

MARKET NOTICE

Johannesburg
Stock Exchange

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Number: 306/2019
Relates to: ☐ Equity Market
☐ Equity Derivatives
☒ Commodity Derivatives
☐ Interest Rate and Currency Derivatives
Date: 3 October 2019

SUBJECT: IMPLEMENTATION OF NEW GRADING SPECIFICATIONS FOR BREAD WHEAT

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Designation: Head - Commodities

Dear Stakeholder,

1. The JSE refers to market notice 282/2019 published on 13 September 2019 dealing with the proposed amendments to grading regulations for bread wheat.
2. This notice recorded the grading specifications for bread wheat delivered in fulfilment of the delivery obligations of short position holders in listed futures contracts with wheat as underlying commodity.
3. The amendments to the grading specifications are effective from 1 October 2019 and will be applied to all futures contracts that are physically delivered for the next marketing season (1 October 2019 – 30 September 2020).
4. The JSE's decision to implement the amendments to the grading specifications was made strictly in accordance with its regulatory duties and responsibilities to ensure a fair, efficient and transparent market in the securities listed and traded on its exchange. The standardised terms and conditions of futures contracts, with specific reference to the grading requirements of the underlying commodities of these securities, are an integral part of the manner in which the JSE regulates its market. The standard of these quality requirements are recorded in Table 1 of Market Notice 282/2019 and the JSE will consistently apply these objective standards from the effective date, it being 1 October 2019.
5. The JSE's decision in respect of these grading specifications was an independent decision made after consideration of all the relevant facts and information at the disposal of the JSE. This decision is neither dependent nor conditional on the formal approval of similar grading specifications by the Minister of Agriculture or the unanimous consent of all parties involved in the broader wheat industry. The JSE may apply and enforce any standard grading specification that it deems appropriate. Importantly, these grading specifications will only be applicable in respect of wheat delivered in fulfilment of futures contracts listed on the JSE.

Should you have any questions regarding the above, please do not hesitate to contact Commodities Team at 011 520 7039 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>