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Market Making Mechanical NOK Flow

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Agenda

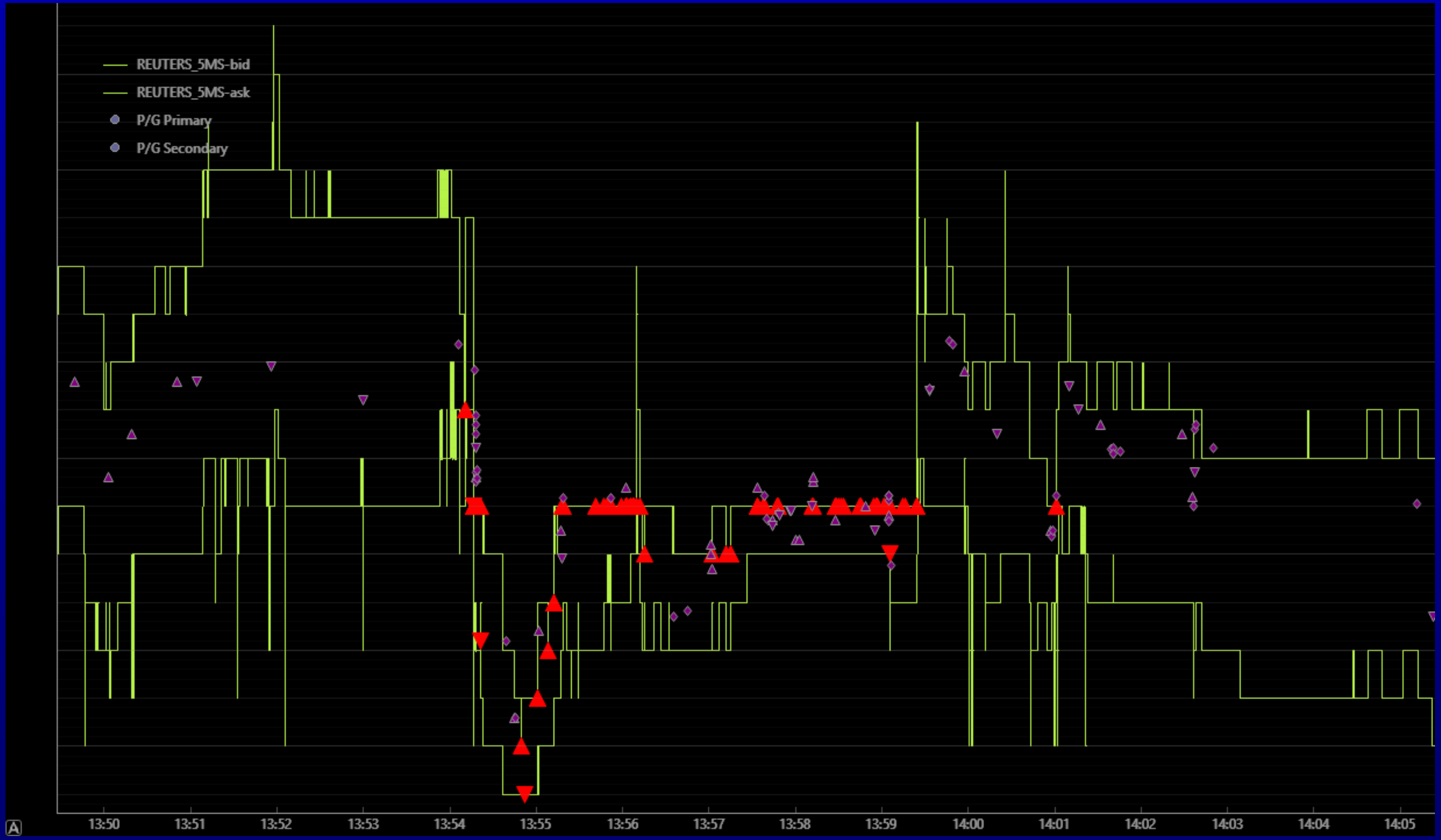
- Oil revenue
  - FX fixing orders
- Norges Bank FX Transactions
  - FX price streaming
- Other Government Transaction
  - Market orders
- Rebalancing Flow
  - Request For Quote (RFQ)

