



1 July to 30 September 2018

Quarterly report Market Surveillance

This report includes the period from 1 July to 30 September 2018

Nasdaq member default on 11 September

Market Surveillance has closely monitored the trading conduct during 10 to 12 September and reviewed the market impact of the default event.

- Market Surveillance has monitored the effect of the default event on price formation and investigated potential abuse of the Nordic and German electricity derivatives markets before, during and after the default. Particularly, Market Surveillance has looked into whether the price development reflects genuine trading interests.
 - **Market Surveillance has not found any evidence to suggest that recent trading activity has been in breach of the Exchange's Market Conduct Rules.**
- Market Surveillance has investigated if any members (close out providers or others) have traded based on possible knowledge of the default situation or knowledge of the portfolio which was closed-out.
 - **Market Surveillance has not found any evidence to suggest trading while holding inside information.**
- Market Surveillance has investigated if the price movements on 10 September were driven by trading of the defaulting participant.
 - **Market surveillance has not found any evidence to suggest this is the case.**

Concluded and ongoing investigations

- On 10 September Market Surveillance was contacted by a market participant suspecting that someone was negotiating to buy ENOAFUTBLMOCT-18 while at the same time had placed an order book offer that was deleted right after the block transaction. Market surveillance investigated the circumstances around the trading activity and found that different market participants were involved in the block transaction and in the order book offer.
 - **Market Surveillance has not found any evidence of breach with the Market Conduct Rules.**

- On 18 September Market Surveillance was contacted by a market participant suspecting that someone engaged in an abnormal selling behaviour in ENOFUTBLQ4-20 just ahead of market close.
 - Market Surveillance is still investigating the incident.

Reporting of block trades

The percentage of delays in reporting of block trades was 1.81 % in the third quarter 2018, up from 0.76% in the second quarter 2018.

The percentage of erroneous reported block trades was 1.33 % in third quarter 2018, up from 1.23% in the second quarter 2018.

