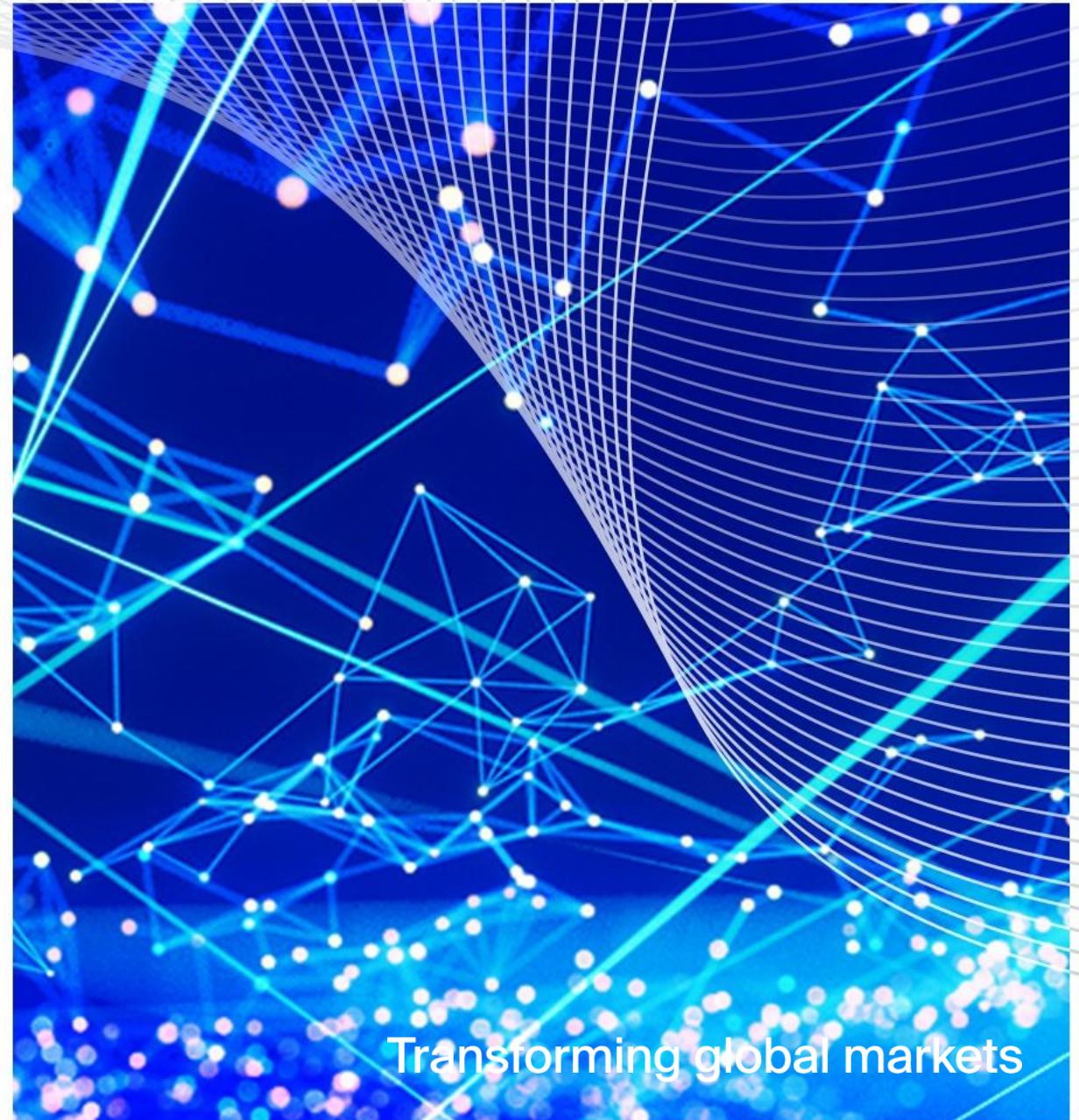




Trading behavior during balancing

Examples of changes in trading
behaviour

17 April 2020



Trading behavior during balancing

Case 1 – Best quotes intended for balancing traded ahead of GTS then re-submitted deeper in the order book

