

National Stock Exchange of India Limited

Circular

Department: COMMODITY DERIVATIVES	
Download Ref No: NSE/COM/63053	Date: July 24, 2024
Circular Ref. No: 41/2024	

All Members,

Base price computation for GOLDM contract – Discontinuation of XAU feed

This is in modification to circular reference number NSE/COM/61784 dated April 26, 2024 regarding Base price for Future & Option contracts. Members are required to note that the following shall be applicable for base price computation in future and option contract for GOLDM:

For Futures Contracts:

- a. In case the close price of the future contract is computed as below, then such close price shall be set as the base price.
 1. Volume Weighted Average Price (VWAP) of all trades done during last half an hour of the trading day, subject to minimum of ten trades.
 - Or
 2. If the number of trades during last half an hour is less than ten, then close price shall be based on the VWAP of the last ten trades executed during the day,
- b. In below cases, base price shall be the theoretical price of the contract computed using the formula ' $S * e^{rt}$ ' (where, 'S' is appropriate underlying price, 'r' is applicable MIBOR rate and 't' is time to maturity in years).
 1. If the contract has traded during the day but number of trades executed is less than ten.
 - Or
 2. If no trade is executed during the day on the contract

Options Contracts:

- a. GOLDM option on futures contracts on the first day shall be the theoretical options price as per the Black 76 model (Bachelier model shall be used for negative strikes and when the underlying is negative)
- b. Base price on subsequent trading days shall be as follows:
 1. In case the close price of the GOLDM option on future contract is computed as below, then such close price shall be set as the base price.

National Stock Exchange of India Limited

- i. Volume Weighted Average Price (VWAP) of all trades done during last half an hour of the trading day.
Or
 - ii. If the contract has traded during the day but not traded during the last half an hour, then close price shall be Last Traded Price (LTP) of the contract for the day.
2. If no trade is executed during the day on the GOLDM option on future contract, then theoretical option price as per the Black 76 model (Bachelier model shall be used for negative strikes and when the underlying is negative) shall be set as base price.

These aforesaid changes shall be effective in LIVE from August 06, 2024. Further the XAU price data feed shall be available till August 30th 2024 and shall be discontinued from next trading day

**For and on behalf of
National Stock Exchange of India Limited**

**Khushal Shah
Associate Vice President**

Toll Free No	Email id
1800-266-0050 (Option 1)	msm@nse.co.in