

## Market Notice

**Number:** A1674  
**Date** 1 August 2012

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### Request for information to assist with the calculation of the wheat location differentials

The JSE has already begun gathering information in order to calculate the wheat location differentials for both the Randfontein and Paarl reference point contracts. A number of road transporters have been approached to assist with road rates and silo owners have commenced supplying road vs rail out loading ratios.

The JSE will use the same updated methodology as was applied to determine the maize differentials earlier in the year and published in notice A1607. This will consider the following in order to determine the rand-per-ton (RPT) road rates applicable:

$$RPT = \frac{\text{Distance} * RLF * RPK}{\text{Payload}}$$

Where: Distance is the distance in km to Randfontein or Paarl, depending on the contract,  
RLF is the return load factor,  
RPK is in Rand per km and  
Payload is in tons.

Based on the calculated RPT road rates and actual rail rates available, finally the rail-road out loading ratios as supplied by the registered silo owners will then be referenced per individual silo using the same formula as in the past:

$$\text{Final LDR} = (\text{Road rate} * \text{Road out loading ratio}) + (\text{Rail rate} * \text{Rail out loading ratio})$$

The above formula will not apply when determining the wheat differential for the collective Western Cape silos registered as delivery points on the Randfontein contract.

**As a final open invitation to market participants**, please feel free to contribute transport rates for both rail and road considering the most recent costs. The JSE would appreciate all contributions be emailed to [commodities@jse.co.za](mailto:commodities@jse.co.za) on or **before Monday 6 August 2012** as the JSE aims to publish a set of draft differentials towards the end of the same week.



JSE Limited Registration Number: 2005/022939/06  
One Exchange Square, Gwen Lane, Sandown, South Africa.  
Private Bag X991174, Sandton, 2146, South Africa. Telephone:  
+27 11 520 7000, Facsimile: +27 11 520 8584, [www.jse.co.za](http://www.jse.co.za)

**Executive Directors:** NF Newton-King (CEO),  
F Evans (CFO) **Non-Executive Directors:** HJ Borkum  
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Should you be contributing road rates, please assist by using the same template as the road transporters will reference which is found below:

<b>Rands per Kilometre (R/Km)</b>			
<b>Distance</b>	<b>Fixed Costs/Km</b>	<b>Variable Costs/Km</b>	<b>Total Costs/Km</b>
0-15 Km			
16-25 Km			
26-50 Km			
51-75 Km			
76-100 Km			
101-125 Km			
126-150 Km			
151-175 Km			
176-200 Km			
201-225 Km			
226-250 Km			
251-275 Km			
276-300 Km			
301-325 Km			
326-350 Km			
351-375 Km			
376-400 Km			
401-425 Km			
426-450 Km			
451-475 Km			
476-500 Km			
>500 Km			
<b>Randfontein - Western Cape</b>			

As indicated in the above template, submission of actual road transport costs to move product from the Western Cape to Randfontein are also required to ensure these rates reflect the current cost of moving the product. All information can be emailed to the same commodities group email address.

We sincerely appreciate your feedback to ensure the wheat location differentials for the next marketing season commencing 1 October 2012 are as accurate as possible at the time of publishing.



**Chris Sturgess**

Designation Director  
Division Commodity Derivatives  
Tel +27 11 520-7299  
Fax +27 11 520-7558  
E-mail address: [chriss@jse.co.za](mailto:chriss@jse.co.za)

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