Johannesburg
Stock Exchange

Tel: +27 11 520 7000

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Number:	**71A/2019**
Relates to:	☐ Equity Market
	☐ Equity Derivatives
	☒ Commodity Derivatives
	☐ Interest Rate and Currency Derivatives
Date:	5 March 2019

SUBJECT:	**REQUEST FOR INFORMATION TO ASSIST WITH DETERMINATION OF LOCATION DIFFERENTIALS FOR MAIZE FOR 2019-2020 MARKETING SEASON**

Name and Surname:	Raphael Karuaihe
Designation:	Head - Commodities

Dear Market Participant,

Please feel free to distribute to any interested parties.

The new marketing season for maize commencing 1 May 2019 is approaching and we kindly request all interested participants to provide input in order to ensure the published location differentials most accurately reflect the cost of transport from the registered delivery point to Randfontein.

We are attaching a separate spreadsheet with all registered maize delivery points with a special column provided for you to enter your road rates to Randfontein. The latest March 2019 rates are requested. Please also supply an indication of the total tonnages of maize moved by the logistics company in order for us to consider this in the weighting process.

If you prefer a different format of providing the information, please feel free to do so. The JSE will use 34 tons as an aggregate payload for maize as was agreed upon with transporters.

Once information is received as per attached spreadsheet, we will then proceed and use the formula below to validate our model parameters:

$$RPT = \frac{Distance * RLF * RPK}{Payload}$$

Where:

RPT is rand per ton road rate

Distance is distance in km to the reference point,

RLF is the return load factor,

RPK is Rand per km, and

Payload is in tons.

Indicative **rail rates** to Randfontein will also be required for the final calculation and so these are also kindly requested to the email address below.

Regarding gathering information in terms of rail vs road out-loading ratio for the previous year, this will be requested directly from each registered storage operator and this information will also be used as input in the model to determine the LDs.

It is also imperative market participants refer to the published distances of each registered delivery point to Randfontein to ensure these remain accurate as the distance travelled is critical in ensuring the accuracy of the calculation. The distances to Randfontein used by the JSE are also provided in the attached spreadsheet

The provided information is always treated as confidential. Only aggregated information of all participants combined will be used as inputs in our model to determine the LDs for maize. All contributions should reach the JSE no later than **Tuesday, 19 March 2019** in order to be included in the calculation process.

Please forward all your input to **commodities@jse.co.za** or contact 011 520 7039.
This Market Notice will be available on the website at **https://www.jse.co.za/redirects/market-notices-and-circulars**