
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za

Number: 122/2020
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 1 April 2020

SUBJECT: METHODOLOGY TO DETERMINE MAIZE ORIGIN DISCOUNTS

Name and Surname: Raphael Karuaihe
Designation: Head - Commodities

Dear Market Participants

Following discussions at the Commodities Advisory Committee meeting that took place on 19 March 2020, the Committee unanimously supported the JSE proposed methodology. Recognizing that the benchmark expiries and period referenced are liquid enough, the methodology to determine the base value for the maize origin discounts for the marketing season commencing 1 May 2020 to 30 April 2021 will be as follows:

- a) An arithmetic average of the near dated July expiry daily mark-to-market (mtm) for the JSE yellow (YMAZ) and white maize (WMAZ) futures contracts, respectively, will be referenced.
- b) The rate will be finalised including mtm data on 15 March each year (if this is not a business day, the first business prior)
- c) A six month reference period will be applied commencing from and including 15th September each year (if this is not a business day, the first business day prior)
- d) The respective July Maize expiries are the only expiries month considered in the methodology
- e) Once the average futures price is calculated for the period, then 4% and 7% is applied respectively to this value to determine the YMAZ and WMAZ maize origin discounts for the next marketing season
- f) The final origin discount will be rounded off to the closest R1 interval

The respective maize origin discounts, effective from 1 May 2020, to be used for delivery in completion of futures contract are as follows:

WMAZ – R178.00

YMAZ – R101.00

Participants need to take cognisance the above maize origin discounts will be applied to any foreign physical deliveries tendered in completion of a futures contract for both WMAZ and YMAZ contracts in order to facilitate standardization of the maize contracts. The origin discounts will be reviewed annually before commencement of the new marketing season.

Should you have any queries please contact Commodities team on 011 520 7039 or e-mail commodities@jse.co.za

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