



Market Notice

Number: A1415A

Date: 26 April 2011

Final version of the maize differentials applicable to the 2011/12 marketing season

Further to notices A1402 and A1407, the updated information from silo owners regarding the out load ratio of road versus rail and a logistics company's updated information resulted in a number of changes. The silo's most affected were those that confirmed a much higher rail out load ratio than originally provided, an example would be GWK's Modderivier and Barkley West silos which failed to provide input the first time round.

The final version is attached and will be updated on the web page on Thursday morning.

The reason the final version was delayed was due to the JSE including rail vs road out loading information down to each individual silo, thereby ensuring those silo's that out loaded more rail received the benefit of the more cost efficient means of transport particularly for the silo's situated long distances from Randfontein. The updated differentials were then referenced off the silo grid which references Randfontein and some again adjusted to ensure as far as possible they aligned with their distance to Randfontein. The average increase, after including the updated information, resulted in an 18,67 % increase or equivalent R28/ton across the 192 delivery points.

The JSE has received a number of calls regarding the published differentials including the reference to Randfontein and various suggestions regards the way forward. These will be discussed at the next Agricultural Advisory Committee meeting. Please note no changes will be made to the standardized contracts already trading.

Members and clients are again reminded that the published location differentials are indicative of transport costs for product from the registered silo to Randfontein, which is the basis for the standardized futures contract. It is impossible that this rate will be 100% accurate throughout the year as transport components change. Throughout each marketing season the basis value at each silo, created through supply and demand, must be considered before making physical delivery onto the exchange. Through further refinements of the Safex silo receipt auction functionality the exchange aims to improve transparency to the basis trade for each silo based on product delivered in completion of a futures contract

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