

Market Notice

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Licensing agreement with Kansas City Board of Trade and the introduction of a cash settled Hard Red Winter Wheat contract

The JSE is delighted to announce, following a licensing agreement with the Kansas City Board of Trade (KCBT), the introduction of a cash settled 50 ton Hard Red Winter Wheat contract. The contract specifications are attached with the cash settlement process similar to the existing contracts with the CME Group.

The Jul12, Sep12, Dec12 and Mar13 expiries will be introduced for trading on **Wednesday 28th March 2012** with commitment from Rand Merchant Bank and Nedbank Capital to act as market makers. The contact details for each of the market makers are available on the web page under the specific product links: www.jse.co.za/commodities. Splits will be loaded across the various wheat contracts.

The KCBT wheat product will be included in the existing wheat margin group and so offset margin will be available for position holders who have exposure in any three of the wheat contracts, WEAT (SA physical wheat contract, REDW (CBOT soft red winter wheat contract) and KANS (KCBT hard red winter wheat contract). The margin requirements on introduction will be as follows for the KANS contract:

- Initial Margin Requirement R7400 per contract
- Calendar Spread Requirement R2250 per contract
- Series Spread Requirement R4500 per contract

The introduction of this global benchmark contract, traded and settled in Rand, provides yet another tool for market participants to either gain exposure to this international market or for consideration into the existing price risk management matrix. If there are any further questions please do not hesitate to contact us.



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