

# London Stock Exchange Derivatives

## MARKET NOTICE 2017/033

### Adjustment for Dividend in Frontline (FRO)

Further to [Market Notice 2017/031](#) London Stock Exchange Derivatives Market (LSEDM) informs member firms that the Board of Frontline (FRO) have determined to distribute a dividend of USD 0.15 per share with ex-date 9 June 2017.

As FRO belongs to the AD class (100% adjusted for dividends), derivatives listed on LSEDM have been adjusted for the full dividend.

Company:	Frontline (FRO)
Dividend:	USD 0.15 / NOK 1.27215
Exchange rate:	8.481 - from Norges Bank 8 June 16:00 CET
Adjustment date:	8 June 2017 after market close
Ex-date:	9 June 2017
Adjustment factor:	0.972945
Adjusted contract size:	103 (X) and 106 (Z)

Stock option strike, future price and contract size have been adjusted according to Section 3 of the [LSEDM Corporate Actions Policy](#).

The derivative series have been assigned new ISIN and marked with the letter X (Z for series already marked with Y) for deviating contract specifications. New series will be uploaded to the website.

Members are encouraged to ensure that clients are aware of this adjustment.

## Adjustment factor

$$A = \frac{P_{\text{cum}}^{\text{vwap}} - D}{P_{\text{cum}}^{\text{vwap}}} = \mathbf{0.972945}$$

$P_{\text{cum}}^{\text{vwap}}$  = Volume-weighted average price of the stock prior to the ex-date = **47.02046638**

D = Dividend (NOK) = **1.27215**

## New exercise and future price

$$X_{\text{ex}} = X_{\text{cum}} * A$$

$X_{\text{cum}}$  = Strike price or future price prior to adjustment

## New contract size

$$N_{\text{ex}} = \frac{N_{\text{cum}}}{A}$$

$N_{\text{ex}}$  = Adjusted contract size = **103 (X) and 106 (Z)**

$N_{\text{cum}}$  = Contract size prior to adjustment = 100 and 103 (Y)

Adjustment factors are rounded to six decimals, adjusted exercise prices are rounded to two decimals and future prices are rounded to four decimals. Adjusted contract sizes are rounded to the nearest whole integer.

If you have any questions please call Derivatives Corporate Actions Team on +44 (0) 207 797 3660.

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