

## Market Notice

**Number:** A1552A  
**Date** 24 January 2012

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### **Proposed sunflower seed location differentials for the marketing season commencing 1 Feb 2012 including standardised storage rate.**

Similar to the publishing of the wheat location differentials last year, it was decided to publish the sunflower seed location differentials applicable as from 1 February 2012 through until 30 January 2013 in draft format and allow the market three business days to highlight any gross inaccuracies.

As in the past the JSE extended an open invitation to the market to contribute road rates applicable from the registered silo to Randfontein. No rail rates were considered when calculating the sunflower seed differentials. A number of contributions were received and these were then weighted based on the tonnages moved by the transport company for the previous year. Please note that only actual road rates were considered with no reference back to last year's differentials in any way, this did result in adjustments at a number of individual delivery points as they were aligned with the updated contributions. An extreme example was Middelvlei silo that based on the contributions went up to R109 differential (19%) where on the other extreme Pretoria West and Warden decreased by 17% and 15% respectively.

Using the information provided and applied across the 173 delivery points, the average differential increased by 4% to R192 per ton.

**PLEASE REVIEW THE ATTACHED SPREADSHEET WITH THE DRAFT LOCATION DIFFERENTIALS AND REPORT ANY GROSS INACCURACIES IN WRITING NO LATER THAN CLOSE OF BUSINESS ON THURSDAY 26 JANUARY 2012 TO [commodities@jse.co.za](mailto:commodities@jse.co.za) .**

The final location differentials for sunflower seed 2012/13 marketing season with Randfontein as the reference point will be published on Friday 27 January 2012 dependant on the feedback received.

The standard storage rate applicable as from 1 February 2012 through until 30 January 2013 will increase based on the PPI rate as published at the end of November 2011, namely 10.6% and so the standard storage rate applied to outstanding storage in completion of a futures contract will be **R1.09 cents per ton per day**. The JSE together with PwC did undertake a survey in terms of storage rates to assess the current benchmark rates however the response rate was limited. Should any changes be made to the current adjustment process going forward this will be communicated via an official market notice.

Members and clients are reminded as before that the published location differentials are indicative of the



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road transport cost for product from the registered silo to Randfontein, which is the basis for the standardized futures contract. It is impossible that this rate will be 100% accurate throughout the year as road rate factors vary. Throughout each marketing season the basis value at each silo, created through supply and demand, should always be considered before making physical delivery onto the exchange.



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