



1 July to 30 September 2013

## Quarterly report for Market Surveillance

This report includes the period from 1 July to 30 September 2013.

### Concluded investigations and findings

- On 4 July 2013 NASDAQ OMX Oslo ASA issued a violation charge to Merrill Lynch Commodities (Europe) Limited for violating the prohibition against market manipulation set out in Market Conduct Rules. For further reference see Exchange Information no 56/13.

### Concluded investigations based on input from members

- On 9 July Market Surveillance was contacted about suspicious trading activity in ENOQ2-14. The member suspected that another member was trying to improperly influence the buying price on the exchange to obtain a better selling price OTC. The member informed Market Surveillance that a firm offer of 20 MW at 32.45 was placed with a broker when a bid for 1 MW at 32.50 was entered on the exchange. Market Surveillance contacted the broker and found that the buyer on the exchange was not offering OTC. Market Surveillance also investigated the involved participants trading activity prior and after the incident, but did not find any evidence of breaches with the Market Conduct Rules.
- On 18 July Market Surveillance received input from a member who suspected that someone was trying to retain the price level of ENOQ4-13 at an artificial level. The member informs Market Surveillance that 40.45 was given on the exchange, resulting in a new spread of 40.40/40.50. 9 seconds later 40.50 was taken on the exchange. The member found it suspicious that 40.50 was taken only 9 seconds after 40.45 was given, especially since the best bid at the time was 40.40. Market Surveillance investigated the incident but did not find any evidence of breaches with the Market Conduct Rules.
- In this period Market Surveillance received four inputs regarding bid orders with large disclosed volumes. The members that contacted Market Surveillance suspected that these bid orders did not reflect genuine interests. Market Surveillance investigated whether the relevant participants were trying to mislead the market with large volumes on the buy side of the order book only to

achieve better selling prices. Market Surveillance could not find any evidence of breaches of the Market Conduct Rules.

- On 30 August Market Surveillance received input from a member about questionable trading in SYHELYR-14. The member suspected that another member was trying to improperly influence the bidding price on the exchange to obtain a better selling price OTC. Last traded on the exchange were 5.10 when a new best bid was entered at 5.20. The new best bid was entered at the same time as the member was negotiating to buy OTC. The member suspected that the bidder on the exchange was trying to sell OTC. Market Surveillance investigated the incident and found that the bidder on the exchange was not offering OTC. Market Surveillance also investigated the involved participants trading activity prior and after the incident, but did not find any evidence of breaches with the Market Conduct Rules.

### Reporting of non-exchange trades

The percentage of delays in reporting of OTC trades was 0.49% in third quarter 2013, up from 0.43% in second quarter 2013. The percentage of erroneous reported OTC trades was 0.63% in third quarter 2013, up from 0.60% in second quarter 2013.