IT – INET Nordic – Implementation of Market Maker Order enhancements – Configuration options (83/17)

As communicated earlier in 70/17, 67/17, 64/17, 54/17 and 47/17, following requests from market participants, Nasdaq Nordic has decided to implement a set of enhancements to the current Market Maker Order (MMO).

The changes will be introduced December 1, 2017 in Production on segments carrying Warrants and Certificates.

This notice outlines the configuration options a Market Maker (MM) may have to fully utilize the MMO.

- MMO Trade Through Limit

- Maximum MMO Spread

The configuration options are fully optional, and if default values are fine, no further action is needed from the MM.

MMO Trade Through Limit

In order to provide a possibility to trade through the MMO Order price level, it is possible that the MM configures a MMO Trade Trough Limit in % (one decimal), determining how aggressive the incoming order may trade.

The default configuration is 0% (disabled) meaning aggressive orders trading up to the MMO price level, then pause.

For new listings the Trade Through limit value is available in the listing template. For re-configuration of already existing instruments, please contact corporateactions@nasdaq.com. Changes are normally activated in production for the next trading day. In case of exceptional circumstances an intra-day update may be possible, please contact operator@nasdaq.com.

Maximum MMO spread

If the spread is larger than a value according to the table below (counted from the Buy Order), the order book will be automatically paused, in the same way as if the MM is not present.

The following maximum spread will apply (based on the price of the instrument with one decimal):

Price From	Spread in %*
0.000	500.0
0.050	100.0
0.250	50.0
1.000	35.0

* Order book spread multiplier set to 1.

A MM may have a deviating maximum spread set individually per Order book, based on an Order book spread multiplier (with two decimals). E.g. 2,00 means that the spread thresholds in the table above are multiplied with 2,00. This would mean that if an instrument for example is traded at 100-105 SEK, the maximum allowed spread would be 70% which in this example is fulfilled.

It is possible to already now request a change valid for December 1, by contacting corporateactions@nasdaq.com for configuration support.

Legal and Market Model

The INET Nordic Market Model will be updated, effective as of launch of the service in production and changes will be available before the effective date.

Time Schedule

- INET Test (NTF), GCF TST4 - Currently available
- INET MiFID II Test - Currently available
- INET Production – December 1, 2017

Questions and feedback

For further information and feedback concerning this information, please contact Anders Green, +46 8 405 67 52, anders.green@nasdaq.com.

Support

For technical questions, please contact Nasdaq Cash Equity Operations:
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Best regards,
Nasdaq Nordic

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