

## Futures on the Norwegian index OMXO20

The OMXO20 share index is NASDAQ OMX Stockholm's tradable Norwegian index and consists of 20 Norwegian stocks chosen every six months based on turnover. This means that OMXO20 index futures are an excellent instrument for quickly and efficiently increasing or decreasing exposure to the Norwegian market. Index futures can be used to speculate in both price rises and price declines in the stock market. Index futures can also be used to reduce risk in an existing stock portfolio. For example, if you believe in an existing portfolio but want to protect against a general market correction, your portfolio can be retained while selling index futures. With index futures it is also possible to sell a stock portfolio that mirrors the index constituents without having to own the individual share. This is known as shorting the market. Futures contracts are marked to market via daily settlement. Daily settlement leads to an effective use of capital and allows for realized profit and loss during the contracts term. Futures also use a simplified margin calculation and settlement on T+1. The following is a brief description of futures on OMXO20 index. Detailed contract specifications and complete rules and regulations for derivatives trading can be found on the NASDAQ OMX website.

### FACTS

**Type of contract:** Futures contract with daily cash settlement.

**Contract base:** The Norwegian OMXO20 share index.

**Contract size:** Index value \* NOK 100.

**Series term:** 3, 6 and 24 months.

**Series designation:** Indicate the designation for the contract base, expiration year and expiration month.

**Futures price:** Agreed upon by the parties. Shall be expressed in Norwegian Kronor and cover the price for one one-hundredth of a contract.

**Expiration day:** The third Friday in the expiration month of the expiration year, or if this day is not a Norwegian bank day, the previous bank day.

**Last trading day:** Last trading day is the same as the expiration day for the series in question.

**Daily cash settlement:** Daily cash settlement is paying or receiving a settlement amount on a daily basis. The settlement amount is the difference between previous day's futures closing price and current day's futures closing price. The settlement day for the cash settlement is the first Norwegian bank day following the mark-to-market day.

**Final settlement:** The final settlement is the difference between the previous day's future closing price and a volume weighted average price of the OMXO20 index on the expiration day. Payment of settlement occurs on the first Norwegian bank day following the expiration day.

**Setting-off:** Setting-off may occur any time during the term.

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