

# Nordic Derivatives Market

September 2008



# Contents

## 1. Introduction

1. EDX and the Nordic Derivatives Market
2. Nordic contracts in 2007
3. Nordic liquidity

## 2. Nordic Products

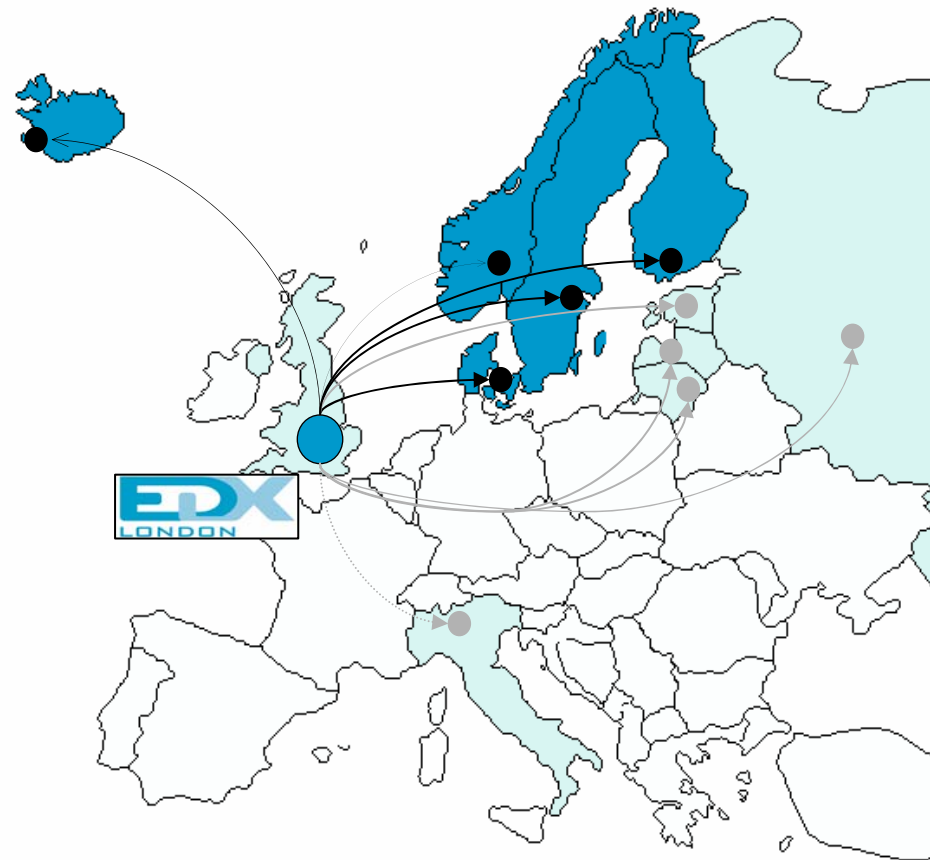
1. Overview
2. Service features
3. Sweden
4. Norway
5. Denmark
6. Finland
7. Iceland

## 3. Contact information



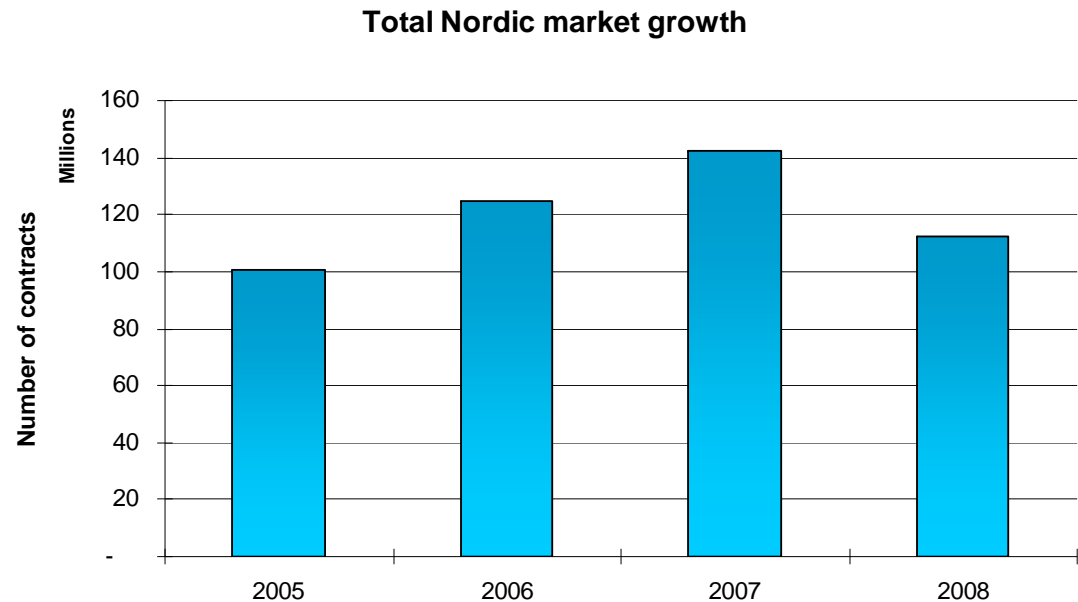
# EDX London: Gateway to the Nordic derivatives market

