
MARKET NOTICEJohannesburg
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Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
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SUBJECT: OUTCOME OF JSE WORKSHOP ON SOYA DIFFERENTIALS

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Dear Stakeholder,

Following Market Notice 297/2018 dated 26 July 2018 in which we invited market participants to attend a workshop on Soya differentials, we are pleased to provide you with some feedback on what transpired at the workshop.

The meeting was well attended with approximately 70 people. After some welcoming and a brief historical account of how Soybeans traded without location differentials from day one, attendees were given a chance to air their views on the matter. There was overwhelming support to maintain the status quo and **keep the soybean contract without location differentials**. The JSE will therefore allow the soybean contract to continue trading without a single reference point as is currently the case.

However, the JSE also made it clear at the workshop that what this means going forward is that there won't be any new registration of far-out locations for Soya in the absence of a single reference point, unless we see expansion of crushing capacities in those affected areas. Further, the JSE will also closely monitor those locations where there are constant redeliveries of Soya. The key reason for this is to ensure that the specific delivery point does not have a material negative impact on price convergence of the futures market with the spot market. As you can appreciate for the exchange, the integrity of the final settlement process is critical and so if this is impacted the JSE may then need to consider deregistration of the identified locations. This will naturally follow an orderly manner as best we can, notifying the market of the decision well in advance.

Should you have any questions regarding this notice, please do not hesitate to contact the Commodities Team at 011 520 7039 or email commodities@jse.co.za

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