

Market Notice

Number: A1540
Date 3 January 2012

Introduction of the Dec2012 expiry including the Jul2013 for the white and yellow maize contracts

Please take note the December 2012 expiry month will be introduced for trading for all physically settled grain contracts on **Friday 6 January 2012** except for the wheat (WEAT) contract, the JSE is busy finalizing the origin discount applicable for the next wheat marketing season and aims to introduce the Dec12 expiry by the end of the following week.

Towards the end of last year the JSE together with the Agricultural Advisory Committee and SIQ (Pty) Ltd, an agricultural survey and GIS consulting firm, investigated various alternatives to Randfontein as the single reference point for the standardized maize, wheat and sunflower seed futures contracts (for the purpose of the study soya and sorghum crops were also included). By considering production and processing (milling) data, reference points based on a geographic weighted mean were calculated for the various commodities. Following much discussion by the Advisory Committee regarding the supplied information it was agreed by all present to maintain Randfontein as the single reference point for maize (white and yellow), sunflower seed and wheat.

The Committee also confirmed their support for the JSE's initiative to further expand its existing trading platform to allow product on Safex silo receipts to be traded thereby providing a basis trading platform for the physical grain market. More information regarding this initiative will be distributed in the near future. Regards calculating the location differentials the JSE will be facilitating a workshop with logistic and various market participants in order to understand if there is an improved way of establishing the differentials each year.

With this guidance and support from the Advisory Committee, the listing role out program will again continue for the various products into the new marketing seasons. The July 2013 white (WMAZ) and yellow (YMAZ) maize together with the Chicago corn (CORN) expiry will also be introduced on **Friday 6 January 2012**.

Where applicable, the storage rates and location differentials for the various products have not being finalized and will only be available closer to the new marketing season.

Participants are again reminded that the JSE trades the underlying grades of products as published by the Department of Agriculture, Forestry and Fisheries in South Africa, should any changes be made to these at any time they will applied to the applicable derivative contract(s).

If there are any questions regarding the investigation into Randfontein as the single reference point or the various initiatives underway please feel free to contact me directly.



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