- Futures and options on underlying stocks, DRs and indices from
  - Denmark
  - Finland
  - Iceland
  - Norway
  - Sweden
- **Three exchanges, Five countries, 130+ members, one order book**
- **EDX London: International gateway**
  - Non Nordic members access via EDX



## Over 140 million\* Nordic contracts traded during 2007

- Average volume growth of 19% per annum between 2005 and 2007\*\*
- Year to date in 2008, 112 million contracts have been traded



\*Figure does not include Nordic fixed income

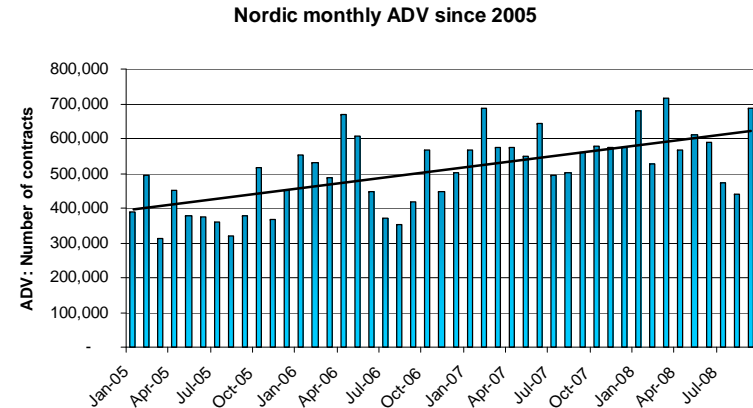
\*\*Based on 2005-2007 CAGR

2008 figure represents January - September volume



# Sustained Nordic liquidity growth

- In three years, ADVs have grown by 53%\* to over 600,000 contracts a day
- 17.96m Nordic contracts traded in January 2008 **RECORD VOLUME**
- 709,896 contracts traded per day in March 2008 **RECORD ADV**



\*based off January-May, 5 month ADV, 2005 compared to 2008



# Contents

## 1. Introduction

1. EDX and the Nordic Derivatives Market
2. Nordic contracts in 2007
3. Nordic liquidity

## 2. Nordic Products

1. Overview
2. Service features
3. Sweden
4. Norway
5. Denmark
6. Finland
7. Iceland

## 3. Contact information



# Nordic derivatives market - overview

## Sweden

- OMXS30 Index futures and options
- Single stock and DR options, futures and forwards
- STIBOR FRA forwards and options
- Swedish government bonds forwards and options
- OMXSB Index futures

## Norway

- OBX Index futures and options
- Single stock forwards and options
- NIBOR FRA forwards

