

Market Notice

Number: A1935 A

Date 23 January 2014

Introduction of a Diesel hedge contract referencing European Gasoil to be listed on the Global Market for both Commodity and Equity Derivative Members

The JSE is pleased to announce that it is in the process of introducing a Diesel (European Gasoil) contract for trading on the Global Market. The 5000 litre contract will be cash settled contract and will closely correlate the South African basic fuel price. The product will target all those market participants exposed to the liquid fuel/diesel market who will have access to an exchange traded price risk management tool. Rand Merchant Bank has already committed to act as market maker thereby providing critical liquidity to the contract.

Please find attached the draft contract specifications including the proposed option specifications. The contract will be classified as a foreign referenced commodity and cash settled under license from the CME Group.

In order to introduce the dynamics of the contract specifications and also share with you the correlation benefits of the new product, RMB, BVG Commodities and JSE invite you to a seminar where the following will be discussed:

- Introduction to the proposed contract specifications and settlement process
- Understand the dynamics of managing diesel price risk
- Correlation of Diesel (European Gasoil) to the local diesel pump prices
- Indicative pricing by our initial market maker
- Targeted introduction dates for the new contract

The seminar is aimed at all registered members who are welcome to invite any interested clients in order to hear firsthand about the new product before it is listed. The seminar will take place on **Thursday 30 January 2014** from 14h00 to 15h00 at the RMB offices in Fredman Drive, Sandton. All those interested in attending the seminar are requested to send an e-mail to commodities@jse.co.za to confirm your attendance – please note space is limited.

We look forward to your participation and feedback at the seminar to ensure the diesel hedge to be introduced is practical and pricing is understood.



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