
MARKET NOTICEJohannesburg
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Number: 220/2017
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 5 June 2017

SUBJECT: JSE DELIVERABLE WHEAT DERIVATIVE CONTRACT – CONFIRMATION OF GRADE DISCOUNTS

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Dear Stakeholder,

Further to market notice 131/2017 and more specifically to the process the JSE will adopt to calculate the grade discount for the next wheat marketing season. To eliminate any confusion the JSE hereby confirms it will adopt the process as described in the market notice referenced earlier:

The JSE for the marketing season 1 October 2017-30 September 2018 will apply a grade discount per 1% protein change of \$7.3488 per ton multiplied by the local exchange rate as determine and finalized by the latest 15 September 2017. The final discount will be rounded to the closest R1/ton value.

The JSE will consider the average exchange rate for the past 7 weeks leading up to 15 September each year (as published by SAGIS for the wheat import tariff calculations - [http://www.sagis.org.za/koringtarief\(2017-03-31\).pdf](http://www.sagis.org.za/koringtarief(2017-03-31).pdf)) in order to determine the average Dollar Rand exchange rate.

Market participants can therefore expect the final rand value grade discounts for B2 and B3 wheat to be published early in the week of 18 September 2017. Thank you to everyone for the constructive feedback and support for this change.

Regards the proposal to consider information published by the US Wheat Associates to adjust the annual grade discount, this remains a discussion point but we can assure you this will not be included in the 2017/18 marketing season calculation.

If there are any questions, as always feel free to contact the Commodities Team on 011 5207039 or email Commodities@jse.co.za

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