Oil Revenue

- In general oil revenue in USD is converted to NOK via fixing orders
- A fixing is an attempt to be an independent benchmark “average rate”, at a pre-defined point in time
- Two options; WMR Company (WMR) & Bloomberg (BFIX)
- Historical motivation for choice of 14.00 BFIX
- In terms of liquidity a large proportion of daily EURNOK volume is concentrated around 14.00 BFIX
- On average fixings will create market impact (public information, aggressive trading)

Oil Revenue

- Primary market activity around 14.00

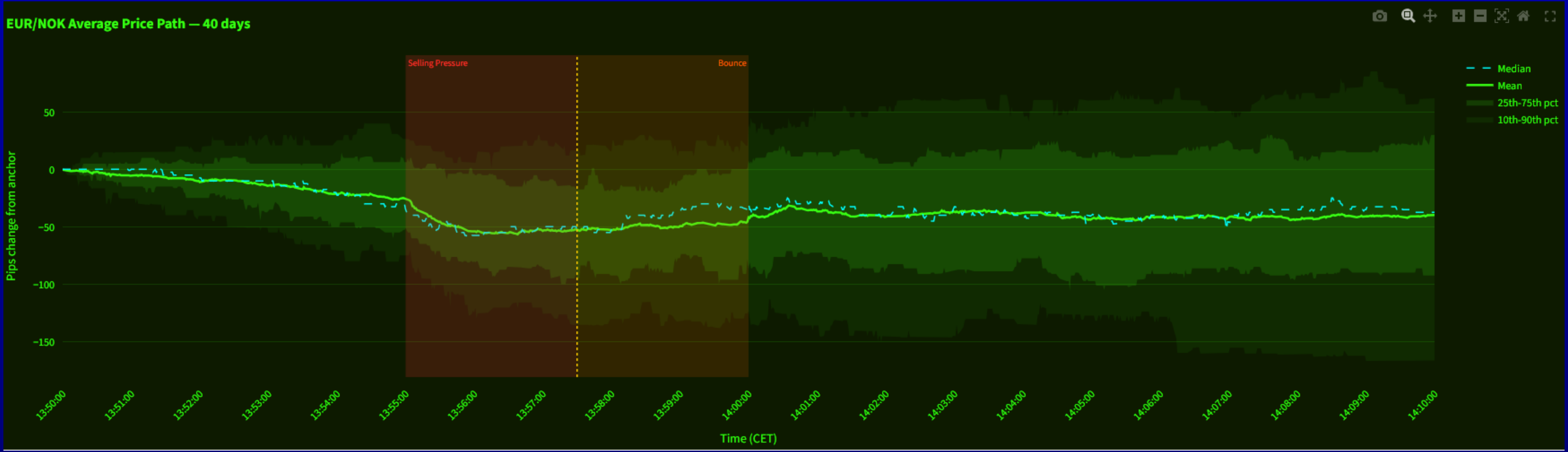


Oil Revenue

- Hourly concentration of liquidity across venues

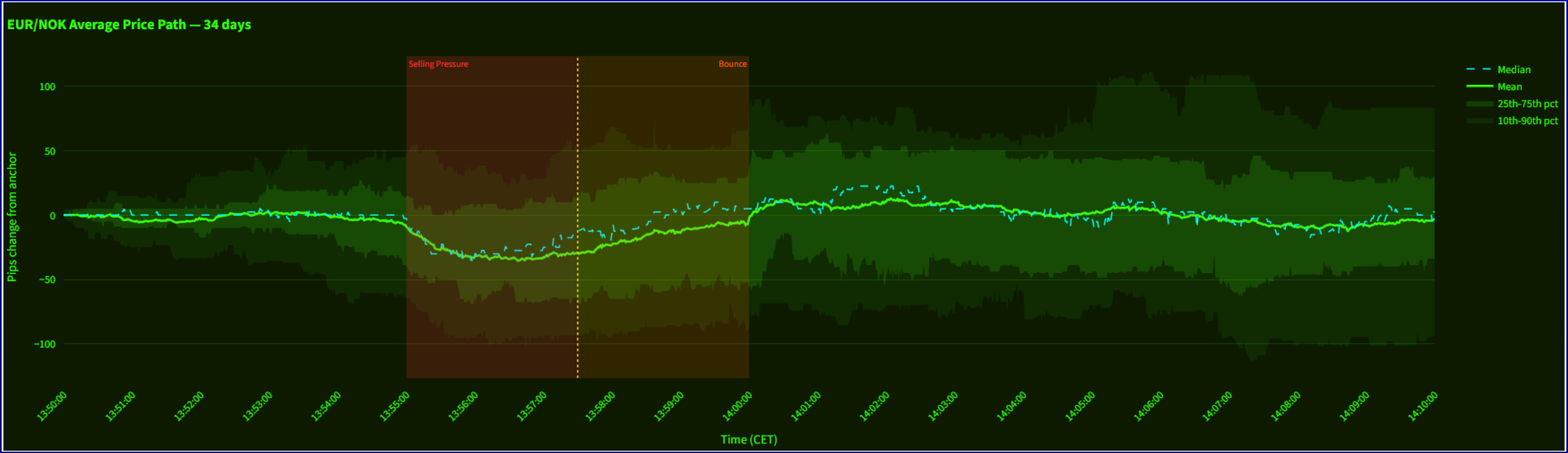
