Pre-market trading in OBX futures

As the first exchange in Scandinavia, Oslo Børs will from 22 October 2012 open for pre-market trading of index futures and electronic trading in the OBX futures will open at 08:30 CET.

This will give investors the opportunity to act on news, oil price changes and the general development of other markets before all the other Nordic exchanges open. Therefore, OBX futures may act as a precursor to where the stock market will open.*

Advantages of OBX futures

Liquidity
The most traded derivative product on Oslo Børs, whit several market makers obliged to continuously quote prices.

Diversification
OBX futures offer an easy way to gain diversified exposure to the Norwegian market, without having to invest in several stocks.

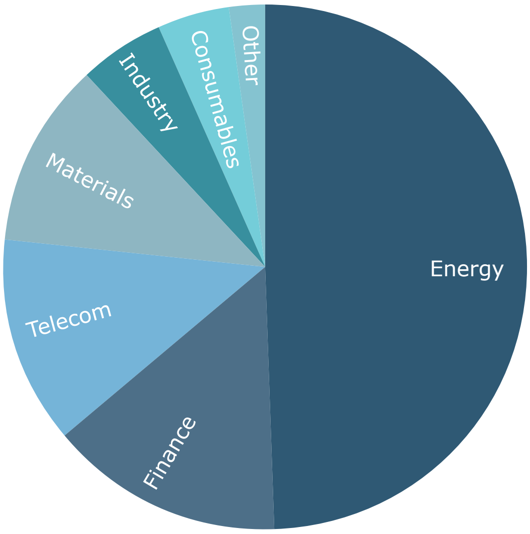
Gearing
When opening a position you only post collateral as a margin of the total exposure of the investment. This leads to a gearing effect, meaning it is possible to achieve a greater return with a lower initial investment.

Flexibility
As easy to gain short - as it is to gain long exposure. In periods of uncertainty you may, for example, choose to secure an equity portfolio by selling OBX futures.

Safe
Daily margining and central counterparty eliminates counterparty risk.

OBX futures can be seen as a ”market stock”, where you buy if you think the stock market will rise, and sell if you think the market will fall.

OBX composition



As of 10.12.2012

**It is important to note that, as the underlying market does not open until 09:00 CET, there will be some uncertainty in the pricing of OBX futures in the pre-market trading session. As a result market makers will have no quoting obligations for the first half hour.*

OBX futures facts

The future contract is based on the **OBX** index, which comprises the 25 most liquid stocks on Oslo Børs, and as such reflects the general development of Oslo Børs.

A **future** contract is an agreement to buy or sell an underlying (OBX index) at a certain time in the future (expiry), where both buyer and seller are obliged to make the transaction whole. One may however choose to close out the position at any given time in the contract period by counteracting the initial trade. This is done by selling (buying) as many contracts as initially bought (sold)

Expiry is on the third Thursday of every month, and it is possible to trade contracts with as much as one year until expiry.

Contract size is 100. This means that an OBX future trading at NOK 420.00 has a value of 420.00 * 100 = NOK 42,000

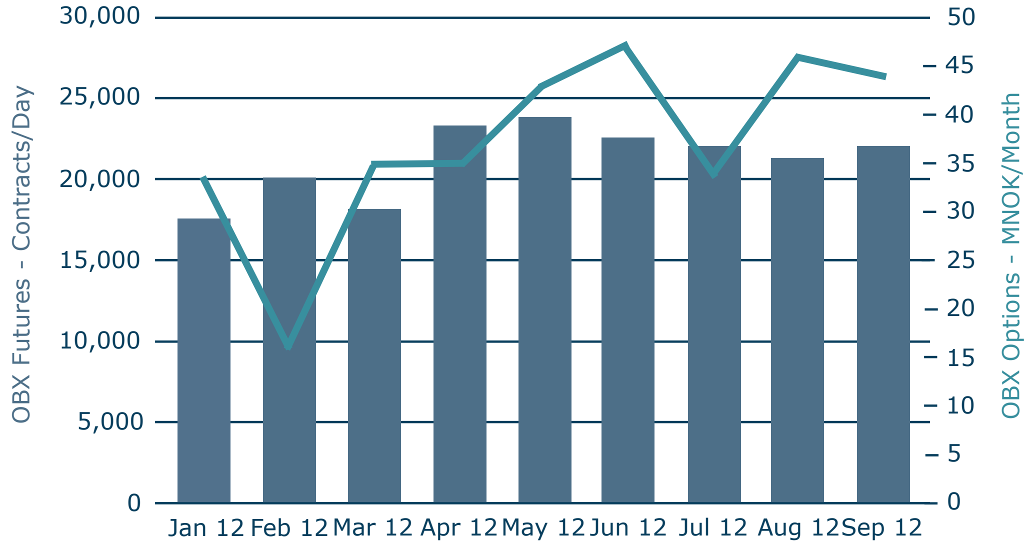
What determines the price of an OBX future?

Theoretical future value = index value + cost of carry

An OBX future will trade at a premium to the index value and the premium will be larger the further away from expiry it trades.

As in the stock market there is a difference between best bid and best offer (spread), and the OBX futures spread will be affected by the spread in the OBX index constituents.

Positions that run to expiry will be settled based upon the volume weighted average price (VWAP) of the OBX index on expiration day. If one wishes to maintain a position past expiry it may be rolled to a future contract with a later expiry. It is favourable to roll positions prior to the expiration day of the contract in question.



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