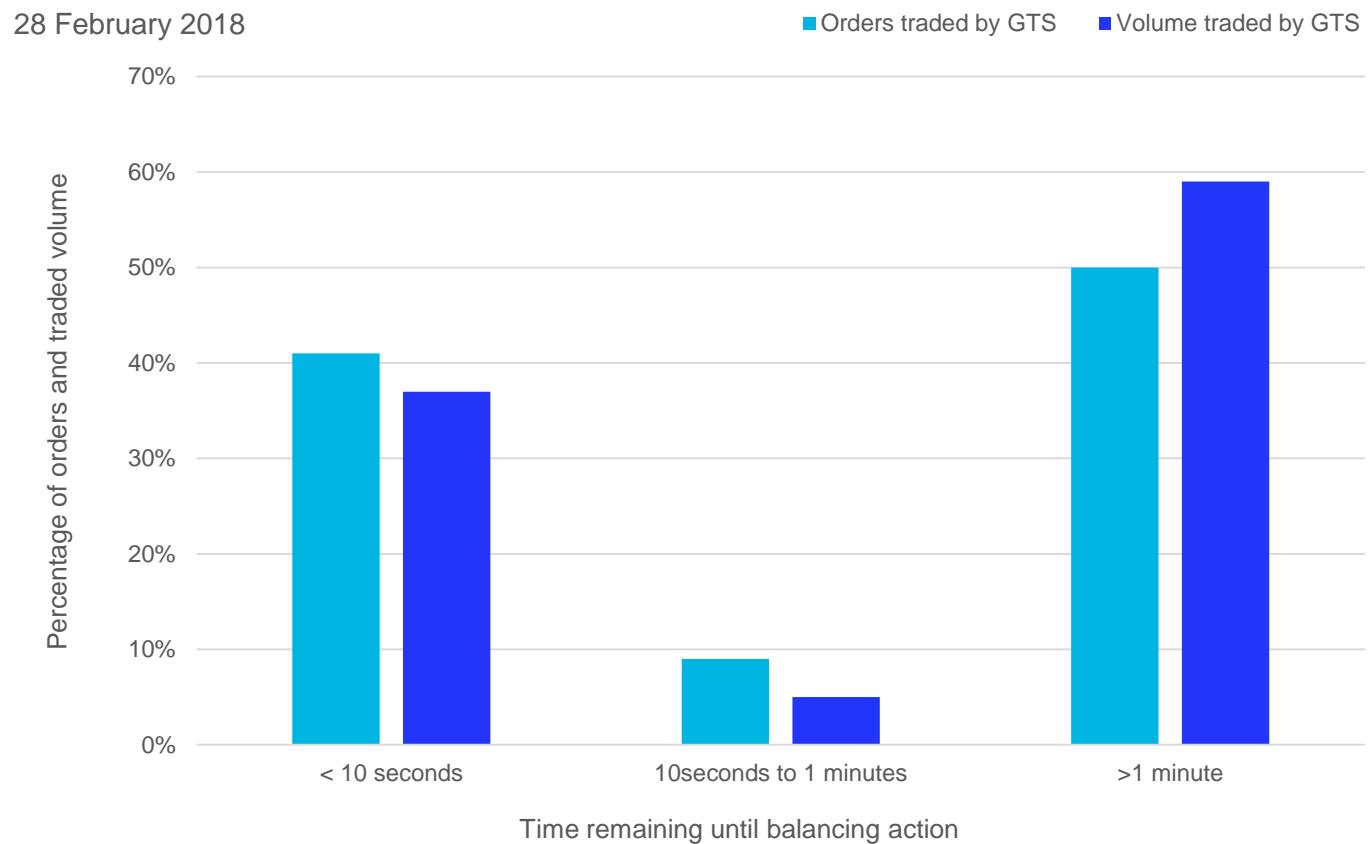
Event description:

1. GTS broadcasts the requested buy volume, 10 and 5 minutes before GTS market order
2. Some parties submit their offers in response to GTS, 5 seconds before GTS market order
 - Market depth price range is EUR 60.00 to EUR 890.00 with a volume totaling 28% of the volume requested by GTS
3. Party A trades the best offer at EUR 60.00, 5 seconds before GTS market order
 - Market depth price range is EUR 120.00 to EUR 890.00 with a volume totaling 16% of the volume requested by GTS
4. Party A submits a offer at EUR 497.00, 2 seconds before GTS market order
 - Market depth price range is EUR 120.00 to EUR 890.00 with a volume totaling 113% of the volume requested by GTS
5. GTS buys the intended volume at an avg. price of EUR 545.53 instead of EUR 497.00
 - Market depth price range is EUR 80.00 to 890.00 with a volume totaling 119% of the volume requested by GTS

Trading behavior during balancing

Case 2 – Short lead time prior to GTS order limiting price discovery between market parties

- Almost half of the market depth has been submitted within seconds of the market order from GTS
- Limited reaction time for parties to compete on price, leading to a price which is a non-optimal reflection of the state of supply and demand



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