

## MARKET NOTICE

**Number:** 158A/2018  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Date:** 24 April 2018

**SUBJECT:** FINAL MAIZE LOCATION DIFFERENTIALS AND STORAGE RATES FOR 2018/19 MARKETING SEASON

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### Final Maize Location Differentials for 2018/19 marketing season

Subsequent to market notice 151A/2018 of 17 April 2018, this notice serves to release the final location differentials for maize for the 2018/19 marketing season. As mentioned before, we have adopted a formula-based approach to determine location differentials for maize as follows:

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

Where: Distance is the distance in km to Randfontein,  
 RLF is the return load factor,  
 RPK is in Rand per km and  
 Payload is in tons with 34 tons applied

We have made a correction to the RPK for the distance range 76-100 Km. The revised RPK is 25.14 instead of the published 26.14. Then, distances to Randfontein for two locations, namely Hendriksvallei Bunker (AFG) and Waterval Depot (BKB) were adjusted to 310 km for both locations, resulting in their differentials also adjusting accordingly.

We have also corrected the differential for Kameel and Migdol to eliminate any arbitrage between the silos belonging to NWK and SWL. No further updates were made to the proposed location differentials published earlier. The final list of location differentials for maize for 2018/19 marketing season is attached.

Below are the final RPK rates and return load factors (RLF) used in our model for the 2018/19 season:

2018-19			
Distance	RPK	Distance	RLF
0-7 Km	225.47	<300 km	2
8-15 Km	117.56	301-325 km	1.9
16-25 Km	80.83	326-350 km	1.8
26-50 Km	44.53	351-375 km	1.7
51-75 Km	30.47	376-400 km	1.6
76-100 Km	25.14	401-425 km	1.5
101-125 Km	21.69	426-450 km	1.4
126-150 Km	19.67	451-475 km	1.4
151-175 Km	19.12	476-500 km	1.4
176-200 Km	18.81	501-525 km	1.4
201-225 Km	18.47	>525 km	1.4
226-250 Km	18.09		
251-275 Km	17.65		
276-300 Km	17.53		
301-325 Km	17.11		
326-350 Km	16.51		
351-375 Km	15.82		
376-400 Km	15.62		
>400 Km	15.55		

We continue to encourage market participants to contribute road rates when requested in order to assist in determining accurate rates at the time of publishing. It is also important to note that the JSE does not take into account any forward looking scenarios in these calculations and therefore only considers transport rates as currently quoted. That said rail rates for the new season commencing 1 May 2018 were included.

#### Standard Storage Rates

The standard storage rate for the marketing season 1 May 2018 - 30 April 2019 will increase based on the PPI rate as published at the end of February 2018, namely 5.1% and so the standard storage rate applied to outstanding storage in completion of a futures contract will be **76 cents 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 April 2018.

Should you have any questions regarding the above, please do not hesitate to contact the Commodities Team at 011 520 7039 or email [commodities@jse.co.za](mailto:commodities@jse.co.za)

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