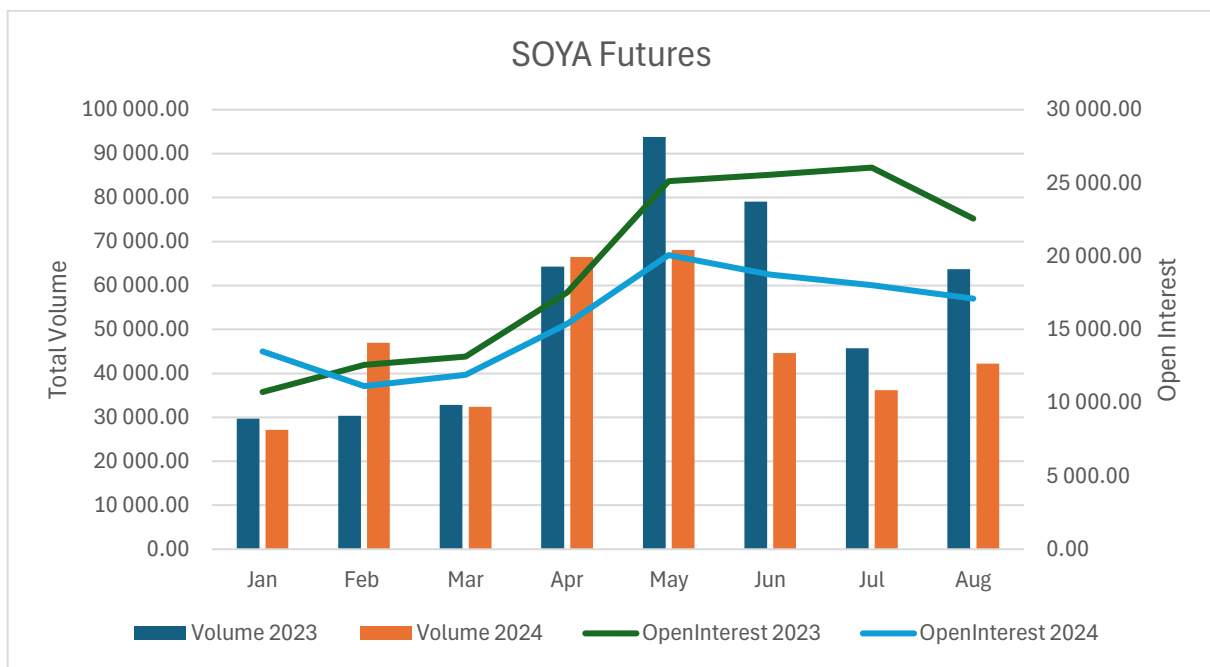
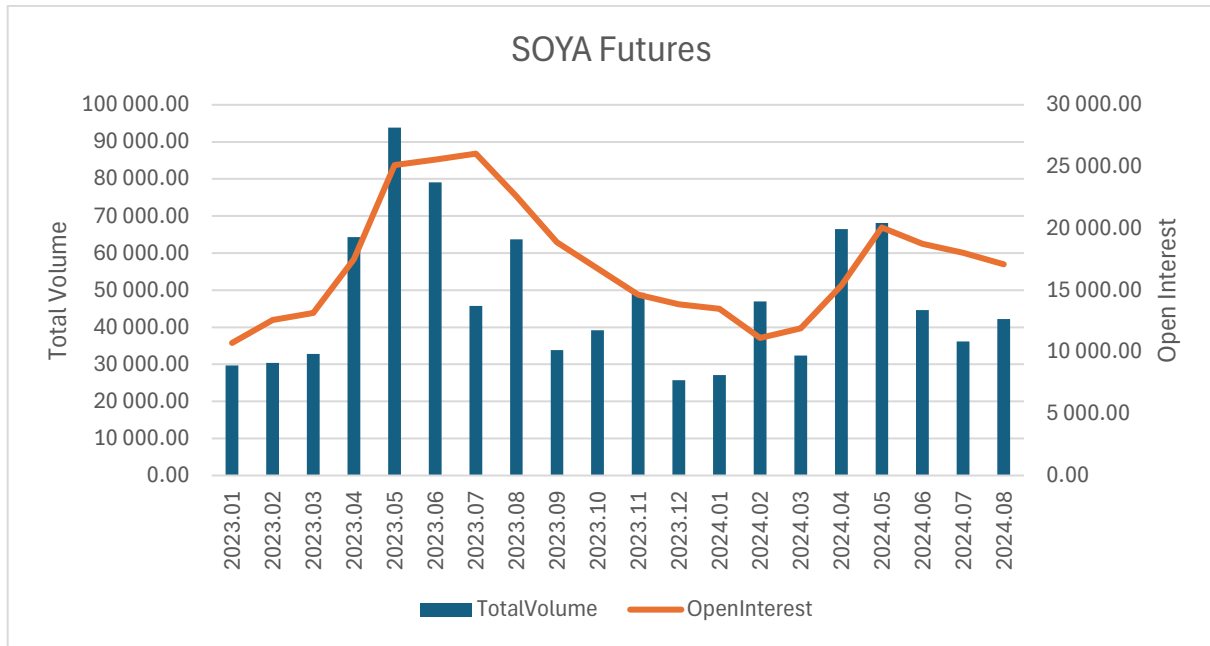
- Delmas
- Nasrec
- Winterton (Aerodon)

Accompanying this market notice is JSE physical delivery data on Soyabeans for the past five years. Below is an analysis of activity between 2023 and 2024.

1. Actual deliveries decreased by **14.61%** August year-to-date. 321 150 (2024) tons vs 376 100 (2023), aligned with the reduction of the crop size.
2. In 2023, only **84 silos** facilitated deliveries for JSE certificates, whereas in 2024, there were **131 silos** (an increase of 47). This was one of the suggestions for how the model may disperse delivery over additional delivery points and eliminate the concentration risk of having a few silos facilitating delivery through the exchange.
3. Total redeliveries increased by **83.71%** year-on-year.



4. On the zero differential silos, only 12 silos facilitated delivery, with 7 having no redeliveries. Two silos saw redeliveries of less than 50% while Buckingham, Oberholzer and Winterton bunker had redelivery rates of more than 50%. The JSE is aware of the Winterton crushing plant's ongoing upgrades, which might be one of the causes for the higher redelivery percentage at that location. Overall, the JSE is witnessing more redeliveries on sites outside the zero zone than on those within it, however, the redeliveries are observed in the same sites as previous year. The market must consider that frequent redeliveries are not always indicative of problematic differentials or unpopular sites. The reality is that JSE silo certificates can be exchanged several times until it becomes appealing to the right long position holder to keep and ultimately outload.
5. South Africa's crop size reduction has led to a decrease in trading statistics, with the number of contracts traded down 18.52% and open interest down to 25.10% (August year-to-date).



6. We remind market participants of the change in contract size for Soyabeans from 50 tons to 100 tons, which came into effect starting with the April 2025 contract and will monitor this in terms of total tonnages traded.

The trial phase is now in its first year with preliminary data coming through. We welcome your feedback or insights into the multiple reference point model, as well as any suggestions or improvements.

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](#)