

NoteA1757B

1 | Draft Contract Specifications – Zambian Grain Futures

FUTURES CONTRACT	WHITE MAIZE	BREAD MILLING WHEAT	SOYA BEANS
Trading system code	ZAMA	ZAWE	ZASO
Trading Hours	09:00 to 12:00	09:00 to 12:00	09:00 to 12:00
Underlying Commodity	White maize of Zambian origin of the grade A as defined in the ZAMACE standard specifications for maize. See detailed grading requirements attached to the contract specifications.	Bread milling wheat of grade B1 as defined in the ZAMACE standard specifications which recognise the following origins: Zambian, South African, No 2 US Dark Northern Spring, No 2 US Hard Red Winter, No 3 Canadian Red Western Spring, Australian Hard, Australian Prime Hard, Australian Premium White and Argentinean. Wheat of grade B2 and B3 will be acceptable for delivery however grade discounts will apply to these. No origin discounts will be applicable. See detailed grading requirements attached to the contract specifications.	Soya beans of any origin of the grade A as defined in the ZAMACE standard specifications for soya beans. See detailed grading requirements attached to the contract specifications.
Contract Size	10 metric tons	10 metric tons	10 metric tons
Expiry Dates & Times (Last Trading Day)	12h00 on the sixth last business day of March, May, July, September and December. Physical deliveries from first business day to last business day of expiry month.	12h00 on the sixth last business day of March, May, July, September and December. Physical deliveries from first business day to last business day of expiry month.	12h00 on the sixth last business day of March, May, July, September and December. Physical deliveries from first business day to last business day of expiry month.
Constant Month Contract	None will be available as ZAMACE will be available for all cash market trading activity.	None will be available as ZAMACE will be available for all cash market trading activity.	None will be available as ZAMACE will be available for all cash market trading activity.
Settlement	Physical delivery of Safex silo receipts giving title to	Physical delivery of Safex silo receipts giving title to wheat in	Physical delivery of Safex silo receipts giving title to



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Method	maize in bag or bulk storage at approved warehouses. The origin must be clearly identified.	bag or bulk storage at approved warehouses. The origin must be clearly identified.	soya beans in bag or bulk storage at approved warehouses. The origin must be clearly identified.
Reference points	Delivery points in Lusaka and Copperbelt region will be traded on par with published location differentials to any other registered warehouses	Delivery points in Lusaka and Copperbelt region will be traded on par with published location differentials to any other registered warehouses	Delivery points in Lusaka and Copperbelt region will be traded on par with published location differentials to any other registered warehouses
Quotations	United States Dollars/ton	United States Dollars/ton	United States Dollars/ton
Minimum Price Movement	One dollar per ton	One dollar per ton	One dollar per ton
Daily Limits	\$10/t (extended limits \$15/t)	\$25/t (extended limits \$40/t)	\$30/t (extended limits \$45/t)
Initial Margin	To be confirmed with a similar process to existing products where initial margin requirements change as you move into the delivery month. Calendar spread margin will be made available however there will be no series spread offset with any existing grain products due to the cross currency trading.	To be confirmed with a similar process to existing products where initial margin requirements change as you move into the delivery month. Calendar spread margin will be made available however there will be no series spread offset with any existing grain products due to the cross currency trading.	To be confirmed with a similar process to existing products where initial margin requirements change as you move into the delivery month. Calendar spread margin will be made available however there will be no series spread offset with any existing grain products due to the cross currency trading.
Maximum position limits	Position limits will be defined for both hedgers and speculators and will be a function of the underlying crop production numbers and adjusted annually. It is proposed to afford a single hedger the ability to either take or make delivery of maximum 35% of the physical crop for any specific delivery month. For speculators there will be strict rules for the spot month, single month and all month limits as per derivative rule 10.40 which is aimed at around 10% of the physical crop.	Position limits will be defined for both hedgers and speculators and will be a function of the underlying crop production numbers and adjusted annually. It is proposed to afford a single hedger the ability to either take or make delivery of maximum 35% of the physical crop for any specific delivery month. For speculators there will be strict rules for the spot month, single month and all month limits as per derivative rule 10.40 which is aimed at around 10% of the physical crop.	Position limits will be defined for both hedgers and speculators and will be a function of the underlying crop production numbers and adjusted annually. It is proposed to afford a single hedger the ability to either take or make delivery of maximum 35% of the physical crop for any specific delivery month. For speculators there will be strict rules for the spot month, single month and all month limits as per derivative rule 10.40 which is aimed at around 10% of the physical crop.



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Expiry valuation method	Closing futures price as determined by the JSE	Closing futures price as determined by the JSE	Closing futures price as determined by the JSE
JSE Booking Fees (incl VAT)	To be confirmed but will remain in R / contract	To be confirmed but will remain in R / contract	To be confirmed but will remain in R / contract
JSE Delivery Fees (incl VAT)	To be confirmed but will remain in R / contract	To be confirmed but will remain in R / contract	To be confirmed but will remain in R / contract

2 | Draft Contract Specifications — Zambian Grain Options

OPTIONS CONTRACT	WHITE MAIZE	BREAD MILLING WHEAT	SOYA BEANS
Trading System Code	ZAMA	ZAWE	ZASO
Trading Hours	09:00 to 12:00	09:00 to 12:00	09:00 to 12:00
Underlying Instrument	1 ZAMA White Maize futures contract	1 ZAWE Wheat futures contract	1 ZASO Soya bean futures contract
Options	American type, puts and calls	American type, puts and calls	American type, puts and calls
Strike price intervals	\$5 per ton	\$5 per ton	\$5 per ton
Quotation	In whole USD per contract	In whole USD per contract	In whole USD per contract
Contract months	March, May, July, September and December	March, May, July, September and December	March, May, July, September and December
Expiration date and time	12h00 on the fifth last trading day of the month preceding the expiration month of the underlying future contract	12h00 on the fifth last trading day of the month preceding the expiration month of the underlying future contract	12h00 on the fifth last trading day of the month preceding the expiration month of the underlying future contract
Exercise	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	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	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



OPTIONS CONTRACT	WHITE MAIZE	BREAD MILLING WHEAT	SOYA BEANS
Expiration Price (for automatic exercise)	Mark-to-market price of the underlying future on expiration date	Mark-to-market price of the underlying future on expiration date	Mark-to-market price of the underlying future on expiration date
Calculation of Mark-to-market	Mark-to-market prices will be calculated from volatility quotes for at-the-money using the Black options pricing model	Mark-to-market prices will be calculated from volatility quotes for at-the-money using the Black options pricing model	Mark-to-market prices will be calculated from volatility quotes for at-the-money using the Black options pricing model
VSR	3.5%	3.5%	3.5%
JSE Booking Fees (incl VAT)	To be confirmed but will remain in R / contract	To be confirmed but will remain in R / contract	To be confirmed but will remain in R / contract