

## MARKET NOTICE

**Number:** 321A/2023

**Relates to:**

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

**Date:** 05 September 2023

**SUBJECT:** **PROPOSED LOCATION DIFFERENTIALS FOR WHEAT FOR THE 2023-24 MARKETING SEASON AND FINAL STORAGE RATE**

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**Designation:** Head - Commodities

Dear Client,

The JSE would like to thank all market participants for their assistance with inputs that led to the determination of the wheat differentials for the 2023/24 marketing season.

We used the 2023/24 maize rates as the baseline adjustment for all registered wheat delivery points. Thereafter, considered the changes in diesel prices under review and inflationary cost adjustment. The combination of these two factors resulted in a 4% increase in wheat location differentials for the 2023/24 marketing season.

There are exceptions to the standard 4% increase, as a result of adjustments made on maize differentials for those silos closer to Randfontein.

The differential for the Western Cape silos is based on a survey of a diverse group of participants involved in moving products on this route. After consideration of all the proposals, the JSE proposed rate moves from R750 to R800 per ton. Please note that throughout all these calculations, rail rates were not considered.

Please review the proposed location differentials attached to this notice and respond to [commodities@jse.co.za](mailto:commodities@jse.co.za) by no later than **close of business on Tuesday, 12 September 2023**. The JSE aims to release the final numbers soon thereafter.

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## 1. MAXIMUM OUTSTANDING STORAGE RATES

The maximum outstanding storage rate for the marketing season 1 October 2023 – 30 September 2024 will increase based on the PPI (Producer Price Index) rate as published at the end of July 2023. Annual producer price inflation (final manufacturing) was 4,8% in June 2023 (published in July) and so the maximum outstanding storage rate applied to storage in completion of a futures contract will be R1.30 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 September 2023.

## 2. WHEAT GRADE AND ORIGIN DISCOUNTS

These discounts rely on inputs that run from 15 March to 15 September of that year. The JSE will therefore publish these once the data period is complete.

Should you have any queries regarding this Market Notice, please e-mail: [commodities@jse.co.za](mailto:commodities@jse.co.za)

This Market Notice is available on the JSE website at: [JSE Market Notices](#)