

**MARKET NOTICE**

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**Number:** 566A/2015  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Date:** 15 September 2015

**SUBJECT:** FINAL WHEAT LOCATION DIFFERENTIALS AND STORAGE RATES FOR 2015/16 MARKETING SEASON

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**1. Final Wheat Location Differentials for 2015/16 marketing season.**

Subsequent to market notice 550A/2015 of 4 September 2015, this notice serves to release the final location differentials for wheat for the 2015/16 marketing season. As mentioned before, we have adopted a formula-based approach to determine location differentials for wheat as follows:

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

Where: Distance is the distance in km to Randfontein,  
 RLF is the return load factor,  
 RPK is in Rand per km and  
 Payload is in tons with 34 tons applied

The provisional results published last week will mainly remain unchanged except for two locations. The one location, Bleskop (BKB), we have adjusted the farthest return load factor (RLF) from 1.1 to 1.2 for distances from 500 km onwards. The resultant location differential for Bleskop is now R360/t.

Location differential for Barkley West was also adjusted after a rail-road ratio typo was identified and corrected. The revised rate for Barkley West is R299/t.

We continue to encourage market participants to contribute road rates when requested in order to assist in determining accurate rates at the time of publishing. It is also important to note that the JSE does not take into account any forward looking scenarios in these calculations and therefore only considers transport rates as currently

quoted. That said rail rates for the new season commencing 01 April 2015 and adjusted from time to time, were also included.

The final list of location differentials for wheat for 2015/16 marketing season is attached and below are the final RPK rates and return load factors (RLF) used in our model for the 2015/16 season:

2015/16			
Distance	RPK	Distance	RLF
0-25 Km	65.37	<300 km	2
26-50 Km	30.20	301-325 km	1.9
51-75 Km	22.40	326-350 km	1.8
76-100 Km	19.23	351-375 km	1.7
101-125 Km	18.40	376-400 km	1.6
126-150 Km	17.24	401-425 km	1.5
151-175 Km	16.94	426-450 km	1.5
176-200 Km	16.79	451-475 km	1.5
201-225 Km	16.41	476-500 km	1.4
226-250 Km	16.25	501-550 km	1.3
251-275 Km	16.05	551-600 km	1.2
276-300 Km	15.95	>600 km	1.2
301-325 Km	16.18		
326-350 Km	16.23		
351-375 Km	16.39		
376-400 Km	16.91		
401-425 Km	16.91		
426-450 Km	16.91		
451-475 Km	16.91		
476-500 Km	16.91		
500-600 Km	16.91		
>600 Km	16.91		

## 2. Standard Storage Rates

The standard storage rate for the marketing season 1 October 2015 – 30 September 2016 will increase based on the June PPI rate as published at the end of July 2015, namely 3.70% and so the standard storage rate applied to outstanding storage in completion of a futures contract will be **80 cents 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 30 September 2015.

Should you have any questions regarding the above, please do not hesitate to contact the Commodities Team at 011 520 7039 or email [commodities@jse.co.za](mailto:commodities@jse.co.za)

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