

MARKET NOTICE

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Number: 389/2022

Relates to:

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

Date: 12 August 2022

SUBJECT: REVISION OF SOYA BEAN CONTRACT SPECULATIVE POSITION LIMITS

Name and Surname: Anelisa Matutu
Designation: Head – Commodities

Dear Stakeholder,

In terms of Derivatives Rule 10.40 and the Derivatives Directive “Commodity Derivatives Market Speculative Position Limits”, the existing speculative position limits for the Soya bean contract are as follows:

Table 1: Current Speculative Position Limits

Expiry month	Percentage of crop	Current limits by number of contracts
Spot month	8%	145
Single month	3%	900
All months	5%	1500

Considering the increase in physical production of soya beans, the JSE found it necessary to review the current speculative limits to align with the estimated production figures as per the principles agreed with the market. This suggests that the speculative limits would be revised to reflect 3% and 5% of the anticipated crop for the single month and all months combined position limits, respectively. In addition, the spot month position limit would reflect 8% of the deliverable supply. The revised speculative limits will therefore be as follows:

Table 2: New speculative position limits effective 29 August 2022

Expiry month	Percentage of crop	New limits by number of contracts
Spot month	8%	270
Single month	3%	1200
All months	5%	2000

The Commodity Derivatives Advisory Committee has been consulted in respect of the revised speculative limits and is supportive of the changes. However, the committee requested that the JSE continues investigating relaxing the speculative limits further, to enhance growth and trading activity in the soya bean contract. The JSE agreed to continue with the investigation, keeping in mind the need to strike a balance between limits and the need to allow for active trading on our market.

The revised speculative position limits will come into effect on 29 August 2022, subject to the member consultation on the proposed amendments to the abovementioned JSE Derivatives Directive which reflects the speculative position limits.

Should you have any queries regarding this Market Notice please e-mail commodities@jse.co.za

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