



Genium INET Market Model

Nasdaq Commodities Europe

Version 3.6

Valid from June 20, 2016

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Revision History

Date	Revision	Change Description
April 18, 2011	1.0	Initial version for NASDAQ OMX Commodities
December 28, 2011	1.08	Numerous alterations
March 01, 2012	1.11	Numerous alterations
April 03, 2012	1.2	Alteration – change of OTC clearing hours
April 12, 2012	1.3	Alteration – Additional new functionalities and markets listed from June 04 th 2012
May 15, 2012	1.4	Adjustment of new functionalities which will take into effect June 2012
October 09, 2012	1.5	Alteration – Additional new functionalities and markets listed from November 26 th 2012
November 12, 2012	1.6	Adjustment of new functionalities which will take into effect November 2012
February 18, 2013	1.7	Adjustment of products listed which will take into effect March 2013
June 18, 2013	1.8	Adjustment of products listed in Q2-13 and added functionalities
September 09, 2013	1.9	Change of product names to EPAD and DS Futures
April 07, 2014	2.0	Introduction of Freight and Fuel Oil, adjustment of products listed in UK peak power, additional exchange transaction types and other minor changes
May 9, 2014	2.1	Introduction of new Freight routes
June 9, 2014	2.2	Changes to the Trading calendar and holiday schedule for German and Dutch Power
September 04, 2014	2.3	Introduction of a new Freight route
September 11, 2014	2.4	Changed the German Power Week Futures minimum shown quantity requirement for Hidden Volume
November 11, 2014	2.5	Introduction of EPAD Riga
November 24, 2014	2.6	Introduction of LPG Freight, tanker
December 10, 2014	2.7	Introduction of new Freight route
January 1, 2015	2.8	Removal of TD5
February 2, 2015	2.9	Introduction of Coal Futures
May 1, 2015	3.0	Appendix A Quotation List updated: SEK EI-Cert Day Futures 1 day added, Freight Contracts TC4 and TD16 delisted and quotations for UK and Nordic Power, EPADs and Carbon aligned with applicable rulebook

Date	Revision	Change Description
Sep 7, 2015	3.1	<p>Expansion of product suite for Nordic and German Power; Introduction of new Nordic and EPAD monthly, quarterly and yearly future contracts and German Monthly Futures Contracts where the monthly contracts are Average Rate Future Contracts. Listing of Nordic and German Average Rate Options Contracts and change of minimum shown quantity for Nordic Power Weekly Contracts.</p> <p>Introduction of Ferrous Contracts and removal of Dry Freight Route AVG C9.</p>
Sep 16, 2015	3.2	<p>Delisting of; Nordic Electricity Peak Futures and DS Futures Contracts, CER Day Futures, Futures and Options contracts, EUAA Futures, Coal Futures, Seafood Cash Settled Options and EI-Cert (EUR)Day Future and DS Future in addition to delisting of Tanker Freight TD8USD Futures and Options contracts.</p> <p>Volume Treshold for LPG Freight Block Trades added.</p> <p>Amendments in Appendix 10 - Quotation List for Dry Freight Year Futures.</p>
Nov 23, 2015	3.3	<p>Expansion of Ferrous product suite with US and ASEAN Hot Rolled Coil Futures and Australian Coking Coal Futures. Listing of Tanker Freight Future and Option Contract TD8USD.</p>
Dec 1, 2015	3.4	<p>Change in product listing reflecting introduction of Renewables Products and delisting of contracts.</p>
April 25, 2016	3.5	<p>Introduction of Monthly DS Futures with 14 new pan-European Power and Gas Markets</p> <p>Listing of new freight future and option contract C3_AVG.</p> <p>Delisting of DS Futures contracts for Dutch Electricity and German EPADS for Belgium, France and Netherlands. Delisting of UK Electricity Peak Load Futures and UK Natural Gas Futures.</p> <p>Listing of product series available via new ftp link.</p> <p>PRM section updated with TradeGuard.</p>

Date	Revision	Change Description
June 20, 2016	3.6	<p>Brand and editorial update.</p> <p>Introduction of French Power Futures and Average Rate Futures.</p> <p>New contract types added for UK NBP, Dutch TTF and German NCG Natural Gas Monthly DS Futures contracts.</p> <p>Implementation of the European Trading Calendar for German Power Futures, Average Rate Futures, DS Futures and Options in addition to Renewables Futures markets.</p> <p>Listing of 2 additional Dry Freight Futures contracts.</p> <p>Quotation list amended for Nordic and German Electricity Futures day contracts.</p> <p>Delisting of Dutch Electricity Futures contracts.</p>

Definitions

The definitions below apply to this document only. Official definitions are found in the Rules and Regulations of Nasdaq Oslo ASA and Nasdaq Stockholm AB (“Nasdaq Derivatives Markets”) respectively.

Bait Order	A derived order book Order is an Order not directly placed by an Exchange Member, but which has been derived by the Exchange from a standardized Combination Order
BBO	Best Bid Offer of an order book.
Combination Orders	Order to simultaneously buy and/or sell contracts in two or more different Series.
Contract Time	The time that states when the trade was agreed. Can be used at registration of manual trades.
DS Future	Deferred Settlement Future
EPAD	Electricity Price Area Differential
ETS	Electronic Trading System (order book)
FAK	Fill-and-Kill is a Time-in-force when entering Orders.
FOK	Fill-or-Kill is a Time-in-force when entering Orders.
LMP	Last Match Price
MTS	Manual Trading Service
PRM	Pre-trade Risk Management
Time of Trade Execution	The time at which an automatically matched trade is matched or a manual trade has been entered. For a manual trade it is the time at which the trade is reported for registration.

1 Introduction

This document describes the functionalities for trading products of Nasdaq Commodities that are accessible for members of Nasdaq Oslo ASA and Nasdaq Derivatives Markets.

Chapter 2 describes the market structure, while chapter 3 presents an overview of the trading hours and holiday schedules. Chapter 4 describes the different market sessions available and order book procedures for closure and suspension of markets and products. Chapter 5 describes the expiration cycles and listing of series.

Chapter 6 outlines the registration of trades matched outside the order book. The final sections, chapter 7 and 8, describe the different order types and entries available.

While the document has been prepared on the basis of the best information available, at the moment of preparation, the Exchange accepts no liability for decisions taken, or systems work carried out, by any party based on this document. This document does not form part of the contractual documentation between the Exchange and its customers. The content of this document may also be subject to discussions and in some cases approval from relevant authorities.

While the Rules and Regulations of Nasdaq Oslo ASA and Nasdaq Derivatives Markets are legally binding documents between Members and the respective Exchange, the purpose of this Market Model document is solely to provide additional guiding information for trading members.

