
MARKET NOTICEJohannesburg
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Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 22 December 2015

SUBJECT: REQUEST FOR INFORMATION TO ASSIST WITH DETERMINATION OF LOCATION DIFFERENTIALS (LD) FOR SUNFLOWER SEEDS FOR 2016/2017 MARKETING SEASON

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Designation: Director: Commodities & Key Client Management

Dear JSE Stakeholder,

Please feel free to distribute to any interested parties.

The new marketing season for sunflower seeds commencing 01 March 2016 is approaching and we kindly request all interested participants to provide input in order to ensure the published location differentials most accurately reflect the cost of transport from the registered delivery point to Randfontein.

We are attaching a separate spreadsheet with all registered suns delivery points with a special column provided for you to enter your road rates to Randfontein. The latest January 2016 rates are requested.

If you prefer a different format of providing the information, please feel free to do so. For the past four marketing seasons the JSE has been using 30 tons as the aggregate payload for sunflower seeds. If there are any sunflower seed logistic companies who strongly feel that this figure needs to be revised, please feel free to bring this to our attention, providing an alternative figure and explaining briefly why there need to be a change in payload.

The JSE will then assess the submissions made before we either confirm or revise the current payload figure of 30 tons for the new season.

Once required information is received we will then proceed and use the formula below to determine rand per ton (RPT):

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

Where:

Distance is distance in km to the reference point,

RLF is the return load factor,

RPK is Rand per km, and

Payload is in tons.

Note that rail transport is not considered when calculating location differentials for sunflower seeds since we have not seen product move via this medium. It is also imperative market participants refer to the published distances of each registered delivery point to Randfontein to ensure these remain accurate as the distance travelled is critical in ensuring the accuracy of the calculation. The distances are also provided in the attached spreadsheet

In the absence of rail component in our calculation, the aggregate rand per ton (RPT) road component obtained above will be the actual Location Differential rates for sunflower seeds.

Our commitment stands that we always treat your submitted information with utmost confidentiality. Only aggregated information of all participants combined will be used as inputs in our model to determine the LD for sunflower seeds.

Please forward all your input to commodities@jse.co.za or contact Raphael Karuaihe on 011 5207039. All contributions should reach the JSE no later than **Friday 22 January 2016**.

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