

MARKET NOTICE

Johannesburg
Stock Exchange

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Number: A2008
Date: 29 April 2014

SUBJECT: INTRODUCTION OF MAY14 BREAD MILLING WHEAT CAN-DO FUTURES

The May Bread Milling Wheat Can-Do Futures will be listed for trading on 30 April 2014.

Bread Milling Wheat Contracts Specifications- Commodity Can-Do XWHT

GENERAL TERMS	
Description	MAY WHEAT COMMODITY CAN DO
Can-Do Name	Can-Do XWHT
Can-Do-Code	XWHT
Contract Size (Multiplier)	1 contract = 50 tons for the avoidance of doubt, this means that each contract will reference a price per ton multiplied by 50
Quotations	Price per ton in Rand
Minimum Price Movement	R0.20 per ton
JSE Fees	R13.00 per contract (INCL VAT)
Initial Margin	R9 000 per contract
Series spread margin	As per Wheat spread margin
Position Limits	Not applicable
Trade Date	The date the Can-Do position is first entered into by the clients and captured by the JSE
Business Day	Any day on which banks are open for a normal trading day in Johannesburg and grain prices are published by the JSE.
Underlying	
Underlying Future	WEAT futures contract meeting all specifications as listed and traded on the Commodity Derivatives Division of the JSE
Daily MTM adjustments	Tracking the nearby WEAT listed expiry month and deducting: <ul style="list-style-type: none"> • Safex standard wheat storage at R0.71 cents per ton per day

	<ul style="list-style-type: none"> Financing cost calculated as (# of days from and including 2 May 2014 <i>multiplied</i> by nearby WEAT futures MTM <i>multiplied</i> by Prime less 2.00%) <i>divided</i> by 365 days
Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand per ton. Confirmed by the EFR transaction generated by the exchange upon confirmation of the Can-Do trade. The execution of the Can-Do will trigger an automated allocation of the underlying WEAT future contracts between the buyer and seller to create an equal and opposite XWHT Can-do. The report only transactions will be facilitated by the JSE.
Underlying Currency	Rand (ZAR)
Underlying physical commodity	Wheat as defined by the contract code WEAT and presented by the issue of Safex silo receipts
Final Evaluation Date	Expiration date confirmed as 22 May 2014
Valuation Frequency	Daily at 12h00 as per the JSE MTM process for grain products
TERMS & CONDITIONS – Can Do XWHT	
Type	Can Do Future
Buyer	Is the party that is the Long Party to the Can Do Future
Seller	Is the party that is the Short Party to the Can- Do Future
Initial Futures Price	As agreed by the counter parties, EFR or trade level
PROCEDURE AT EXPIRATION	
Expiration Date and Time	12h00 on the business day prior to last trading day for the WEAT contract, for avoidance of doubt 22 May 2014
Reference Price including final valuation	The underlying WEAT May14 commodity price as determined on expiration date including the defined adjustments for storage and financing costs - based on the execution level of an automated EFP transaction in the appropriate underlying WEAT futures month
Can-Do : Cash Settlement with futures equivalent positions booked in the underlying reference month at expiration date	<p>The XWHT contract will be cash settled at the calculated reference price with an equal and opposite WEAT May14 future position created at the same level. For avoidance of any doubt, the party that sells back the XWHT May14 will buy WEAT May14 future contract and the party that buys back the XWHT May14 will sell the WEAT May14 future contracts.</p> <p>The WEAT May14 positions will be captured as a report only trade before 14h30 on the expiration date.</p>

Location Differential and grade discounts	Not applicable
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Since the Can-Do is specific between the two counterparties, the original trade is reported into the order book. The contract is visible on the NUTRON front end under Agris Trading, Cando.

If there are any further questions regarding the new product, please feel free to contact Anelisa Matutu on 011 520 7158 or use the group e-mail commodities@jse.co.za.



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