Additional documents referenced in this documentation can be found at <http://business.nasdaq.com/commodities>

2 Overview of the commodity markets

2.1 Market structure

The commodities markets are listed in 2.1.6 below.
Contracts are either standardized or listed on request.

Trading takes place either through the Electronic Trading System (ETS) or the Manual Trading Service (MTS).

2.1.1 Standardized contracts

Contracts are listed for trading and clearing and the terms of the contracts are standardized. New series are automatically generated according to pre-set rules as stated in Appendix A.

2.1.2 On-request contracts

Additional option strikes and standard combinations are listed on request.

2.1.3 Electronic exchange trading system (ETS)

ETS is the electronic trading system for storing of Orders, ranking of Orders and execution of trades by Exchange Members.

2.1.4 Manual exchange trading service (MTS)

The MTS is a service for members of Nasdaq Oslo ASA and Nasdaq Derivatives Markets. Services include for example matching of:

- Less liquid products
- Combinations, spreads and spot products
- Complex combination/strategy Orders

2.1.5 Registration of trades performed outside of the order book

Trades matched outside the central order book, may be reported for registration in line with the reporting procedures of Nasdaq Oslo ASA and Nasdaq Derivatives Markets respectively. Trade reporting may take place during the Exchange Opening Hours 07:45 CET to 19:00 CET for all markets and instruments. Allocation Deadline is set to 19.15 CET for all markets and instruments. For additional information regarding reporting of trades matched outside the order book please see chapter 6 of this document.

2.1.6 Market segments and instrument types

The following instrument types are supported per market segment:

Market segment	Options (Delivery of Futures)	Options (Delivery of DS Futures)	Futures	DS Futures	Monthly DS Futures	Day Futures
Nordic Power	x	x	x	x		x
UK Power			x		x	
German Power	x	x	x	x	x	x
Dutch Power					x	
French Power			x		x	
Belgian Power					x	
Italian Power					x	
Spanish Power					x	
UK Nat Gas					x	
Belgian Nat Gas					x	
German Nat Gas					x	
French Nat Gas					x	
Dutch Nat Gas					x	
El-Cert				x		x
Renewables			x			x
Allowances	x		x			x
Dry Freight	x		x			
Fuel Oil			x			
Tanker Freight	x		x			
Ferrous Contracts*	x		x			

* Ferrous contracts includes markets trading on different calendars (bulk and Steel)

2.2 Trading rights

Each member participates under one or several unique member identification codes, known as participant codes. Users are connected to each participant.

For members of Nasdaq Oslo ASA the following applies:

- The market access and view rights are set on a Participant level in the system.
- The trading rights are set on User level. This means that Users connected to the same Participant may access and trade within the Participant's markets as long as this is also specified on a User level. Each individual trader must possess authorization to trade as stipulated in the Commodities Trading Rules section 4.3.3.

For members of Nasdaq Derivatives Markets the following applies:

- Trading rights are set on Participant level and the trading rights are fully inherited on User level. This means that Users connected to the same Participant have the same trading rights and these trading rights determine which products the User have access to trade.

3 Exchange opening hours and holiday schedules

3.1 Exchange opening hours

All times are in CET

Market	EXCHANGE OPEN (PREOP)	ETS OPEN (OPEN)	ETS CLOSE (PRECL)	EXCHANGE CLOSE (CLOSE)	Allocation deadline
Nordic Power	07:45	08:00	16:00	19:00	19:15
German Power	07:45	08:00	18:00	19:00	19:15
Dutch Power	07:45	08:00	18:00	19:00	19:15
UK Power	07:45	08:00	18:00*	19:00*	19:15*
French Power	07:45	08:00	18:00	19:00	19:15
Belgian Power	07:45	08:00	18:00	19:00	19:15
Italian Power	07:45	08:00	18:00	19:00	19:15
Spanish Power	07:45	08:00	18:00	19:00	19:15
UK Nat Gas	07:45	08:00	18:00	19:00	19:15
Belgian Nat Gas	07:45	08:00	18:00	19:00	19:15
German Nat Gas	07:45	08:00	18:00	19:00	19:15
French Nat Gas	07:45	08:00	18:00	19:00	19:15
Dutch Na Gas	07:45	08:00	18:00	19:00	19:15
Electricity Certificates	07:45	08:00	16:00	19:00	19:15
Renewables	07:45	08:00	18:00	19:00	19:15
Allowances	07:45	08:00	18:00	19:00	19:15
Dry Freight	07:45	08:00	19:00*	19:00*	19:15*
Fuel Oil	07:45	08:00	19:00*	19:00*	19:15*
Tanker Freight	07:45	08:00	19:00*	19:00*	19:15*
Ferrous Contracts	07:45	08:00	19:00*	19:00*	19:15*

(* Exchange Close is set to 13:00 CET and allocation deadline is set to 13:15 CET on Dec 24th and 31st for Futures contracts available for trading and clearing according to 3.3

3.2 Session states under special circumstances

The Exchange may at any time and in its own discretion and subject to applicable law suspend trading through one or both trading facilities for one or several product series, and according to the trading Rules for individual Exchange Members (Trading appendix 4, section 14). The product series will be visible in the ETS as “HALT”.

3.3 Trading calendar and holiday schedule

Market segment	Trading Calendar
Nordic Power	Norwegian calendar*
European Power (German, French, Dutch, Belgian, Spanish and Italian)	European Calendar***
European Gas (German GPO/NCG , French TRS/PNO and Dutch TTF)	European Calendar***
UK and Belgian Gas (NBP and Zee)	European Calendar***
UK Power Monthly DS Futures	European Calendar***
UK Power Futures	UK calendar
Renewables	European Calendar***
Electricity Certificates	Norwegian calendar*
Allowances	Norwegian calendar*
Dry Freight	UK calendar
Fuel Oil	UK calendar
Tanker Freight	UK calendar
Ferrous Steel: ASEAN Hot Rolled Coil, Iron Ore and Coking Coal	UK calendar
Ferrous Bulk: US Steel and US Hot Rolled Coil	US calendar**

*) Nasdaq Oslo ASA and Nasdaq Derivatives Markets will not be open for trading on Dec 24 and 31.

**) Nasdaq Oslo ASA and Nasdaq Derivatives Markets will not be open for trading on Easter Friday, Easter Monday and Boxing Day.

***) Nasdaq Oslo ASA and Nasdaq Derivatives Markets will be available for trading all week days except Jan 1, Good Friday, Easter Monday, Dec 24-26 and Dec 31.

