



CBOT Soybean Meal Contracts

Contract specifications for CBOT Soybean Meal Futures

Underlying instrument	<p>A soybean meal futures contract meeting all specifications as listed and traded on CBOT, a subsidiary of the CME Group Inc.</p> <p>The JSE reserves the right to amend the contract specifications including settlement methodology should these be amended by the reference exchange.</p>
Trading system code	MEAL
Trading hours	09h00 –12h00 South African time (Monday to Friday except South African national holidays).
Contract months	March, May, July, September and December.
Listing programme	Ensure a minimum of two expiries are always available for trade.
Expiration date and time	<p>The last trading day of the contract will be the second last business day preceding the first business day of the contract month at 12h00 South African time. The clearance date of the contract will be the first business day of the contract month.</p> <p>The final cash settlement value will only be finalised and released the following business day after trading has ceased. The final variation margin will therefore be settled one day after the last trading day and initial margin returned on the clearance day.</p> <p>The clearance day can further be defined as the day on which all remaining open positions are closed off automatically by the clearing solution.</p>
Determination of the final Cash Settlement Value	<p>The final settlement price for cash settlement of the contract will require two components, a CBOT settlement value and a Rand Dollar exchange rate which will be rounded to two decimals.</p> <p>The CBOT settlement value will refer to an average of 30 iterations referencing trades in the underlying derivative contract, taken every 1 minute for a period of 30 minutes ending 10h30 Chicago time (SA Summer: 18h01–18h30 and SA Winter: 17h01–17h30) on 1st position day, as per the CBOT product calendar.</p> <p>Conversion factor to be applied: 1 metric ton = 1,1023 short tonnes.</p> <p>The Rand Dollar exchange rate required to determine the settlement price in South African Rands per metric ton will be finalised by referencing 30 iterations, arithmetic average of the underlying spot taken every 1 minute for a period of 30 minutes, ending at 10h00 New York time (SA Summer: 16h31–17h00 and SA Winter: 15h31–16h00).</p> <p>On the morning after the last trading day of the contract, the JSE will publish via the trading system (NUTRON) the final cash settlement value.</p> <p>For a detailed example of the settlement process please refer to the products page on www.jse.co.za.</p>
Contract size	1 contract = 100 metric tons.
Quotations	In South African currency per metric ton.
Minimum price movement	20 cents per ton.
Settlement method	Cash settled in South African Rands (ZAR).
Initial margin requirements	As per the JSE margining methodology.
Daily mark-to-market	As determined by the JSE, a snapshot from trading activity in the last 5 minutes will be considered for the daily mtm.
Exchange fees	R15.00 per contract (incl VAT).
Daily price limits	No price limits will be applicable.





JOHANNESBURG STOCK EXCHANGE

SAFEX Commodity Derivatives

Position limits	No position limits however the JSE reserves the right to implement such.
Volatility scanning range	3.5
Qualifying audience allowed to participate	<ul style="list-style-type: none"> » Individuals and Foreigners have no limits. » Corporate entities have no limits. » Pension funds and long term insurance companies subject to their 20% foreign allocation limits. » Asset managers & registered collective investment schemes subject to their 30% foreign allocation limits.
Trade types accommodated	<p>All trading activity (bids and offers) must be entered onto the central order book during trading hours however the JSE will accommodate the following report only trade types provided they meet the existing criteria:</p> <p>Exchange for Risk (EFR's).</p> <p>Net-off of positions applicable to the same legal entity.</p> <p>One other exception will be considered, due to the market only trading between 09h00 and 12h00, the JSE will accept OTC transactions specific to the contract outside of the standard trading hours as agreed between registered counterparties. A minimum contract volume of 50 contracts will be applicable. These transactions must be reported to the JSE before 07h30 the following morning and must be market related – the transactions will then be entered into the order book by the JSE before the market opens.</p>

Contract specifications for CBOT Soybean Meal Options

Underlying instrument	One MEAL futures contract.
Option Type	American style options.
Contract size	One contract = 100 metric tons.
Contract months	March, May, July, September and December.
Price Quotations	Options will be quoted in Rands (ZAR) per contract .
Strike price	R20.00 per ton strike price intervals.
Expiration of trading	<p>The JSE will mirror the option expiration dates as per the CBOT trading calendar except trading will stop in line with MEAL trading times. Should the CBOT option expiration day be a holiday in South Africa, then the business day prior will be used.</p> <p>The options trading period will expire at 12h00 South African time referencing the underlying futures trading activity for the mtm price on the day.</p>
Option exercise criteria	Options are American style with the long position holder able to exercise the option position at any time during trading hours up to and including the expiration date. All in the money options will be automatically exercised by the JSE.
Daily mark-to-market	The JSE will determine the daily m-t-m in accordance with the defined processes.
Settlement method	Options expire into futures positions which will be cash settled on the last trading day in South African Rands (ZAR).
Exchange Fees	R10.00 per contract (incl Vat), all options exercised into futures will not be charged a JSE fee, if exercised early the trades should not be included in any post trade activity to realise this benefit. Options that are abandoned will be charged the above option fee.

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