



1 October to 31 December 2015

Quarterly report for Market Surveillance

This report includes the period from 1 October to 31 December 2015

- Market Surveillance has conducted two enquiries related to a member's automatic quotation of orders. Market Surveillance pointed out the importance of orders reflecting the member's true interests and should be placed as intended. On one of the occasions the member identified that the quotations was not entered as intended. Based on the enquiries the member has taken actions to avoid similar events from occurring in the future. Market Surveillance did not identify any breach with the Market Conduct Rules related to the two incidents.
- Since December 2015 Market Surveillance has been investigating the trading activity in the contracts ENOYR-24 and ENOYR-25. These contracts have seen inconsequent bids resulting in larger changes in intraday prices and the daily fixing prices. Market Surveillance has not found any evidence of breach with the Market Conduct rules, but the price formation in these contracts is still under closer observation.

Concluded investigations based on relevant inputs from members

- On 21 October Market Surveillance received an email from a market participant questioning a block transaction in the contract ELCSEKMAR-16 that was reported with an unusually high price that day (176 SEK, corresponding to the fixing price on the previous trading day). The reported price deviated from the existing broker spread in this contract of 172 SEK and 173.50 SEK. Market Surveillance has investigated the circumstances around the transaction and found that the trade was conducted on the previous day and reported as traded on 21 October. Market surveillance requested the members to report any similar type of trades before opening of the next trading day in the future and to include information about correct time of agreement.
- On 19 November Market Surveillance received a call from a market participant who reacted to a downward price movement in ENOYR-17 that was in the opposite direction of the market development in other contracts on that day. Market Surveillance has investigated the

circumstances around the trade in the contract and other related contracts and did not find any evidence of breach of the Market Conduct Rules.

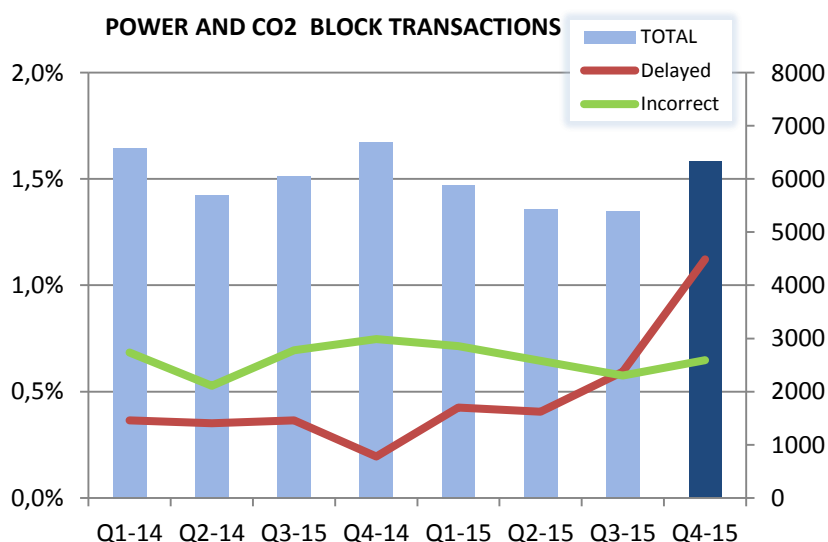
- On 9 December Market Surveillance received a call from a market participant who claimed that someone was driving the price down in ENOYR-17 by placing several sell orders for 1 MW with 1 cent price difference and thereby was giving the false impression of the market price movement. Market Surveillance has investigated the circumstances around the suspected order activity but did not find any evidence of breach of the Market Conduct Rules.
- On 18 December Market Surveillance received an input from a market participant regarding the order activity in SYTROYR-16 and other Tromsø EPADs during this day and on previous days. The market participant observed a 1 MW bid having been placed shortly before the market close and suspected that the bid was placed with the sole purpose to improperly influence the fixing price. Market Surveillance investigated the incident but could not identify any activity that would match the given description. For example, the 1 MW bid on 18 December was placed at around 13:00 CET. Market Surveillance investigated the order activity over a longer time period but could not find any evidence supporting the members suspicion.

