

Contract Adjustment for ETISALAT Equity Futures Contract Issued under Rule 7.3.10 – Rulebook 2

Pursuant to Nasdaq Dubai Contract Adjustment Guidelines V 1.1 issued in December 2020, Members are advised that Nasdaq Dubai will adjust its Equity Futures Contracts over ‘ETISALAT’ effective **25 March 2021** being Ex-Day for distribution of cash special dividends declared by the company.

Contracts to be adjusted

Futures Contract ISIN	Contract Series Code	Contract Name
AENDXB0AN199	ETISLTJ21	ETISLT FUT - April 2021
AENDXB0AN363	ETISLTK21	ETISLT FUT - May 2021
AENDXB0AN538	ETISLTM21	ETISLT FUT - June 2021

Adjustment Method

Nasdaq Dubai will use the Ratio Method to adjust the above futures contracts.

The ratio shall be calculated as follows:

$$\text{Adjustment Ratio } (K) = \frac{S_{cum} - D_{ext}}{S_{cum}}$$

(Rounded up to 6 decimals)

Where:

S_{cum} = Cum Price of the underlying security

D_{ext} = Amount of extraordinary dividend

Adjustment of Contract Size

Nasdaq Dubai will adjust the contract size of futures contracts as follows:

$$C_{adj} = \frac{\text{Contract Size before adjustment}}{K}$$

Where:

C_{adj} = Contract size of a futures contract on Ex-Day after adjustment

The new contract size (C_{adj}) will be rounded to the nearest whole integer.

Adjustment of Previous day's Settlement Price

Previous day's Daily Settlement Price will be adjusted as follows:

$$P_{ex} = P_{cum} * K$$

Where:

P_{ex} = Previous days Daily Settlement Price of a futures contract after adjustment. Note that this will also be the Reference Price for trading on 25th March 2021. Note that this price will be rounded to the 3rd decimal (using standard rounding conventions)

P_{cum} = Previous days Daily Settlement Price of a futures contract before adjustment

Sample Calculations:

$$\text{Adjustment ratio (K)} = \frac{S_{cum} - D_{ext}}{S_{cum}} = \frac{19.76 - 0.40}{19.76} = 0.979757$$

Where:

S_{cum} = Cum Price of the underlying security = 19.76

D_{ext} = Amount of extraordinary dividend = 0.40

Expiry Month	Contract Size Before Adjustment	Adjustment Factor (K)	Contract Size After Adjustment (C_{adj})
ETISLTH21	100	0.979757	102
ETISLTJ21	100	0.979757	102
ETISLTK21	100	0.979757	102

- Previous day's Settlement Price will be adjusted by multiplying the price by Adjustment ratio (i.e. 0.979757) to calculate variation margins on 25th March 2021.
- For trading on 25th March 2021, the above adjusted price will be the Reference Price.

Note that above calculations are used only as an example and actual calculations will be done using actual market price as on relevant days.

Adjustment to Contract symbols

To distinguish futures contracts that have been adjusted due to a corporate action and no longer have a standard contract size of 100, Nasdaq Dubai shall modify the symbol of those contracts as follows:

Cum Date Symbol	Ex-Date Symbol
ETISLTH21	ETISLTH21X
ETISLTJ21	ETISLTJ21X
ETISLTK21	ETISLTK21X

Note that if there is no open interest in any of the contracts on ETISALAT underlying shares, then there will be no adjustment made to the respective Contract symbols.

For further information in relation to this Notice, Members should contact:

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This Nasdaq Dubai Notice will be available on the website at www.nasdaqdubai.com