

Short Take

**GAIL (India)
F&O contracts
adjustment**

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GAIL (India) (₹177.90) had announced a dividend of ₹5.50 for the financial year 2023-24. So, there will be adjustment in the stock price and its futures and options (F&O) contracts accordingly on the record date.

The company has fixed February 6, 2024, as the record/ex-dividend date. On this day, the stock price will be adjusted for the dividend and all the derivative contracts on this stock will be altered in line with the dividend amount.



For the purpose of adjustment in futures contracts, the reference rate of the relevant contract on February 5 will be considered. The reference rate will be the mark-to-market settlement price of the relevant futures contract. Hence, the open positions shall be carried forward at the daily settlement price on February 5 less the dividend of ₹5.50.

For instance, if the nearest expiry futures close at ₹180 on February 5, it will be adjusted to ₹174.50. Consequently, the contract value will come down from ₹8,23,500 to ₹7,98,338.

With respect to options, all the existing strike prices in the option chain will be deducted by ₹5.50 on February 6. For example, the strike price of 178, 180 and 182 will be modified to 172.50, 174.50 and 176.50 respectively.

That said, the above measures are not likely to impact the overall trend of this stock. So, traders can stick to their views and are only required to note the changes in the contracts that they hold.

GAIL, ADNOC GAS INK CONTRACT



GAIL (India) Limited, India's largest Natural Gas company, has successfully concluded a long-term LNG purchase agreement for purchase of around 0.5 MMTPA LNG from ADNOC Gas. This is pursuant to an MoU dated 30.10.2022 between GAIL and Abu Dhabi National Oil Company (ADNOC) PJSC wherein parties agreed that, in potential areas of collaboration both parties shall explore opportunities including purchase of LNG by GAIL from ADNOC for a tenure ranging from short term to medium and long-term. This development between GAIL and ADNOC will reinforce the robust cultural and economic bonds between India and the United Arab Emirates (UAE).

