



Contract specifications for JSE – CBOT corn contract

Name	Chicago Corn Contract (Futures)
Underlying Instrument	An underlying corn derivatives contract as traded on the Chicago Board of Trade (CBOT) defined as follows: No. 2 Yellow at par, No. 1 yellow at 1 1/2 cents per bushel over contract price, No. 3 yellow at 1 1/2 cents per bushel under contract price.
Trading System Code	CORN.
Trading Hours	09h00 – 12h00 South African time (Monday to Friday except national holidays).
Contract Months	March, May, July, September, December.
Listing Programme	Ensure a minimum of three expiries are always available for trade.
Expiry Dates & Times	<p>Last trading date of the contract will be the second last business day preceding the first business day of the contract month at 12h00 South African time. The clearance date of the contract will be the first business day of the contract month.</p> <p>The final cash settlement value will only be finalised and released the following business day after trading has ceased. The final variation margin will therefore be settled one day after last trading day and initial margin returned on the clearance day.</p> <p>The clearance day can further be defined as the day on which all remaining open positions are closed off automatically by the clearing solution.</p>
Determination of the final Cash Settlement Value	<p>The final settlement price for cash settlement of the contract will require two components, a CBOT settlement value and a Rand Dollar exchange rate.</p> <p>The CBOT settlement value will refer to an average of 30 iterations referencing trades in the underlying derivative contract, taken every 1 minute for a period of 30 minutes ending 10h30 Chicago time (SA Summer: 18h01-18h30 and SA Winter: 17h01-17h30) on 1st position day, as per the CBOT product calendar. The average price will then be converted from bushels to tonnes using the conversion factor of 39,3679.</p> <p>» <i>1st Position day can be defined as second business day preceding the first business day of the traded expiry month. Eg 28 Feb 2008 for March 2008 expiry.</i></p> <p>The Rand Dollar exchange rate required to determine the settlement price in South African Rands per ton will be finalised via the same methodology as per the currency futures contracts on YieldX, refer to 30 iterations, arithmetic average of the underlying spot taken every 1 minute for a period of 30 minutes, ending at 10h00 New York time (SA Summer: 16h31-17h00 and SA Winter: 15h31-16h00).</p> <p>The bushels to ton conversion ratio is 39,3679.</p> <p>On the morning after the last trading day of the CORN contract, the JSE will publish via the trading system (NUTRON) the final cash settlement value.</p> <p>For a detailed example of the settlement process please see the web page under “trading information”: http://www.safex.co.za/ap/</p>



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Contract Size	1 contract = 100 metric tons.
Quotations	In South African currency per ton.
Minimum Price Movement	20 RSA cents per ton.
Settlement Method	Cash settled in South African Rands (ZAR).
Initial Margin Requirements	Initial Margin R14 000 per contract. Calendar spread margin (intra months) R4 200 per contract. Series spread margin (across a white or yellow maize position) R4 500 per contract.
Daily Mark-to-market	As per the existing APD mtm process referencing bids, offers and trades on the local SA contract. <i>JSE reserves the right to consider the CBOT mtm price from time to time to align expiries that are not liquid.</i>
Exchange Fees	R24.00 per contract (incl VAT).
Daily price limits	No price limits will be applicable.
Position limits	No speculative position limits apply however the JSE may at its discretion implement limits as per Rule 10.4 and defined in the Derivative Directives.
Volatility Scanning Range	3.5.
Qualifying Audience allowed to participate	» Individuals and Foreigners have no limits. » Corporate entities have no limits. » Pension funds and long term insurance companies subject to their 20% foreign allocation limits » Asset managers and registered collective investment schemes subject to their 30% foreign allocation limits.
Trades types accommodated	All trading activity (bids and offers) must be entered onto the central order book during trading hours however the JSE will accommodate the following report only trade types provided they meet the existing criteria: » Exchange for Physicals (EFP's) » Exchange for Risk (EFR's) » Ring Fenced trades (RF's) » Net-off of positions applicable to the same legal entity One other exception will be considered, due to the market only trading between 09h00 and 12h00, the JSE will accept OTC transactions specific to the CORN contract outside of the standard trading hours as agreed between registered counterparties. A minimum contract volume will be applicable. These transactions should be reported to the JSE before 07h30 the following morning and must be market related – the transactions will then be entered into the central order book by the JSE before market open.

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