Reporting of block transactions

Power and Electricity Certificates

The percentage of delays in reporting of block transactions was 1.12% in the fourth quarter 2015, up from 0.59% in the third quarter 2015. The increase in delayed power transactions was based on a higher number of delayed bilateral deals reported in the period.

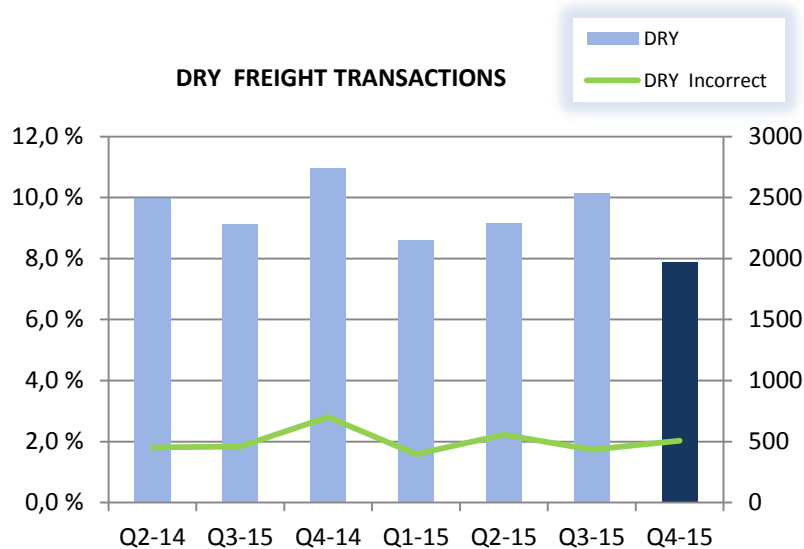
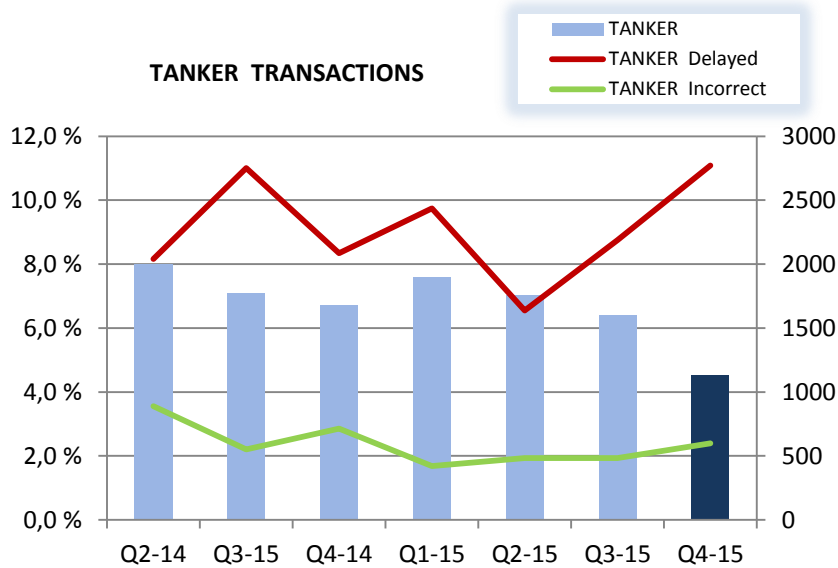
The percentage of erroneous reported block transactions was 0.65% in the fourth quarter 2015, up from 0.57 % in the third quarter 2015.



Freight and fuel oil

The percentage of delays in reporting of block transactions in tanker contracts¹ was 11.08% in the fourth quarter 2015, up from 8.75% in the third quarter 2015.

The percentage of erroneously reported block transactions for tanker contracts was 2.39% in the fourth quarter 2015, up from 1.94% in the third quarter 2015. The percentage of erroneously reported block transactions for dry freight and fuel oil was 2.03% up from 1.74% in the third quarter 2015.



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.