

MARKET NOTICE

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NOTICE NO. 116A/2015

RELATES TO

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<input type="checkbox"/>	Interest Rate & Currency Derivatives Market

DATE: 23 February 2015

SUBJECT: FINAL LOCATION DIFFERENTIALS FOR SUNFLOWER SEEDS FOR THE 2015-16 MARKETING SEASON

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1. Location Differentials

Subsequent to market notice 90A/2015 of 12 February 2015, this notice serves to release the final location differentials for sunflower seeds for the 2015/16 marketing season. As mentioned before, we have adopted a formula-based approach to determine the location differentials for sunflower seeds as follows:

$$RPT = \frac{Distance * RLF * RPK}{Payload}$$

Where:

Distance is distance in km's to the reference point,

RLF is the return load factor,

RPK is Rand per km based on the contributions received from the market, and

Payload is in tons and as agreed at a previous workshop is 30 tons

The JSE did receive three queries in writing from various market participants however only in one instance was additional supporting information provided supporting the request. In this specific case two storage locations, namely Leeudoringstad and Schweizer-Renecke were identified as referencing a different distance to Randfontein. The JSE conducted an independent survey amongst transporters and the average distances from these transporters warranted the JSE to revise the road distances for those locations. As a result the respective location differentials were also revised.

Except for changes in distances to Randfontein for the two storage locations, no other changes were made to the proposed location differentials published earlier. The final list of location differentials for sunflower seeds for 2015/16 marketing season is attached.

2. Storage Rates

The standard storage rate for the marketing season 1 March 2015 – 29 February 2016 will be increased based on the PPI rate as published at the end of December 2014, namely 6.5% and so the standard storage rate applied to outstanding storage in completion of a futures contract will increase to **R1.30 per ton per day**.

Please ensure that when making delivery of JSE silo receipts issued in the previous marketing season, all storage is paid up to and including 28 February 2015.

Should you have any queries related to this notice, kindly contact Raphael Karuaihe on 011 520 7258 or myself on the number above.

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notice-and-circulars>