## Denmark

- OMXC20 Index futures and options
- Single stock futures and options

## Finland

- Single stock forwards and options

## Iceland

- OMXI15 Index futures
- Single stock futures and options

## Pan-Nordic

- VINX30 Index futures and options



## Nordic derivatives market - common features

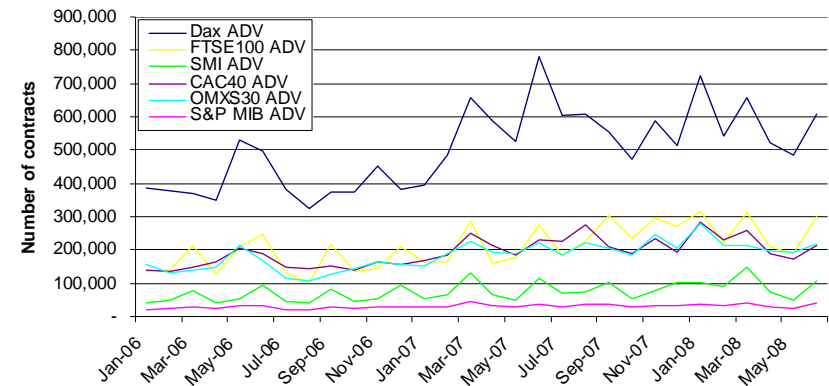
On-exchange benefits	Marketplace Service	Central Counterparty
<ul style="list-style-type: none"> <li>• Shared rulebook</li> <li>• Dedicated market supervision team</li> <li>• Centralised on-screen marketplace</li> </ul>	<ul style="list-style-type: none"> <li>• EDX broker desk</li> <li>• All Nordic underlyings are accessible through MPS</li> <li>• Assist trading, execution and price discovery</li> </ul>	<ul style="list-style-type: none"> <li>• LCH.Clearnet is CCP to all trades</li> <li>• Reduced credit risk exposure for participants</li> <li>• Netting and novation</li> </ul>
On-Request service	Tailor-Made service	On-screen liquidity
<ul style="list-style-type: none"> <li>• Finnish underlyings only</li> <li>• Facility to list additional standardised series</li> <li>• Subject to LCH and EDX approval</li> </ul>	<ul style="list-style-type: none"> <li>• Exchange 'Cleared only' facility with OTC benefits</li> <li>• Flexible expiration maturity and strike</li> <li>• Available on all Nordic underlyings</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitated by market makers and MPS</li> <li>• Large international participant base</li> <li>• OM Technology</li> </ul>



# Swedish futures and options

- Futures/ options on OMXS30 index
  - Index of 30 most traded Stockholm Exchange shares
  - Over 50m contracts traded in 2007
  - Contracts of 36 months expire annually
  - Contracts of 12 months expire 3 times a year
  - Contracts of 3 months expire every other month
  
- Forwards and options on Swedish stocks
  - Over 200 underlyings
  - Over 60 million contracts traded in both 2006 and 2007
  - 3, 6, 12, 24 and 36 month contracts
  - Tailor-Made series

Most traded European Indices (Excluding DJ Eurostoxx 50) by Average Daily Volume



## Top Underlying Stocks

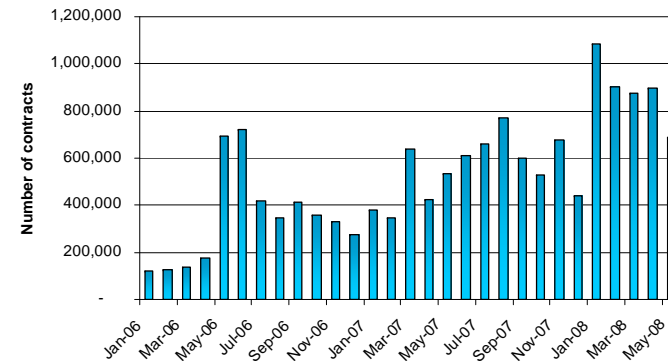
- |                    |                    |
|--------------------|--------------------|
| • Ericsson         | • Volvo            |
| • Teliasonera      | • Lundin Petroleum |
| • Hennes & Mauritz | • Sandvik          |
| • Astrazeneca      | • Swedbank         |
| • Nordea Bank      | • SEB              |



# Norwegian futures and options

- Futures/ options on OBX index
  - Index of 25 most traded Oslo Bors shares
  - Over 6.5m contracts traded in 2007
  - 4.2m contracts between Jan '08 and May '08
  - Contracts of 6 months expire quarterly
  - Contracts of 3 months expire every other month
  
- Forwards and options on Norwegian stocks
  - Over 150 underlyings
  - 16 million contracts traded in 2007
  - 6 month contracts expire quarterly
  - Tailor-Made series

