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MARKET NOTICE

Number:	**284/2026**
Relates to:	☐ Equity Market ☐ Equity Derivatives Market ☒ Commodity Derivatives Market ☐ Currency Derivatives Market ☐ Interest Rate Derivatives Market ☐ Bond Market ☐ Bond ETP Market
Date:	20 July 2026
SUBJECT:	**OUTCOME OF MULTIPLE REFERENCE POINTS MODEL**
Name and Surname:	Anelisa Matutu
Designation:	Head - Commodities

Dear Market Participant,

1. The JSE has completed its review of the Multiple Reference Points model, which was used to calculate the applicable Location Differential, piloted on the deliverable Soybean futures contract over the past two marketing seasons.

2. The JSE has carefully considered all the facts and information at its disposal, including the views and submissions of market participants with due regard to its duties and functions as licensed exchange, as recorded in the peremptory provisions of the Financial Markets Act, 19 of 2012 (**"FMA"**).

3. It is important to reiterate that the JSE's powers and functions are narrowly circumscribed by the FMA. It would be unlawful and outside of the JSE powers to interfere in the storage of commodities not covered by JSE receipts or in the buying and selling of commodities in the cash market. The physical delivery of commodities in fulfillment of the obligations of short position holders in listed futures contracts represents a small percentage of the total crop of commodities produced in any marketing season.

4. Further, the JSE's decisions and actions are limited to the regulation of its exchange and has no force or effect in the cash market. Market participants have complete freedom to negotiate and agree on the price for a commodity that they deem fit, which will, by necessity, also reflect the location of the commodity.

5. It is an integral part of the JSE's functions as licensed exchange to determine the standardised contract specifications of derivative securities listed on its exchange. An important principle in all listed futures contracts is to ensure, as far as possible, that there is

no variation in quality, quantity, location or the time of delivery to achieve perfect homogeneity in respect of the underlying commodity.

6. It is a universally accepted and well-established principle in all regulated commodity derivatives markets that, because physical heterogeneity is fundamental to ensure a fair, efficient and transparent market in these securities that Location Differentials are applied.

7. This Market notice sets out the JSE's final decision on the application of the Multiple Reference Points (MRP) model with specific reference to the Location Differential that is an important element of the Contract Specifications of derivative securities listed on the JSE. The decision follows a comprehensive review process, a careful and detailed consideration of all the relevant facts and information which included engagements with market participants.

8. During the past two marketing seasons there was some improvement in key quantitative indicators such as trading volumes, open interest and physical deliveries but this was the result of general and external market conditions and not the implementation of the MRP model. There was no causal link between the implementation of the MRP model and any of the changes to the key quantitative indicators.

9. The review highlighted several structural and operational limitations that undermined confidence in the MRP model. These included the difficulty of sourcing accurate and auditable crushing data, inconsistent operations across crushing plants, reliance on historical data that may not reflect forward-looking supply dynamics, and incorrect assumptions about zero-zone behaviour that did not align with actual market activity. In practice, crushers continued sourcing soybeans outside the zero-zone locations, indicating a disconnect between the model's theoretical design and commercial realities.

10. A further concern was the lack of transparency and replicability. Because the model depends on confidential supply and demand data, much of which cannot be disclosed due to commercial sensitivity and POPIA-related constraints, market participants were unable to independently verify or replicate the calculations. This reduced confidence in the model and weakened its effectiveness as a transparent pricing mechanism.

11. Stakeholder feedback also confirmed that the MRP model was not viewed as simple, clear or sufficiently practical by all market participants. There was a wide variety of differing and in many instances conflicting views between market participants which reflect their divergent commercial interests and operational priorities.

12. After a careful and thorough consideration of all the facts and information at the disposal of the JSE, including the considerations briefly summarised above and with due regard to its functions and responsibilities as licensed exchange, the JSE decided to revert to a single reference point model in the calculation of the Location Differential of listed futures contracts.

13. The JSE is of the view that its decision to revert to a single reference point will enhance and promote the fairness, efficiency and transparency of the market in soya futures contracts that are listed and traded on its exchange. This is decision is also underpinned by the need to improve market efficiency, transparency, pricing integrity and operational effectiveness, particularly in relation to the delivery obligations of market participants.

14. The JSE further proposes replacing Randfontein as the soybean reference point with Driefontein, a central point located near large soybean consumption areas around Isando and Boksburg, with implementation proposed for the marketing season commencing 1 March 2027. Market participants are kindly requested to review the proposal and provide their feedback by 14 August 2026.

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**