

CIRCULAR



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To: All Members

No: 262/99

Wheat Futures Contracts - Freight Discount Rates and Storage and Handling Charges

This Circular is being issued to clarify Circular 241/99 that was sent out on 26 August 1999. Wheat that is delivered, against a futures position, to an Approved Warehouse, other than at Newcastle, will have the published freight discount rate applied to the settlement price. The settlement price is based on an in store Newcastle price. This is consistent with the SFE Wheat Futures By-Laws, as set out below.

SFE By-Laws

- WF 13. "The invoice price shall be the daily settlement price per metric tonne for that day on which the Clearing House accepts tender documentation, less any applicable freight discount pursuant to WF10. (c)
- WF10. (c) .
Wheat that is stored in an Approved warehouse other than at Newcastle, NSW will be subject to a freight discount as determined by the Board or its designate from time to time.

The change in the fee structure of the Approved Warehouses does not change the value of the futures contract. In the past if delivery was made at an up country site all the storage and handling fees were prepaid before a Warehouse Receipt was issued. This is still the case. The freight discount for up country delivery will continue. All of the fees and charges, other than Exchange fees, will continue to be the full responsibility of the contract holders.

The freight discount rates have changed, they are set out in the attachment and will apply from the 1 November 1999. The Approved Warehouse storage and handling fees are set out in the attachment and will apply from the 1 November 1999.

Please contact the undersigned on (02) 9256 0493 if you have any queries regarding this matter.

Margaret Willett
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