OBX monthly volumes 2006 - present



## Top Underlying Stocks

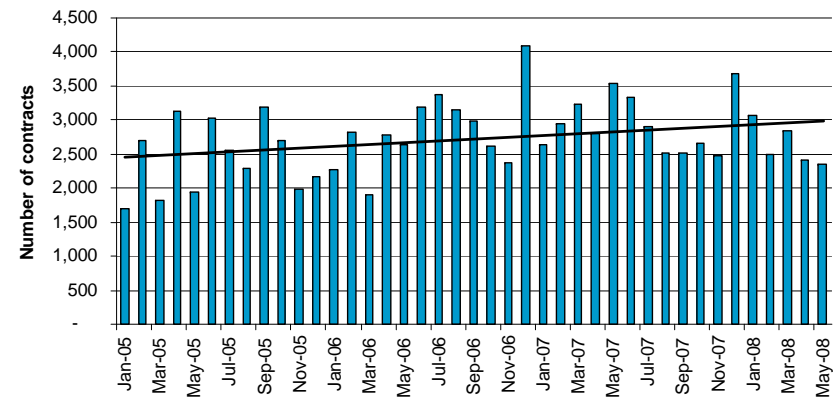
- Acta Holding
- Marine Harvest
- Statoil Hydro
- Green Reefers
- DNO International



# Danish futures and options

- Futures/ options on OMXC20 index
  - Index of 20 most traded Danish shares
  - Contracts of 9 months expire quarterly
  - Contracts of 3 months expire every other month
- Futures and options on Danish stocks
  - Over 10 underlyings
  - 9 month contracts expire quarterly
  - Tailor-Made series

OMXC20 ADV's since 2005



## Top Underlying Stocks

- |                       |                 |
|-----------------------|-----------------|
| • Danske Bank         | • H Lundbeck    |
| • Vestas Wind Systems | • GN Store Nord |
| • AP Moller Maersk    | • Carlsberg     |
| • Novo Nordisk        | • Novozymes     |
| • Danisco             | • Tryg Vesta    |



# Finnish futures and options

- Forwards/ options on Finnish stock
  - Over 20 underlyings
  - 6.2 million contracts traded in 2007
  - 9.3 million contracts traded H1 2008
  - Tailor-Made series
  - Additional standardised series available On-Request
    - Expiry up to 24 months



## Top Underlying Stocks

- Ruukki Group
- Alma Media Corp
- Amer Sports
- Elisa
- Trainers House



# Icelandic futures and options

- Futures on OMXI15 index
  - Index of the 15 most liquid Icelandic shares
  - Contracts of 9 months expire quarterly
- Futures and options on Icelandic stocks
  - 6 underlyings
  - Over half a million contracts traded so far in 2008
  - 9 month contracts expire quarterly
  - Tailor-Made series

## Top Underlying Stocks

- Glitnir
- Kaupthing Bank
- Landsbanki
- Exista
- Straumur
- Bakkavor Group



# Contents

## 1. Introduction

1. EDX and the Nordic Derivatives Market
2. Nordic contracts in 2007
3. Nordic liquidity

## 2. Nordic Products

2. Overview
3. Service features
4. Sweden
5. Norway
6. Denmark
7. Finland
8. Iceland

## 3. Contact information



## Contact information

- For more information, please contact:



**London**  
**STOCK EXCHANGE**

---



Teresa McCarthy  
Business Development Manager  
EDX London

T +44 (0)20 7797 4683  
F +44 (0)20 7797 4747

teresa.mccarthy@edxlondon.com



**London**  
**STOCK EXCHANGE**

---



Thomas Unwin  
Business Development Executive  
EDX London

T +44 (0)20 7797 4675  
F +44 (0)20 7797 4747

thomas.unwin@edxlondon.com

- For further information
  - about EDX London please visit [www.edxlondon.com](http://www.edxlondon.com)
  - about the FTSE Russia IOB index visit [www.ftse.com/iob](http://www.ftse.com/iob)
  - about IOB visit [www.londonstockexchange.com/iob](http://www.londonstockexchange.com/iob)

