

**MARKET NOTICE**

**Number:** 458/2016  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Date:** 23 August 2016

**SUBJECT:** REQUEST TO REVISIT TICK SIZES FOR CONTRACTS OF DELIVERABLE GRAINS

**Name and Surname:** Chris Sturgess

**Designation:** Director Commodities & Key Client Management

Dear JSE Stakeholder,

At a consultative meeting with the market held some time back where the focus was on the current error trade policy, a request was made to the JSE to reconsider the current 20 cent tick sizes for deliverable grains and instead adopt whole number tick size. The motivation in this regard was that this would potentially reduce the number of error trades.

The same meeting requested that we consider introducing a minimum tick size for our options traded on premium however further consideration of this implies that it will have a negative impact on the Black Scholes pricing formula and so the JSE has decided not to proceed with this consideration.

**The JSE has resolved to consult with the wider market regarding your views should we adjust the tick sizes as follows:**

Commodity	Current Tick Size	Proposed Tick Size
White Maize	Twenty cents per ton	One rand per ton
Yellow Maize	Twenty cents per ton	One rand per ton
Wheat	Twenty cents per ton	One rand per ton
Soya Beans	Twenty cents per ton	One rand per ton
Sorghum	Twenty cents per ton	One rand per ton
Sunflower Seeds	One rand per ton	Unchanged

Please could market participants consider the above proposal and should there be any concerns regarding these changes please email these to [commodities@jse.co.za](mailto:commodities@jse.co.za) **no later than Wednesday, 31 August 2016**. The feedback received will be included in the discussion held at an Agricultural Advisory meeting on 1 September. A final market notice confirming the outcome of the request will be published in due course.

Should you need further clarity on this, please feel free to contact either Raphael or Chris Sturgess anytime at 011 520 7039 or at [commodities@jse.co.za](mailto:commodities@jse.co.za)

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