

IT – INET Nordic – Introduction of dynamic maximum Market Maker Order (MMO) spread tables, and removal of MMO Spread Multiplier (9/18)

Based on request from Members, Nasdaq Nordic has decided to implement further enhancements to the Market Maker Order (MMO), currently used by Market Makers (MM) on Securitized Derivatives Order books.

The enhancements will be introduced effective February 19, 2018 in production on all segments carrying Warrants and Certificates configured for MMO.

This notice outlines new and removed functionality.

Please notice, MM's are not expected to take action due to the changes outlined in this notice.

Dynamic maximum MMO spread

If the spread is larger than a value according to the tables below the order book will be automatically paused, in the same way as if the MM is not present.

The following maximum spreads will apply (based on the **MMO Buy Order price** with one decimal):

Table 1: Warrants and Tracker Certificates (standard table)

PriceFrom	Spread in %
0.000	3275.0
0.050	100.0
0.250	50.0
1.000	35.0

Table 2: Warrants and Tracker Certificates (with commodities underlying)

PriceFrom	Spread in %
0.000	5000.0
0.050	500.0
0.250	100.0
1.000	50.0

The correct MMO Spread table will be automatically assigned based on underlying instrument information.

Nasdaq Nordic may support further tables, which will be outlined in the forthcoming

Market Model.

The dynamic maximum MMO spread will in essence work similar as a tick size table, where based on the price of the Buy MMO Order the maximum spread according to the tables will apply. In case of the MM sends in a Buy MMO Order at a price of 0,002 in an Order book utilizing Table 1 above, the maximum spread of 3275% will automatically be applied for the current MMO spread calculation. E.g. this means that the MM is allowed to set up a spread of 0,002 – 0,05 (2400%) if needed.

In case of exceptional circumstances, an intra-day update to a table with wider thresholds may be possible, please contact operator@nasdaq.com.

Removal of Spread multiplier

With the introduction of Dynamic maximum MMO spread tables, the possibility to practice an Order book spread multiplier is removed for all current Order books.

Legal and Market Model

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

Time Schedule

- INET Test (NTF), GCF TST4 - Currently available
- INET Production – February 19, 2018

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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