



1 January 31 March 2012

# Quarterly report for Market Surveillance

This report includes the period from 1 January to 31 March 2012.

## Investigations and findings

- A member placed a spread of 0.1 €/MWh in a daily future contract five minutes before the trading period for that contract ended. Such behavior may possibly influence the price formation in other products after the spot price is published. Market Surveillance investigated this incident for possible market manipulation, but found no evidence of breach with the Market Conduct Rules.
- In the period Market Surveillance also conducted four investigations of suspected insider trading for which no evidence of breach of the Market Conduct Rules was found.

## Investigations based on input from members

Market Surveillance has received the following input from members in this period:

On 13 March 2012, Market Surveillance received a tip from a market participant regarding flashing of prices in ENOQ2-12. Market Surveillance is currently investigating the incident.

## Reporting of non-exchange trades

The percentage of delays in reporting of over-the counter (OTC) trades was 0.26% in the first quarter of 2012, down from 0.50% in the fourth quarter of 2011. The percentage of erroneous reported OTC trades was 0.35% in the first quarter of 2012, down from 0.50% in the fourth quarter of 2011. One of the main reasons for the decline in these numbers comes from a reduction of confirmed breaches due to technical issues after the implementation of Genium Inet. These issues were outside the control of the members.

## Other areas

Implemented on 5 March 2012, NASDAQ OMX Commodities in Oslo now uses the SMARTS Integrity to manage commodities surveillance and monitoring of trades. This will provide the exchange with higher effectiveness of data processing, in addition to a higher degree of transparency using enhanced data visualisation capabilities. By correlating real-time and historical data with detection patterns, SMARTS Integrity helps to ensure early detection of unusual trading patterns that could be potential breaches of exchange or regulator trading rules and practices.