Contract Adjustment for DEWA Equity Futures Contract

DEWA Futures contract adjustment due to the special dividend of 3.34 fills (0.0334 AED) announced with an ex-date of 19th April 2023

Contracts to be adjusted

Futures Contract ISIN	Contract Series Code	Contract Name
DEW200423001	DEWAJ23	DEWA FUT – April 2023
DEW180523001	DEWAK23	DEWA FUT – May 2023
DEW150323001	DEWAM23	DEWA FUT – June 2023
DEW200723001	DEWAN23	DEWA FUT- Jul 2023

Rounding Convention

DFM will apply the below rounding convention wherever rounding is applicable to the decimal places mentioned where the last integer is:

- **5 and above, the last integer will be rounded up to the next integer value;**
- **Less than 5, the last integer will be rounded down to the integer value.**

Adjustment Method

DFM will use the Ratio Method to adjust the above futures contracts.

The ratio shall be calculated as follows:

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

(Rounded to 6 decimals)

Where:

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

D_{ext} = *Amount of extraordinary dividend*

Adjustment of Contract Size

DFM will adjust the contract size of futures contracts as follows:

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

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:

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

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 19th Apr 2023. Note that this price will be rounded to the 3rd decimal

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

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

See addendum 1 on page 3 for calculation example of this corporate action

Addendum 1: Sample calculations for information purpose only based on closing price of 12th April 2023. Final calculation will be provided using actual market price as on relevant days:

$$\boldsymbol{Adjustment\ ratio\ (K) = \frac{S_{cum} - D_{ext}}{S_{cum}} = \frac{2.50 - 0.0334}{2.50} = 0.986640}$$

Where:

S_{cum} = *Cum Price of the underlying security = 2.50*

D_{ext} = *Amount of extraordinary dividend = 0.0334 (3.34 fills)*

Expiry Month	**Adjustment Factor (K)**	**Contract Size Before Adjustment**	**Contract Size After Adjustment (C_{adj})**	**Price Prior Adjustment**	**Price After Adjustment (P_{ex})**
DEWAJ23	0.986640	100	101	2.441	2.408
DEWAK23	0.986640	100	101	2.451	2.418
DEWAM23	0.986640	100	101	2.460	2.427
DEWAN23	0.986640	100	101	2.472	2.438

- Previous day's Settlement Price will be adjusted by multiplying the price by Adjustment ratio (i.e. 0.986640) to calculate variation margins on 19th April 2023.
- For trading on 19th April 2023, the above adjusted price will be the Reference Price.

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, DFM shall modify the symbol of those contracts as follows:

Cum Date Symbol	**Ex-Date Symbol**
DEWAJ23	DEWAJ23X
DEWAK23	DEWAK23X
DEWAM23	DEWAM23X
DEWAN23	DEWAN23X