Available holiday schedules can be found at:
<http://www.nasdaqomx.com/commodities/markets>

4 Sessions during the Trading Day

4.1 Continuous trading

The different trading statuses are “Preop”, “Open”, “Precl” and “Close”. During continuous trading in the “Open” state the order book will be open for registration, changing, cancellation and matching of Orders. Note that the “Preop” and “Precl” status only allows registration of trades matched outside the order book. Order management and auto matching will not be allowed during these states.

Session state	Order management, continuous matching	Trade reporting	Trade allocation
PREOP		X	X
OPEN	X	X	X
PRECL		X	X
CLOSE			X*

* Trade allocation is possible until 15 minutes after CLOSE

4.2 Extraordinary closing and Trading Suspension

Trading may be suspended either due to technical reasons or regulatory reasons. Suspensions are regulated in the rules of Nasdaq Oslo ASA and Nasdaq Derivatives Markets.

Technical suspension means that trading is suspended when the markets or order book(s) become inaccessible for technical reasons. Regulatory suspension means that the order book(s) are suspended due to rules and regulations.

The Exchange shall provide the Exchange Members with information regarding closings and suspensions via suitably accessible information technology.

4.2.1 Suspension due to technical reasons (Extraordinary Closing)

Technical disruptions are regulated in the rules of Nasdaq Oslo ASA and Nasdaq Derivatives Markets. Trading shall be suspended if a technical disturbance causes a major part of the Members (market shares) to lose connection to the markets.

When the ETS is closed, registration, changes and cancellations of Orders cannot be carried out and no matching of Orders will take place.

4.2.2 Resuming trading after Extraordinary Closing

After an extraordinary closing, trading shall be resumed as soon as the circumstances which caused the closing no longer exist and the conditions once again are in place to maintain properly functioning of the exchange's operations.

Resuming trading may take place not earlier than 5 minutes after the notice thereof, unless all Exchange Members have received reasonable notice of an earlier re-opening.

4.2.3 Flushing of order books (removal of Orders)

All Orders previously registered in the ETS will be automatically cancelled before the market is re-opened.

5 Listing of Series and expiration of products

New instruments are listed as stated in detail in the product calendar:

<http://www.nasdaqomx.com/commodities/markets/products/>

The product calendar can also be found on our FTP, together with the extended Series Information report: ftp.nordic.nasdaqomxtrader.com/Commodities/Product_calendar/

The extended series information report is an automated report generated daily, containing standardized information for all series available in Genium INET.

5.1 Series listed

See Appendix A for specified details regarding the amount of series listed per product in the respective market.

6 Reporting of trades matched outside the ETS

Trades matched outside ETS shall be reported within 15 minutes after the trade took place in accordance with the rules of Nasdaq Oslo ASA and Nasdaq Derivatives Markets. Time of agreement is a field that states when the trade was agreed upon. Filling out this field is mandatory.

Trades matched outside normal opening hours need to be reported between 07:45 08:00 CET (always following the 15 minute rule).

When reporting a trade, it can either be reported two sided or single-sided in accordance with the rules of Nasdaq Oslo ASA and Nasdaq Derivatives Markets respectively. Single sided trades are in holding state until the matching criteria is met. The following trade registration types and trade types are available.

6.1 Trade Registration Types

6.1.1 One-Party Trade Registrations

Members are able to report each side of a trade for matching. When one of the parties of the deal enters the seller or the buyer side, the other party needs to match the trade. The single-sided trade is in holding state until the matching criteria (series, price, quantity, buy vs. sell, trade type, time of agreement and counterparty vs. participant/account) has been met. Unmatched trade reports will be cancelled end of day.

6.1.2 Two-party Trade Registrations

Block Broker Members¹ must report a complete deal, and are pre-approved by the parties to do so (via Block Broker Appointment Form). Exchange Members can also report a two party trade report, but must then have signed bilateral clearing notification form with another Exchange Member. One Exchange Member is able to report both sides of a trade (internal crossing) when both buyer and seller are represented by the same member firm.

Block Trades reported through intermediaries, where the intermediary represents one leg of the transaction, will be published as duplicated transactions.

¹ The Block Broker Member concept is only available at Nasdaq Oslo ASA. A Block Broker Member Agreement is required for brokers who solely wish to register contracts for clearing on behalf of members of Nasdaq Clearing.

6.1.3 Unmatched Trade Registrations

Members or the Exchange may cancel unmatched Trade Registrations. Otherwise, unmatched Trade Registrations will be cancelled automatically at the end of the trading day.

6.2 Trade Types – Block Trade

When reporting a Block Trade the parties can chose from the following Trade Types:

Trade Type	Trade Type		Description
	Power (All), Natural Gas (All), Electricity Certificates, Allowances, Renewables	Freight and Fuel Oil, Ferrous Contracts	
Standard trade	01, Block -Standard	F01, Block - Standard	Choose when it is a regular trade. The trade must be within the spread of the Exchange, if not it will be rejected. Trade is published in Genium INET Trading Workstation and on www.nasdaqomx.com/commodities
Standard trade, outside spread	02, Block -Standard outside spread	N/A	Choose when the trade is outside the spread at the Exchange. Trade is published in Genium INET Trading Workstation and on www.nasdaqomx.com/commodities .
Combination of trades	03, Block -Combination	F03, Block – Combination	Choose when the trade is matched in combination with another trade. Trades are published in Genium INET Trading Workstation and on www.nasdaqomx.com/commodities .
Internal	05, Block -Internal	F05, Block- Internal	An internal trade is only allowed within one Participant. Trade information is neither disseminated in Genium INET Trading Workstation nor published on www.nasdaqomx.com/commodities .
Portfolio transfer	06, Portfolio transfer	N/A	Choose when the trade has already been reported, and the trade is to be transferred to another counterparty. Trade is published in Genium INET Trading Workstation and on www.nasdaqomx.com/commodities
Correction	07, Block -Correction	F07, Block – Correction	Choose when an incorrect trade has been reported prior to date and there must be a correction of that trade.

			Trade is published in Genium INET Trading Workstation and on www.nasdaqomx.com/commodities
Freight, Fuel Oil Strategy buyer	N/A	F16, Block Combination Buyer only	Choose when the trade is matched as strategy/combination with another trade for the buyer only. Trade is published in Genium INET Trading Workstation and on www.nasdaqomx.com/commodities .
Freight, Fuel Oil Strategy seller	N/A	F17, Block Combination Seller only	Choose when the trade is matched as strategy/combination with another trade for the seller only. Trade is published in Genium INET Trading Workstation and on www.nasdaqomx.com/commodities .

