



## Market Notice

**Number:** A1227  
**Date:** 13 May 2010

### Introduction of the cash settled CBOT soybean, soybean meal and soybean oil derivative contracts

The JSE is delighted to further expand its product range around the foreign referenced commodities partnering with the CME Group. The next product complex where both futures and options will be available will provide market participants with exposure to the CBOT soya complex which includes:

- a 100t CBOT Soybean contract (contract code : BEAN)
- a 100t CBOT Soybean meal contract (contract code: MEAL)
- a 25t CBOT Soybean oil contract (contract code: OILS)

The above contracts will trade in Rand and have the full support of ABSA and RMB acting as market makers. The contract will trade and settle very similar to the Chicago Corn contract. The JSE is currently consulting with market participants through its Advisory Committee to understand if the current SOYA contract size could be increased to the same as the above CBOT contract to enable splits to be loaded across these two products. The fundamental reason for trading a 100t CBOT BEAN contract as apposed to a 25 t contract was to ensure market makers could match their hedging process as efficiently as possible thereby quoting a tighter double.

The full contract specifications for both futures and options are attached, the products section on the web page provides details around expiry dates, contact info for market makers, settlement process etc <http://www.jse.co.za/Products/All-Products/CBOT-Soybean-complex-Futures-and-Options.aspx>

The following expiries will be introduced on **Monday 17<sup>th</sup> May 2010** with the required initial margin requirements:

Contract Code	Expiry Month	Fixed Margin (Rand per contract)	Calendar Spread Margin (Rand per contract)	Series Spread Margin (Rand per contract)
BEAN	Sep 2010	20000	6000	3500
BEAN	Nov 2010	20000	6000	3500
BEAN	Mar 2011	20000	6000	3500



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

**Executive Directors:** RM Loubser (CEO), NF Newton-King, F Evans (CFO), JH Burke, LV Parsons  
**Non-Executive Directors:** HJ Borkum (Chairman), AD Botha, ZL Combi, MR Johnston, DM Lawrence, W Luhabe, A Mazwai, NS Nematswerani, N Nyembezi-Heita, N Payne, G Serobe  
**Alternate Director:** J Berman

MEAL	Sep 2010	18000	5400	3500
MEAL	Dec 2010	18000	5400	3500
MEAL	Mar 2011	18000	5400	3500
OILS	Sep 2010	11000	3300	3500
OILS	Dec 2010	11000	3300	3500
OILS	Mar 2011	11000	3300	3500

A series spread group will be setup including all three products similar to the maize/corn group. So if a client is long a product and short another, the series spread margin will be considered together with the difference in outright initial margin eg long 1 BEAN and short 1 MEAL contract will result in the following initial margin: R3500 + R3500+ R2000(difference of R20000-R18000) = R9000 for the total strategy as compared to R38000.

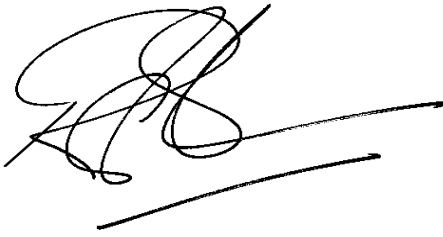
The JSE fee for trading the cash settled futures will be R15.00 (incl VAT) and options R10.00 (incl VAT) per contract. The options will be traded in the same fashion as the CORN options of which the JSE fees will be changed to R10.00 (incl VAT) per contract to allow clients the benefit of trading options.

As the division adds more products, participants using NUTRON are reminded that they have the functionality to design their own trading windows and can therefore easily group the oils seed products into a new window to make it easier to view. Attached to this notice is the setup document that will assist you to achieve the same as below should you wish:

Instrument	QtyB	Bid / Offer	QtyO	Change	Last	Time	High	Low	Volume	OpenInt
JUL10 BEAN	0	0.00 / 0.00	0	0.00	1600.00	00:00	0.00	0.00	0	10
SEP10 BEAN	0	0.00 / 0.00	0	0.00	1620.00	00:00	0.00	0.00	0	1
JUL10 MEAL	0	0.00 / 0.00	0	0.00	1640.00	00:00	0.00	0.00	0	10
SEP10 MEAL	0	0.00 / 0.00	0	0.00	1660.00	00:00	0.00	0.00	0	1
JUL10 OILS	0	0.00 / 0.00	0	0.00	1680.00	00:00	0.00	0.00	0	10
SEP10 OILS	0	0.00 / 0.00	0	0.00	1690.00	00:00	0.00	0.00	0	1
MAY10 SOYA	0	0.00 / 0.00	0	0.00	2595.00	00:00	0.00	0.00	0	100
JUL10 SOYA	0	0.00 / 0.00	0	0.00	2640.00	00:00	0.00	0.00	0	100
SEP10 SOYA	0	0.00 / 0.00	0	0.00	2665.00	00:00	0.00	0.00	0	0
DEC10 SOYA	0	0.00 / 0.00	0	0.00	2659.00	00:00	0.00	0.00	0	0
MAR11 SOYA	0	0.00 / 0.00	0	0.00	2920.00	00:00	0.00	0.00	0	0
MAY10 SUNS	0	0.00 / 0.00	0	0.00	3540.00	00:00	0.00	0.00	0	0
JUL10 SUNS	0	0.00 / 0.00	0	0.00	3560.00	00:00	0.00	0.00	0	0
SEP10 SUNS	0	0.00 / 0.00	0	0.00	3544.00	00:00	0.00	0.00	0	0
DEC10 SUNS	0	0.00 / 0.00	0	0.00	3560.00	00:00	0.00	0.00	0	0

The JSE is delighted to be able to offer this product range to local market participants and will soon announce details of an information session for interested parties in order to understand more about the soybean complex and opportunities it provides.

Please do feel free to contact the Commodities Team should you have any further queries.



**Rod Gravelet-Blondin**

Designation      Senior General Manager  
Division          Commodity Derivatives Division  
Tel                +27 11 520 7258  
Fax                +27 11 520 7558  
E-mail address:   [rodgb@jse.co.za](mailto:rodgb@jse.co.za)

**Distributed by the Company Secretariat +27 11 520 7591**