

MARKET NOTICEJohannesburg
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Number: 066A/2022

Relates to:

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

Date: 17 February 2022

SUBJECT: PROPOSED LOCATION DIFFERENTIALS FOR SOYA BEANS FOR THE 2022-23 MARKETING SEASON AND FINAL STANDARD STORAGE RATE

Name and Surname: Chris Sturgess
Designation: Acting Head – Commodities

Dear Client,

1. Proposed soya beans location differentials for 2022/23 marketing season

As communicated with the draft sunflower seed differentials released yesterday, the JSE continuously strives to improve the methodology used to determine the location differentials each season. More detail around a systematic approach to adjust differentials will be published with the annual maize location differential adjustments.

The soya bean differential is part of a phased implementation process with this year experiencing a differential that is calculated at 50% of the maize differential value. The JSE has received a proposal to consider multiple reference points rather than the traditional single reference point model. This proposal will be thoroughly discussed in a JSE Technical Committee forum. Market participants can be confident that no fundamental changes to the contract design will be made during a marketing season while this process is in progress.

In terms of the proposed SOYA differentials, the JSE has applied a 6% increase to last year's maize differentials whilst establishing a cost per kilometre (CPK) rate that was divided into 10km intervals. As with sunflower rates, the focus has been on ensuring that there is an increase in differentials depending on distance to Randfontein, removing the possibility that further delivery points may have a smaller differential than those closer to Randfontein. We trust by aligning this base value going forward we have eliminated the anomalies that the market would have seen in previous years. The proposed differentials are therefore sorted in distance from Randfontein for all 200 soya delivery points.

When determining the location differentials for soyabeans, no rail rate or activity has been considered. Whilst we collect rail vs road out loading data from the storage operators for maize, any market participants who **have strong views about the continued inclusion of rail** in the maize and wheat location differential methodology are encouraged to contact me as soon as possible on 0826080241 or chriss@jse.co.za

With the above context, we kindly request market participants to appreciate the effort involved in this process and to provide constructive feedback to the JSE using the group email address commodities@jse.co.za by no later than **Wednesday, 23 February 2022**.

2. Standard storage rate for soya beans

The standard storage rate for marketing season 1 March 2022 – 28 February 2023, will be increased based on the PPI rate as published in December 2021, namely 9.6%. The standard storage rate applied to outstanding storage in completion of a futures contract will increase to **R0.98 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 28 February 2022.

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

This Market Notice is available on the website at <https://clientportal.jse.co.za/communication/jse-market-notices>