Block Trades reported through intermediaries, where the intermediary represents one leg of the transaction, will be published as duplicated transactions.

6.2.1 Volume Threshold.

A Block Trade must meet the following volume threshold in order to be accepted:

Product	Volume threshold (unit)*
Power (All)	
Futures	0,1
DS Futures	0,1
Monthly DS Futures	0,1
Options	1
Natural Gas (UK and Belgian)	
Futures	0,1
Monthly DS Futures	1 (1000 Therms)
Natural Gas (German/Dutch/French)	
Monthly DS Futures	0,1
Electricity Certificates	
Day Futures	0,1
DS Futures	0,1
Renewables	
Futures	0,1
Allowances (EUA)	
Day Futures	1
Futures	1
Options	1
Freight, tanker	
Futures	5

Options	5
Freight, dry bulk	
Futures	5
Options	5
Freight, LPG	
Futures	2
Fuel Oil	
Futures	5
Ferrous Contracts	
Futures	1

*Nasdaq Oslo ASA maintains the right to accept Block Trade volumes below the minimum threshold published above in accordance with the Legal Framework, Appendix 4 - Trading Procedures, Ch. 7, 7.8

6.3 Trade Types – EFS/EFP Trades

When reporting an EFS/EFP trade the parties can chose from the following Trade Types:

Trade Type	Trade Type		Description
	Power (All), Natural Gas (All), Electricity Certificates, Allowances, Renewables	Freight and Fuel Oil, Ferrous Contracts	
EFS/EFP	04, EFS/EFP	F04, EFS/EFP	Choose when the trade has been matched outside the Exchange previously and is sent to clearing now. Trade is published in Genium INET Trading Workstation and on www.nasdaqomx.com/commodities .
EFS/EFP – no fee	11, EFS/EFP – no fee		Trade Type can only be registered by Nasdaq Oslo ASA and NASDAQ OMX Derivatives Market. Trade is published in Genium INET Trading Workstation and on www.nasdaqomx.com/commodities .
EFS/EFP, Combination of trades	N/A	F18, EFS/EFP Combination	Choose when the trade is matched in combination with another trade outside the Exchange previously and is sent to clearing now. Trade is published in Genium INET Trading Workstation and on www.nasdaqomx.com/commodities .
EFS/EFP Freight, Fuel Oil Strategy buyer	N/A	F19, EFS/EFP Combination, Buyer only	Chose when the trade is matched in combination with another trade for the buyer only outside the Exchange previously and is sent to clearing now. Trade is published in Genium INET Trading Workstation and on www.nasdaqomx.com/commodities .

EFS/EFP Freight, Fuel Oil Strategy seller	N/A	F20, EFS/EFP Combination, Seller only	Chose when the trade is matched in combination with another trade for the seller only outside the Exchange previously and is sent to clearing now. Trade is published in Genium INET Trading Workstation and on www.nasdaqomx.com/commodities .
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6.4 Deal Sources

In accordance with the Trade Types the following Deal Sources shall be published (as applicable):

- “Matched outside order book, different participants” (3)- matched outside order book by different members
- “Matched outside order book, one participant”(5) - Matched outside order book by one member (Not by a Block Broker Member)
- “Matched outside order book, broker”(44) – Matched outside order book by a Block Broker Member

7 Trading in the ETS - Order types, validity and priority

When trading in ETS the following Order types, attributes and validity are available.

7.1 Order Types

7.1.1 Limit Order

A Limit Order is an Order, to sell or buy, at a maximum purchase price or minimum selling price. If not fully matched, it is stored in the order book in descending buy-price order or ascending sell-price order and joins the queue of Orders having the same price according to time priority.

If the price specified by a limit price is not valid according to the allowed tick sizes, it will be rejected. It will only execute at prices equal to or more generous than its specified limit price.

Limit Orders can be accepted in part or in its entirety.

7.1.2 Market Order

A Market Order is an Order to sell or buy at the best available price and is therefore entered without a price. The Time in Force for a Market Order is always Fill-or-Kill or Fill-and-Kill. Any remaining quantity will be cancelled.

Note that a Market Order will trade through the order book until the entire quantity is filled.

7.1.3 Stop Order

A Stop Order is an Order that is submitted automatically as a Limit Order or Market Order once a certain price condition of an Instrument is met (see 7.4.1 Price triggering). A Stop Order is not

visible to the market before it is converted to a Limit or Market Order. A Stop Order can be one of the following types:

Regular Stop Order

According to the “buy high – sell low” principle, a buy Order is submitted to the market when the price for an Instrument rises to a specified level and a sell Order is submitted when the price falls to a specified level.

Market if Touched Stop Order

According to the “buy low – sell high” principle, a sell Order is submitted to the market when the price for an Instrument rises to a specified level and a buy Order is submitted when the price falls to a specified level.

NB! During special circumstances a Stop Order can be triggered by a LMP outside BBO (see 7.4.1 Price triggering).

For the avoidance of doubt, if a Stop Order is triggered by a Transaction in the ETS, that is afterwards deemed to be erroneous and therefore cancelled or price adjusted, any Transactions resulting from the Stop Order will be regarded as any other Transaction under the Rules and Regulations. Hence, such Transaction will be subject to the applicable sections in the Rules and Regulations regarding cancellation and price adjustment of erroneous Transactions.

7.1.4 Linked Orders

Linked Orders provide the functionality to enter more than one Order and to state that you want to buy e.g. either 10 lots of product X at price A OR 10 lots of product Y at price B, OR a combination thereof. The Linked Order corresponds to a number of single Orders with an exclusive OR-condition on the maximum volume level. When a trade takes place in one of the legs, the volume of the other legs will immediately be reduced proportionally, so there will be no risk of “double trading”. The maximum number of orders that can be linked is 5. See Appendix E for guiding examples.

7.2 Time in Force

7.2.1 Day Order (Day)

Day Order is valid until market closure.

A Day Order is active for the trading day and any unexecuted portion will be cancelled at the end of the business day.

7.2.2 Fill-or-Kill (FOK)

No FOK Orders are stored in the order book. If a FOK Order is not matched immediately into trade(s) in full upon entry, the order is cancelled.

7.2.3 Fill-and-Kill (FAK)

No FAK Orders are stored in the order book during continuous matching. If a FAK Order is not matched immediately into trade(s) in full or in part upon entry, the remaining part of the order is cancelled.

7.3 Reserve Conditions

7.3.1 Hidden Volume

By using the Hidden Volume Order function, a certain portion (shown volume) of the total volume of an Order is displayed in the order book. Both the displayed and non-displayed portions of the Hidden Volume Order are available for potential execution against incoming Orders.

