

NoteA1608B

FUTURES CONTRACT	CAPE WHEAT REFERENCE POINT
<b>Trading system code</b>	CAPE
<b>Trading Hours</b>	09:00 to 12:00
<b>Underlying Commodity</b>	<p>Bread milling wheat originating in South Africa, Argentina, USA Hard Red Spring (DNS &amp; NSW), USA Hard Red Winter, no 3 or better Canadian Red Western Spring wheat, Australian Hard wheat, Australian Prime Hard, Australian Prime White, Australian Standard White wheat and German Type A or B wheat of sound, fair and merchantable quality which is fit for human consumption and which complies with the listed criteria and the requirements and methodology as contained in the SOUTH AFRICAN RULES FOR THE CLASSIFICATION AND GRADING OF WHEAT.</p> <p>Discounts will apply to grades B2 and B3 with a varying origin discount as defined in an official notice, for any foreign wheat from the above origins.</p> <p>The reference point from which the contract will be priced is Paarl, Western Cape</p>
<b>Contract Size</b>	50 metric tons
<b>Expiry Dates &amp; Times</b>	12h00 on eighth last business day of March, May, July, September and December. Physical deliveries from first business day to last business day of expiry month.
<b>Constant Month Contract</b>	All other calendar months are introduced 40 business days preceding the new month. Once the month is introduced it is traded in the same fashion as the 5 hedging months.
<b>Settlement Method</b>	Physical delivery of Safex silo receipts giving title to wheat in bulk storage at approved silos at an agreed storage rate. The origin must be clearly identified.
<b>Quotations</b>	Rand/ton
<b>Minimum Price Movement</b>	Twenty cents per ton
<b>Daily Limits</b>	R100/t (extended limits R150/t)
<b>Initial Margin</b>	TO BE ALIGNED WITH THE EXISTING <b>WEAT</b> CONTRACT, the contract will be included in the wheat margin group that will recognise margin offset with opposite positions held in WEAT, REDW and KANS.
<b>Maximum position limits</b>	None
<b>Expiry valuation method</b>	Closing futures price as determined by the JSE
<b>JSE Booking Fees (incl VAT)</b>	R6.00 / contract
<b>JSE Delivery Fees (incl VAT)</b>	R100.00 / contract

OPTIONS CONTRACT	CAPE WHEAT REFERENCE POINT
<b>ATS Code</b>	CAPE
<b>Trading Hours</b>	09:00 to 12:00
<b>Underlying Instrument</b>	1 CAPE WHEAT futures contract
<b>Options</b>	American type, puts and calls
<b>Strike price intervals</b>	R20.00 per ton
<b>Quotation</b>	In whole Rand per contract
<b>Contract months</b>	March, May, July, September and December
<b>Expiration date and time</b>	12h00 on the fifth last trading day of the month preceding the expiration month of the underlying future contract
<b>Exercise</b>	Long position holders may exercise/abandon their options during market hours at any time up to and including 15 minutes prior to the expiration date; provided that all in-the-money options shall be automatically exercised by the exchange at expiration
<b>Expiration Price (for automatic exercise)</b>	Mark-to-market price of the underlying future on expiration date
<b>Calculation of Mark-to-market</b>	Mark-to-market prices will be calculated from volatility quotes for at-the-money using the Black options pricing model
<b>VSR</b>	3.5%
<b>JSE Booking Fees</b>	R3.00 per contract