

MARKET NOTICE

Number: 409/2015
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 2 July 2015

SUBJECT: **INTRODUCING A EURONEXT MILLING WHEAT CONTRACT AS A FOREIGN REFERENCED COMMODITY**

Name and Surname: Chris Sturgess
Designation: Director Commodities & Key Client Management

Dear Stakeholder,

Following the signing of a licensing agreement with EURONEXT, the JSE is pleased to announce the introduction of a cash settled milling wheat contract. This contract, listed as a foreign referenced commodity, will provide JSE registered client's access to the benchmark European milling wheat contract, traded and settled in Rand.

Please find attached to this market notice the contract specifications and cash settlement methodology which is similar to the existing cash settled commodity products. The initial set of expiry dates for contract code MATF will be Sep15 and Dec15 introduced for trading on **Monday 6 July 2015**. Please take note of the following contract criteria:

Expiry Months	Future Expiry Date	Clearance Date	Option Expiry Date	Initial Margin	Calendar Spread Margin
Sep15	28/08/2015	01/09/2015	17/08/2015	R 8,800	R3200
Dec15	27/11/2015	01/12/2015	16/11/2015	R 8,900	R3200

Please take note there is currently no series spread margin for the MATF contract however please note the JSE Risk Team is currently investigating the offset margin potential for creating a group that includes other JSE listed wheat contracts with suitably strong daily correlation. By including more products in a single margin group, the JSE will be able to provide offset margin for spread positions in those instruments included provided they display suitably strong correlation. Please note that once this is in place, the local wheat contract, code WEAT, may be removed from the margin offset group since the JSE plans to extend trading hours for the cash settled wheat contracts to trade from 9h00 to 17h00 with market makers quoting subject to availability of the reference market.

Please take note that this product is classified as a Foreign Reference Commodity and thereby does have restrictions in terms of participation as described in the qualifying audience description.

Liquidity to the contract will be provided for through an initial market maker at CJS Securities, feel free to contact Wesley Martens on +27 84 508 5000 for any pricing discussions. We do expect a second market maker to sign up shortly for this product.

Should you have any further questions or comments around the additional product, please feel free to pass these onto the commodities team via email commodities@jse.co.za or call us on +27 11 5207039.

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