These types of Orders include an executable quantity that is only partially visible to the market. The quantity is automatically refreshed from a hidden quantity once the displayed quantity is fully executed. Refreshing the quantity (there is a time priority among reserve orders when it comes to refreshing) is regarded as a new Order from a time priority point of view, however an incoming aggressive Order will not trade through to the next level until all of the displayed and hidden quantities available are executed.

Current minimum shown quantity requirement for Hidden Volume:

All Power:

Days	25 MW
WDS	5 MW
Weeks	5 MW
Weekends	5 MW
Months	5 MW
Quarters	5 MW
Years	5 MW

UK and Belgian Natural Gas: (1 lot =1000 Therms)

Days	25 lots
WDW	5 lots
Weekends	5 lots
Months	5 lots
Quarters	5 lots
Season	5 lots
Years	5 lots

French, German and Dutch Natural Gas:

Days	25 MW
WDW	5 MW
Weekends	5 MW
Months	5 MW
Quarters	5 MW
Seasons	5 MW
Years	5 MW

Renewables:

Days	25 WPH
Weeks	5 WPH
Months	5 WPH
Quarters	5 WPH
Years	5 WPH

Allowances:

All 5 MW

Dry Freight:

Months 5 Lot

Quarters 15 Lot

Years 60 Lot

Fuel Oil:

Months 500 Lot

Quarters 500 Lot

Years 500 Lot

Tanker Freight:

Months 5 Lot

Quarters 5 Lot

Years 5 Lot

Tanker Freight Time Charter:

Months 5 Lot

Quarters 15 Lot

Years 60 Lot

Ferrous Products:

All 1 Lot

Note that option contracts do not permit the use of hidden volume

7.4 Triggering Conditions

7.4.1 Price Triggering

Price triggering using the Last Match Price (LMP) is used for Stop Orders. Trade reporting and LMP originating from combination against combination updating Last prices does not cause any triggering. LMP originating from a combination against single Orders causes triggering.

NB! Stop Orders can be triggered if the LMP is originating from a combination against single Orders even though the LMP is update outside the BBO.

This can happen if there are different ratios in the combination and a single Order is by-passed due to quantity restrictions. It can also happen if baits, in Series also common to two passive combination Orders with different terms, are by-passed.

Triggering conditions can be one of the following:

* LMP \geq Trigger Price

* LMP \leq Trigger Price

7.5 Combination Orders

A Combination Order refers to two or more Orders concerning different series, and where the respective Orders are executed simultaneously.

Standardized Combinations can be generated either when the multiplier/contract size is equal between the different Series or when the multiplier/contract size is not equal between the different Series. Matching a combination against single Orders and its legs will always be prioritized, if possible, before a combination is matched against another combination.

The Combination Order may be standardized or a non-standard Strip Combination. Standardized Combinations are not available for Freight and Fuel Oil products.

Combination Orders are not valid in Auctions.

7.5.1 Pricing Standardized Combinations

The Price for the Order shall be stated as a common net price.

7.5.2 Standardized Combination

The standardized combination Order refers to two Orders in different products. The Exchange determines which combinations are available, and they are also available upon request.

There are two types of standard combinations:

- 1) Two sided combinations enable buy-sell of predefined combinations, meaning that an Order entry results in one bought and one sold leg. The specific standard combination is listed to reflect the product with the closest expiry first in the combination name. Which leg is sold and which is bought depends on which side the Order is placed. E.G a buy Order will create a Combination Order to buy the first leg of the combination and sell the second one in the listed product name.
- 2) One sided combinations enable buy-buy or sell-sell of predefined combinations, meaning that an Order entry will either buy or sell both legs in the required combination depending on which side an Order is placed. E.G a sell Order will create a combination to sell to sell both legs in the listed product name.

Standardized Combination Orders can be placed as Limit Orders or Market Orders via the Enter Order functionality.

7.5.3 Derived Orders (Bait generation)

A derived Order is an Order not directly placed by an Exchange Member, but which has been derived from a Standard Combination Order. Bait Orders will be derived in the underlying contracts referring to the Order placed in the relevant combination.

Bait Orders are generated from the best level in the combination order book and calculated only from the best price level in the base. Bait Orders are not generated if the base is fully committed as

the base to another combination. Bait Orders are not generated against bait Orders in the base but execution will take place if possible.

7.5.4 Re-generation of baits during aggressive matching

Standard Combination Orders having bait Orders generated will if possible be regenerated during aggressive matching. All regenerated baits during aggressive matching are regarded as a new Order from a time priority point of view. An incoming single Order will not trade through to the next level until all quantities available from Combination Orders with generated baits are executed.

7.5.5 Strip Combinations

Non-standard strip combinations allow a trader to create a list of up to five products which a trader wishes to buy or sell at market.

This is a non-standard strip combination consisting of DS Futures and/or futures and is sent to the market for instantaneous execution, meaning that the trade will not be executed if one or more prices are lacking. Non-standard strip combinations do not match against Derived Orders (Baits). Derived Orders (Baits) are ignored in the instantaneous execution process.

7.5.6 Pricing of Strip Combinations

The price of the strip combination is given as an average price of all legs in the combination, including adjustment for differences in contract size between the legs (Contract Weighted Average Price).

- The “Contract Weighted Average Price” of the combination is defined by the following formula:

$$P_{\text{combination}_{AVERAGE}} = \frac{P_{leg_1} r_{leg_1} c_{leg_1} + P_{leg_2} r_{leg_2} c_{leg_2} + \dots + P_{leg_n} r_{leg_n} c_{leg_n}}{r_{leg_1} c_{leg_1} + r_{leg_2} c_{leg_2} + \dots + r_{leg_n} c_{leg_n}} ;$$

where P = price, r = ratio, c = contract size.

- The “Contract Weighted Average Price” can only be used when all legs of the combination are on the same side, i.e. buying the combination means buying all legs, selling the combination means selling all the legs.

7.6 Order modification

The priority of a stored Order is retained if the volume (shown and or hidden) is reduced and if the identity of the client is changed. Other changes such as increase of the quantity or change of the price is equivalent to cancellation of the Order and receives the equivalent ranking as of a new Order.

7.7 Ranking of Orders

During continuous trading as specified under chapter 4.1, each new incoming order is immediately checked for execution against orders on the opposite side of the order book. Orders can be executed in full or partially in one or more steps.

The main rule for ranking of Orders is based firstly upon best price/net price and secondly by the longest storage time. The storage time for derived Orders is the same as for the Order from which it is derived.

Note that once a company has placed an Order in the order book which is ranked with highest priority, this will be visible in the order depth window by highlighting the Order.

