

## Exchange Message

Copenhagen 22<sup>nd</sup> August, 2014

### **Change in Yield Calculation etc. Using Historic Prices**

The calculation of yield, duration, adjustment factor etc. on Danish bonds is based on the following price concepts:

1. The average price at the end of the day or
2. the best bid price at the end of the day

### **Current calculation rule using historic prices**

If none of these prices exist on a given day the latest of the two price concepts is used for the calculation, i.e. the historic price is used in the yield calculations etc. as if that price prevails on the given day of calculation. If the historic price is old or the prices in the fixed income markets have changed significantly the yield calculations etc. may become very misleading.

### **New calculation rule using historic prices**

Nasdaq OMX Copenhagen has therefore decided to stop using historic prices for yield calculations etc. Instead Nasdaq OMX Copenhagen will publish the yield etc. calculated on that historic date inclusive of the date. The price and calculated yield, duration, convexity etc. then all relate to the same date.

The new rule will take effect on 8<sup>th</sup> September 2014.

**The guidelines for yield calculation etc.** may be found via this link:

<http://www.nasdaqomx.com/transactions/trading/fixedincome/fixedincome/denmark>

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