

Market Notice

Number: A1593
Date: 14 March 2012

Changes to the current silo receipt auction functionality after last trading day.

Firstly, with reference to market notice A1565 and the proposed functionality in terms of trading Safex silo receipts, the JSE would like to thank all those parties who provided feedback. The JSE recognizes the need to ensure all trading activities comply with existing derivative rules. The JSE may also propose a shorter afternoon trading period based on the feedback received. The JSE is in the process of finalizing the required functionality with its software vendor and once the software release times have been finalized, this will be communicated to all market participants.

However, specific to the existing silo receipt auction functionality, the JSE has identified functionality issues specific to sub accounts that enables certain position holders to continue participating during the silo receipt auction period after last trading day. This was never intended when the functionality was designed and does create issues in terms of the current administration of the system. For this reason the JSE has decided that the silo receipt auction functionality **will no longer be available** to position holders following the day **after** last trading day and therefore all physical deliveries tendered in completion of a short futures position during the six business days following up to last notice day will not be available for auctioning and provided they have not been identified as an EFP, will be randomly allocated to existing long position holders. No long position holders will be able to bid on any stock delivered during the same six day period.

The change will be effective as from 22 March 2012 (first business day following last trading day on 20 March 2012 for the MAR12 expiry month) and continue for the remainder of the month and will apply to all physically settled grain products. Please note this change will also apply to all delivery months going forward and included in the new silo receipt trading functionality when introduced. Please note the intention then is also to extend the number of trading days during the delivery month and only allow for three business days of no trading.

It is therefore imperative for short position holders wanting to make physical delivery and still be eligible for a premium during the auction to do this before or on last trading day.

If there are any further questions regarding the changes, please feel free to contact myself or anyone in the commodities team.



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