Buy or sell Orders entered with the same price as a corresponding buy or sell order in the order book will be matched into a trade.

Buy Orders entered into the Order book with a higher buy price than the sell Order with the lowest price (crossing prices), will be matched into one or more trades depending on the volume of the incoming Order and the volume and the price of the sell Order(s). The matching process will try to fill as much as possible of the volume in the incoming buy Order until the limit of the crossing prices is passed.

Sell Orders entered into the order book with a lower sell price than the buy order with the highest price (crossing prices), will be matched into one or more trades depending on the volume of the incoming Order and the volume and the price of the buy Order(s). The matching process will try to fill as much as possible of the volume in the incoming sell Order until the limit of the crossing prices is passed.

The price of the existing (passive) Order is used if an incoming (aggressive) Order has a price better than the price of the best existing Order in the order book (e.g. the sell limit is lower than the buy limit).

The priority order in the same price level is the time when the Order was sent to the order book.

7.8 Tick sizes

Tick size is the smallest allowed price movement and is thereby also the smallest possible difference between the buy and sell price in an Instrument.

7.9 Spark Spreads

Spark Spreads are combinations consisting of UK Power and UK Gas legs and are traded in MW. Once traded, the spark spread contract is derived into the relevant underlying Gas (therms/ton) and Power (MW) contract and can be seen on the clearing trade lists as two separate products.

A spark spread contract shall be defined as the following:

Buying one spark spread contract = Buying 3 lots power and selling 5 lots gas

In order to get the pricing correct, the Price Quotation Factor of the different legs also has to be taken into consideration.

The price of the spark spread shall therefore be defined in the following way in the Genium INET system:

Price of the spark spread = price power – price gas * 25/36

Please note that spark spreads do not generate any bait Orders.

8 ETS Quotes

A Market Maker is a participant who commits to continuously quote buy and sell prices on the Exchange. Listed products may have one or several market makers. To ensure effectiveness and flexibility Market Makers are offered the following quoting capabilities.

8.1 Single Quotes

Quoting is provided in one Series by a special type of transaction that includes both a bid and offer with corresponding prices and quantities. Price quotation can be single-sided or two-sided, i.e. the bid or offer or both the bid and offer can be provided in one transaction.

8.2 Mass Quotes

Mass Quotes provides the ability to quote in multiple Series in the same underlying using one transaction including both bids and offers with corresponding prices and quantities. Mass quotes can be single-sided or two-sided, i.e. the bids or offers or both the bids and offers can be provided in one transaction.

8.3 Replacing Quotes – losing priority

A previous quotation can be replaced by a new quotation in the same order book (it is possible to replace only one side with the other retaining its priority). This is done in an atomic manner to enable market makers to provide continuous quotes. Replacing and changing quotes always leads to lost priority.

9 TradeGuard – Pre-Trade Risk Management

The TradeGuard tool enables members to execute order level control of their trading activity and the trading activity of their clients including prevention of potentially erroneous transactions. In addition to order management control, TradeGuard can enable margin limits on individual position accounts in order to notify clearers about increased risk exposure. TradeGuard has been tailored specifically for General Clearing Members' needs; however, the service also meets the needs for improving pre-trade protection for any member. For additional information please see:

<http://www.nasdaqomx.com/nordicprm/geniuminet>

10 Appendix A: Quotation list

FUTURES

POWER

	No of days	No of weeks	No of months	No of quarters	No of years
NORDIC POWER					
BASE	9	6	See Average Rate Futures*	8-11 ¹	10

REFERENCE Nord Pool Spot Nordic System Price

	No of days	No of weeks	No of months	No of quarters	No of years
GERMAN POWER					
BASE	9	4	6	8-11	5
PEAK	N/A	4	6	8-11	5

REFERENCE EEX Phelix Index

	No of days	No of weeks	No of months	No of quarters	No of years
FRENCH POWER					
BASE	9	N/A	N/A	7	5
PEAK				7	5

REFERENCE EPEX French Day-Ahead Auction price

	No of days	No of weeks	No of months	No of quarters	No of seasons
UK POWER					
BASE	N/A	5	4	5	5

REFERENCE N2EX UK Auction Price

EPAD (BASE)	No of weeks	No of months	No of quarters	No of years
OSLO, TROMSØ, ÅRHUS, COPENHAGEN, TALLINN	N/A	See Average Rate Futures	3 ²	3
STOCKHOLM, LULEÅ, SUNDSVALL, MALMÖ, HELSINKI	5	See Average Rate Futures	4 ³	4
RIGA	N/A	See Average Rate Futures	3 ²	2
REFERENCE	Difference between the area price and the Nord Pool Spot Nordic System Price			

EPAD (BASE)	No of months	No of quarters	No of years
	2	3	2
NETHERLANDS, FRANCE AND BELGIUM	Difference between the area price and EEX Phelix Index		
REFERENCE			

EI-CERT

ELECTRICITY CERTIFICATES*	No of Days
SEK	6

* Day Futures

¹ Quarter contracts cascade into Nordic Electricity Base Average Rate Month Future

² Quarter contracts cascade into Nordic EPAD Electricity Base Average Rate Month Future

³ Quarter contracts cascade into Nordic EPAD Electricity Base Average Rate Month Future

AVERAGE RATE FUTURES

NORDIC POWER	No of months	No of quarters	No of years
BASE	7	N/A	N/A

GERMAN POWER	No of months	No of quarters	No of years
BASE	7	N/A	N/A

FRENCH POWER	No of Weeks	No of months	No of quarters	No of years
BASE	6	7	N/A	N/A
PEAK	6	7	N/A	N/A

REFERENCE

EPEX French Day-Ahead Auction price

EPAD (BASE)	No of months	No of quarters	No of years
OSLO, TROMSØ, ÅRHUS, COPENHAGEN, TALLINN RIGA	3	N/A	N/A
STOCKHOLM, LULEÅ, SUNDSVALL, MALMÖ, HELSINKI	5	N/A	N/A

REFERENCE

Difference between the area price and the Nord Pool Spot Nordic System Price

RENEWABLES - WIND	No of Days	No of Weeks	No of Months	No of Quarters	No of Years
RWDE	10	4	6	7	3

REFERENCE

NAREX-WIDE

DS FUTURES

POWER

	No of months	No of quarters	No of years
NORDIC POWER			
BASE	6	8-11*	10

REFERENCE Nord Pool Spot Nordic System Price

* 2 rolling years in quarters

	No of months	No of quarters	No of years
GERMAN POWER			
BASE	6	8-11*	5
PEAK	6	8-11*	5

