

PRESS RELEASE

Basislink Surpasses Expectations On Basis Trading

In the eight months since Basislink came into operation, Senwes Grainlink already traded 1,5 million tonnes of grain through this online bidding system, which is an innovation in the basis trading of grains.

The Basislink online bidding system became operative on 11 December 2013. The system aims to create a trading platform for approved fundamental buyers at all Safex registered silos nationwide. With this system, Senwes Grainlink aims to promote transparency in the basis trading of grains. Initially only white maize, sunflower seed and sorghum will be traded on the system.

Pieter Malan, Assistant General Manager: Senwes Grainlink Industry, says the first eight months of trading showed that there is indeed a place for basis trading in the grain market. "Senwes identified the opportunities and needs in the market and utilised it. The success achieved is proof that Senwes addressed the existing needs and that there is a place in the market for this innovative system which was developed by Senwes Grainlink and Senwes IT Services."

At this stage the system is only buyer-driven, but the process to involve sellers via the MySenwes platform has already made huge progress. "Grain producers can look forward to soon offer their grain on the system themselves and to sell it to buyers of their choice," he said. Producers will thus share directly in the advantages of the system in terms of transparency, better liquidity and more market-related location premiums.

The benefits for grain buyers are as follows:

- Basislink offers the opportunity for buyers to buy commodities at a specific silo.
- Purchases can be done on a forward, preseason or a spot market contract.
- Senwes guarantees delivery – no risk with respect to producers who do not perform.
- It is confidential and private – individual buyers are not linked to the transactions on the screen.
- It offers straightforward, safe, electronic access to the system.
- The buyer immediately knows when the order is processed.
- A history of premiums and tonnes traded will be available electronically.
- The buyer can bid silo, month and premium specific on the system.

Grain buyers who want to participate in the bidding system can register online or contact Wimpie Bouwer of Senwes Grainlink at 018 464 7569 or per email at wimpie.bouwer@senwes.co.za.

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