



1 January to 31 March 2015

Quarterly report for Market Surveillance

This report includes the period from 1 January to 31 March 2015

Specific monitoring

- Market Surveillance has during the winter of 2014/2015 had special focus on trading activities related to outages and maintenances at nuclear power plants. Nuclear power plant companies as Ringhals (1, 2 and 4), Forsmark (1 and 3), Oskarshamn (1, 2 and 3) and Olkiluoto 2 has during this winter published several UMMs regarding reduced capacities, prolonged event durations and cancelled future capacity restrictions.

Market Surveillance has looked at each incident individually and in combination with other UMMs to investigate potential insider trading. We have looked for patterns that could indicate that price sensitive information has been disclosed to persons or entities that such information does not concern prior to the information being published.

Market Surveillance has not found any evidence of breaches with the Market Conduct Rules

Ongoing investigations based on relevant inputs from members

- During this period Market Surveillance received two inputs regarding potential market manipulation in ENOYR-18 at the end of the trading day. Market Surveillance has investigated the incidents and examined the involved participants' trading activities on these days and across a longer period of time. The investigations are still ongoing.

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Concluded investigations based on relevant inputs from members

- On 23 January Market Surveillance received a comment from a market participant suspecting market manipulation. A new best bid for 4 MW at 28.80 EUR in ENOYR-16 was entered just 5 seconds before the market close and 3 MW of the order was immediately matched at 28.75 EUR. The counterparty refused to conclude the rest of the bid at 28.80 EUR only a few seconds later and after the market close. Market Surveillance investigated the circumstances round the activity but did not find any evidence of breach of the Market Conduct Rules.
- On 28 January Market Surveillance received an email from a market participant with a suspicion of insider trading. The market participant observed unusual trading activity in the front month contract ENOMFEB-15 and the contracts for weeks 7 through 9 as well as SYSTOFEB-15 and prior to the release of a UMM about a 17-days outage at the nuclear power plant Ringhals 4. Market Surveillance investigated the activity in the abovementioned contracts but did not find any evidence of breach of the Market Conduct Rules.
- On 5 February the Trading Desk received a telephone call from a market participant with a request to investigate if the buyer in the concluded spread ENOMMAR-15/ ENOMAPR-15 (block transaction) had been trying to send false signals through the exchange orderbook in the relevant contracts while at the same time negotiating the spread through a broker. Market Surveillance investigated the circumstances of the transaction but did not find any evidence of breach of the Market Conduct Rules.
- On 23 February Market Surveillance received an email from a market participant with a suspicion of a market behaviour intended to hold the prices down in the front quarter contract ENOQ2-15. Market Surveillance investigated the activity in the mentioned contract but did not find any evidence of breach of the Market Conduct Rules. The falling market was in line with a current market trend and many participants were involved in the movement.
- On 26 February Market Surveillance received an e-mail from a market participant suspecting an attempt to manipulate the closing price of the ENOQ2-15 contract. Market Surveillance investigated the activity in the mentioned contract before market close but did not find any evidence of breach of the Market Conduct Rules.
- On 2 March Market Surveillance received an e-mail from a market participant with a request to investigate if the buyer in a concluded block transaction was trying to send misleading signals via screen activity. Market Surveillance investigated the circumstances of the transaction but did not find any evidence of breach of the Market Conduct Rules.
- On 5 March Market Surveillance received a call from the Trading Desk that had been in dialogue with a market participant suspecting market manipulation. A new best bid for 2 MW at 28.40 EUR in ENOYR-16 was entered just before the market close and 1 MW of the order was traded at this price. The counterparty refused to conclude the rest of the order only a few seconds later and after the market close. Market Surveillance investigated the circumstances round the activity but did not find any evidence of breach of the Market Conduct Rules.

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- On 6 March Market Surveillance received an e-mail from a market participant that suspected insider trading in ENOW11-15 prior to the release of a UMM about an outage of Ringhals 4 nuclear power plant. Market Surveillance investigated the circumstances around the activity but did not find any evidence of breach of the Market Conduct Rules.
- On 9 March Market Surveillance received a phone call from a market participant about suspected manipulation of the closing prices in the contracts ENOQ2-15 and ENOQ3-15. Market Surveillance investigated the trading activity in the mentioned contracts but did not find any evidence of breach of the Market Conduct Rules.
- On 26 March Market Surveillance received a phone call from a market participant that suspected insider trading in the aftermath of a UMM about the sudden outage of the nuclear power plant Forsmark 1. The contracts ENOMAPR-15, SYSTOAPR-15 and ENOW14-15 were said to be purchased in suspiciously high volumes and frequency prior to the release. Market Surveillance investigated the trading activity in the mentioned contracts but did not find any evidence of breach of the Market Conduct Rules.

Reporting of block transactions

Power and Electricity Certificates

The percentage of delays in reporting of block transactions was 0.42% in the first quarter 2015, up from 0.19% in the fourth quarter 2014.

The percentage of erroneous reported block transactions was 0.71% in the first quarter 2015, down from 0.75% in the fourth quarter 2014.

Freight and fuel oil

The percentage of delays in reporting of block transactions in tanker contracts¹ was 8.62 % in the first quarter 2015 up from 8.34 % in the fourth quarter 2014.

The percentage of erroneously reported block transactions for tanker contracts was 1.49 % in the first quarter 2015 down from 2.86 % in the fourth quarter 2014. The percentage of erroneously reported block transactions for dry freight and fuel oil was 1.79% down from 2.81% in the fourth quarter 2014.

¹ Dry freight and fuel oil transactions are published at the end of the trading day end so that delayed reporting of these transactions is not relevant in regard to the market transparency.