REFERENCE EEX Phelix Index

* 2 rolling years in quarters

	No of months	No of quarters	No of years
EPAD (BASE)			
OSLO, TROMSØ, ÅRHUS, COPENHAGEN, TALLINN	2	3	3
STOCKHOLM, LULEÅ, SUNDSVALL, MALMÖ, HELSINKI	4	4	4
RIGA	2	3	2

REFERENCE Difference between the area price and the Nord Pool Spot Nordic System Price

EL-CERT

	No of years
ELECTRICITY CERTIFICATES	
SEK	5*

* 5 years rolling, March expiry

MONTHLY DS FUTURES

POWER

GERMAN, DUTCH, FRENCH AND BELGIAN POWER (EUR)	No of Days	No of WDW	No of Weeks	No of Weekends	No of months	No of quarters	No of years
HB 1-6	5						
BL	9	2	4	3	6	4	3
PK	9		4	2	6	4	3
OP	9	2	4	2	6	4	3

UK POWER (GBP)	No of Days	No of WDW	No of Weeks	No of Weekends	No of months	No of quarters	No of years
HB 1-6	5						
BL	9	2	4	3	6	4	3
PK	9		4	2	6	4	3
OP	9	2	4	2	6	4	3

SPANISH AND ITALIAN POWER (EUR)	No of Days	No of WDW	No of Weeks	No of Weekends	No of Months	No of Quarters	No of Years
BL	9	2	4	3	6	4	3

NATURAL GAS

NATURAL GAS (EUR)	Dutch TTF	German NCG	German GPO	French Peg Nord	French TRS
Days BL	9	9	9	9	9
Week Days BL	5	5	5	5	5
Weekend BL	5	5	5	5	5
BOWD	1	1			
Month BL	6	6	6	6	6
BOM	1	1			
Quarter BL	4	4	4	4	4
Season BL	4	4	4	4	4
Year BL	3	3	3	3	3

REFERENCE

ICIS Heren

NATURAL GAS (GBP)	Belgian Zee	UK NBP
Days BL	9	9
Week Days BL	5	5
Weekend BL	5	5
BOWD	1	1
Month BL	6	6
Front Month	2	2
Back Month	2	2
BOM	1	1
Quarter BL	4	4
Season BL	4	4
Year BL	3	3

REFERENCE ICIS Heren

OPTIONS (Futures and DS Futures)

NORDIC POWER OPTIONS (DS Futures)	No of quarters	No of years
BASE	2	2

REFERENCE Nord Pool Spot Nordic System Price

GERMAN POWER OPTIONS (Futures and DS Futures)*	No of months	No of quarters	No of years
BASE	3	2	2

REFERENCE EEX Phelix Index

OPTIONS (Average Rate Futures)

	No of months	No of quarters	No of years
NORDIC POWER			
BASE	7	N/A	N/A
GERMAN POWER			
BASE	7	N/A	N/A

ALLOWANCES

FUTURES

	No of days	No of weeks	No of Months	No of quarters	No of years
EUROPEAN ALLOWANCES	5	N/A	N/A	2 front years	Until 2020

OPTIONS

	No of quarters	No of years
EUROPEAN ALLOWANCES	2 front years	N/A

FREIGHT

FUTURES

DRY	No of months	No of quarters	No of Half years	No of years
CS4TC	6	6	2	7
CS5TC	6	6	2	7
HS6TC	6	6	2	7
PM4TC	6	6	2	7
SM6TC	6	6	2	7
P1A	6	4	N/A	3*
P2A	6	4	N/A	3*
P3A	6	4	N/A	3*
P1A AVG	6	4	N/A	3*
P2A AVG	6	4	N/A	3*
P3A AVG	6	4	N/A	3*
C3 AVG	6	6	N/A	3
C4 AVG	6	6	N/A	3
C5 AVG	6	4	N/A	1
C7AVG	6	6	N/A	3
TANKER	No of months	No of quarters	No of half years	No of years
TC2USD	6	5	N/A	2
TC5USD	6	5	N/A	2
TC6USD	6	5	N/A	2
TC7USD	6	5	N/A	2
TC9USD	6	5	N/A	2
TC12USD	6	5	N/A	2
TC14USD	6	5	N/A	2
TC15USD	6	5	N/A	2
MRA	6	5	N/A	2
TD3USD	6	5	N/A	2
TD8USD	6	5	N/A	2
TD7USD	6	5	N/A	2
TD20USD	6	5	N/A	2
LPG1	6	5	N/A	2

OPTIONS

Options are listed on request on the available futures listed according to the quotation list above

**2017 and 2018 only. 2016 will be listed as announced by the Exchange and the Clearinghouse.*

FUEL OIL

FUTURES

FUEL OIL	No of months	No of quarters	No of years
RDM35FOSS	6	6	2
SPO180FOSS	6	6	2
SPO380FOSS	6	6	2
MED35FOSS	6	6	2

FERROUS CONTRACTS

FUTURES

US STEEL	No of months	No of quarters	No of years
USSH	12	4	N/A

HOT ROLLED COIL	No of Months	No of Quarters	No of years
USHRC	12	4	N/A
ASEHRC	12	4	N/A

IRON ORE	No of months	No of quarters	No of years
CHN62FE	24	4	2

COKING COAL	No of months	No of quarters	No of years
COKAUS	24	4	2

OPTIONS

Options are listed on request on the available futures listed according to the quotation list above.

11 Appendix B – Daily Fix and Expiration Day Fix

11.1 Daily Fix

The Daily Fix for Exchange Listed Products shall, unless otherwise specified in the Contract Specifications, be the last Exchange Transaction price registered in ETS at a point in time selected at random within the five (5) minutes period specified in the Trading and Clearing Schedule. If this price falls outside the Spread at the time selected, the Daily Fix will be the average of this Spread.

If no Exchange Transactions were registered in ETS the relevant Bank Day, the Daily Fix shall be the average of the Spread registered in ETS at the time selected by the random snapshot as stated above.

If no Exchange Transactions or Orders are registered, or only buy Orders or only sell Orders were registered in ETS the relevant Trading Day, the Exchange will calculate a theoretical Daily Fix.

11.2 Expiration Day Fix and Option Fix

Unless otherwise specified in the Contract Specifications the Exchange determines an Expiration Day Fix and Option Fix Price for each Product Series on its Expiration Day (as applicable), applying the same methodology as stated above.

