

MARKET NOTICE

Number: 570A/2017
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 21 December 2017

SUBJECT: REQUEST FOR INFORMATION TO ASSIST WITH DETERMINATION OF LOCATION DIFFERENTIALS (LD) FOR SUNFLOWER SEEDS FOR 2018/2019 MARKETING SEASON

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Designation: Head - Commodities

Dear JSE Stakeholder,

Please feel free to distribute to any interested parties.

The new marketing season for sunflower seeds commencing 1 March 2018 is approaching and we kindly request all interested participants to provide input in order to ensure the published location differentials most accurately reflect the cost of transport from the registered delivery point to Randfontein.

We are attaching a separate spreadsheet with all registered suns delivery points with a special column provided for you to enter your road rates to Randfontein. The latest January 2018 rates are requested. If you prefer a different format of providing the information, please feel free to do so.

Once required information is received we will then proceed and use the formula below to determine rand per ton (RPT):

$$RPT = \frac{\textit{Distance} * \textit{RLF} * \textit{RPK}}{\textit{Payload}}$$

Where:

Distance is distance in km to the reference point,

RLF is the return load factor,

RPK is Rand per km, and

Payload is in tons.

Note that rail transport is not considered when calculating location differentials for sunflower seeds since we have not seen product move via this medium. It is also imperative market participants refer to the published distances of each registered delivery point to Randfontein to ensure these remain accurate as the distance travelled is critical in ensuring the accuracy of the calculation. The distances are also provided in the attached spreadsheet

In the absence of rail component in our calculation, the aggregate rand per ton (RPT) road component obtained above will be the actual Location Differential rates for sunflower seeds.

Our commitment stands that we always treat your submitted information with utmost confidentiality. Only aggregated information of all participants combined will be used as inputs in our model to determine the LD for sunflower seeds.

Market participants are also reminded of the new standing arrangement as per Market Notice 460/2017 dated 24 October 2017, where applications for registration and/or de-registration of oilseeds (SUNS and SOYA) delivery points will open on 1 January 2018 and close on 28 February 2018. Please make sure that you submit your requests in time for processing during the set period.

Please forward all your input to commodities@jse.co.za or contact Raphael Karuaihe on 011 5207039. All contributions should reach the JSE no later than **Friday, 19 January 2018**.

Should you have any queries regarding this notice, please contact commodities@jse.co.za

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notices-and-circulars>