12 Appendix C – Portfolio transfers

(Only applicable to Nasdaq Oslo ASA)

The Clearinghouse offers different kind of portfolio transfers:

12.1 Transfer of cleared historical transactions (trades)

1. Clearing Client (CC) change of Client Representative (CR)

- Sign new Clearing Client Agreement
- Terminate previous Clearing Client Agreement with the Clearinghouse
- Confirmation of date to perform transfer from previous Clearing Representative (CR)
- No Three Party Agreement for transaction transfer

2. Non Clearing Member (NCM) portfolio transfer to another General Clearing Member (GCM)

- Sign new entry form
- New Counterparty = Three Party Agreement for transaction transfer must be signed by current and new GCM

3. One member of the Clearinghouse transfers its contracts to another member of the Clearinghouse

- Three Party Agreement for transaction transfer must be signed

4. Member transfer contracts from one Clearing Portfolio to another Clearing Portfolio within the same membership

- No Three Party Agreement for transaction transfer

12.2 Registration as new transaction

Portfolio transfer reported by members through CW2

- No Three Party Agreement for transaction transfer

Other information

- The Clearinghouse must receive three copies of the agreements with original signature. A scanned Pdf-version will be accepted, but the Clearinghouse must receive the originals within two weeks. If the originals are not received the Clearinghouse will transfer the contracts back to the original Clearing Portfolio.
- Normally we do not perform portfolio transfers on less than one month notice. Please note that change of Client Representative might take up to three months.
- At trading days when cascading Year and Quarter contracts, the Clearinghouse cannot perform portfolio transfers. I.e. no transaction transfers the last Trading Day in every quarter. (Last Trading Day in March, June, September and last three Trading Days in December.)
- Please see the product calendar for more details:
<http://www.nasdaqomx.com/commodities/markets/products/>
- The result of a transaction transfer will be seen the day after the transfer date in the Clearing Report Application (CRA) Report "1.b Created Trades"
- The Clearinghouse needs the following information for the Three Party Agreement:
 1. The name of the Clearing Portfolio for the new and the old Counterparty
 2. Detailed information as to which trades/position shall be transferred. Note that the cascading process might change the original trade.

Please see is example of a Three Party Agreement for transaction transfer between members.

13 Appendix D - How to Quote and Interpret Quantities in Genium INET for Electricity Instruments

Introduction

The minimum quantity that can be traded is 1MW (1,000kW). The minimum quantity that can be reported as a Block or EFS/EFP Trade (trade reporting) is 100kW. In Genium INET all quantities are sent in kW over the OMnet API. (All OMnet transactions sent to/received from Genium INET.)

Convert Quantities from kW to MW

Since the electricity instruments are traded in MW, the quantity has to be converted from kW to MW before displayed in the trading applications. For all applications that wish to display the quantity in MW, there is support for how the quantity fields shall be interpreted in the reference data. In order to know how the quantity field shall be interpreted, the “Nominal Value” functionality is used:

A nominal value is assigned to every “Underlying”. In the case of “MW” trading, the nominal value includes decimals.

Example: If the nominal value is 0.001 and the OMnet quantity 1000 (one thousand kW), the traded quantity is 1.000 (one) MW.

The nominal value is obtained from the OMnet DQ120 (Delta Underlying Query) query or the TIP Basic Data Tradable message.

- DA120 (response to DQ120)
 - NS_FIXED_INCOME
 - nominal_value_q. Specifies the nominal value as in integer field
 - dec_in_nominal_n. Specifies the number of implicit decimals of the nominal value. If not 0 (zero) must be used to convert the nominal_value_q to a decimal field.
- Example:
A nominal value of 0.001:
nominal_value_q = 1
dec_in_nominal_n = 3
- Basic Data Tradable
 - NominalValue (NMv)

If a nominal value cannot be found (it is only specified for electricity instruments), default value of 1 (one) can be used, meaning no conversion of the quantity is needed.

How Quantities are displayed in the Genium INET Trading Workstation

Quantities are displayed in MW in the Genium INET Trading Workstation. Genium INET Trading Workstation has been adapted so that non-significant decimals in the quantity aren't displayed. (Enter Trade Reports window excluded. It is possible to enter trade reports with 3 decimals in quantity.)



Trades with quantities that aren't an even MW (entered using a Trade Report), will not be rounded to the closest whole MW.

Example: If a trader has entered a Trade Report with quantity = 3,200 kW, the trade will be displayed as 3.2 MW in the Genium INET Trading Workstation application.

External Interfaces

- OMnet – Quantities are expressed in kW
- GCF/TIP – Quantities are expressed in MW
- FIX – Quantities are expressed in MW

14 Appendix E: Linked orders

Linked orders increase the possibility for a trader to fill his order by trading different products. An example: A trader wishes to buy/sell a carbon future quarter product but is indifferent with respect to which quarter. A linked order is submitted that stipulates trading either 10 of quarter A or 10 of quarter B or a combination of the two.

Note: All legs in a linked set of orders must contain the same multiple of lot sizes.

If one order is executed in full, the other(s) is cancelled. If one order is executed partially, the other(s) is decreased proportionally.

Example: Linked order traded in full

Buy instrument A, Qty 40, limit € 11.50

or

Buy instrument B, Qty 40, limit € 16.00

Assume lot size is 1 for both legs

Order book A			
80	€11.40	€11.50	30
50	€11.30	€11.80	100

Order book B			
40	€15.60	€16.00	110
20	€15.50	€17.00	100

Start matching first leg.

30 of A will be bought at € 11.50 (inside the given price).

The second leg is decreased accordingly leaving the quantity at 10 (40 – 30).

Order Quantity of instrument B is then changed to 10 in the order book.

The second leg will be matched at € 16.00, thus executing the linked order in full, although in different securities.

Example: Linked order entered into order book

Linked order:

Buy instrument A, Qty 50, limit € 11.50

or

Buy instrument B, Qty 50, limit € 15.70

Assume lot size is 1 for both legs

Order book A			
80	€11.40	€11.50	30
50	€11.30	€11.80	100

Order book B			
40	€15.60	€15.70	6
20	€15.50	€16.00	110
		€17.00	100

Start matching first leg.

30 of A will be bought at € 11.50 (inside the given price).

The second leg must be decreased accordingly leaving the quantity at 20 (50 – 30).

Order Quantity of instrument B is then changed to 20.

It is now possible to match 6 of B.

Remaining quantity = 14

The first leg must be decreased accordingly leaving the quantity at 14.

Order Quantity of instrument A is then changed to 14.

Order books now look like this:

Order book A			
14	€11.50	€11.80	100
80	€11.40		
50	€11.30		

Order book B			
14	€15.70	€16.00	110
40	€15.60	€17.00	100
20	€15.50		



For linked orders: If one of the legs cannot be stored in the order book the remainders of the other legs are also cancelled.