Oil Revenue

- Average EURNOK rate around 14.00
- Data from 01-01-2026 – 27-02-2026



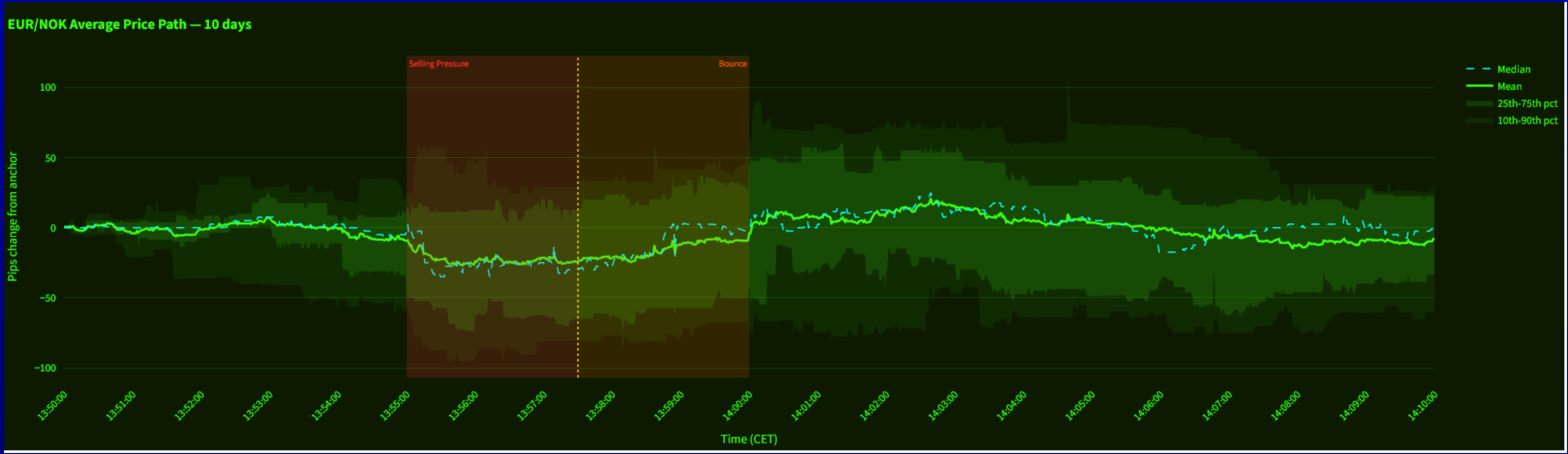
Oil Revenue

- Average EURNOK rate around 14.00
- Data from 02-03-2026 – 16-04-2026



Oil Revenue

- Average EURNOK rate around 14.00
- Data from 04-03-2026 – 16-04-2026



Norges Bank net FX Purchase

- Published EOM
- Interesting when large in volumes or changes signs
- Primarily converted to NOK via streaming (ESP)
- Makes this mechanical flow LESS prone to information leakage (No public information)

Norges Bank net FX Purchase

- Projected NOK purchase since EOM April 2025

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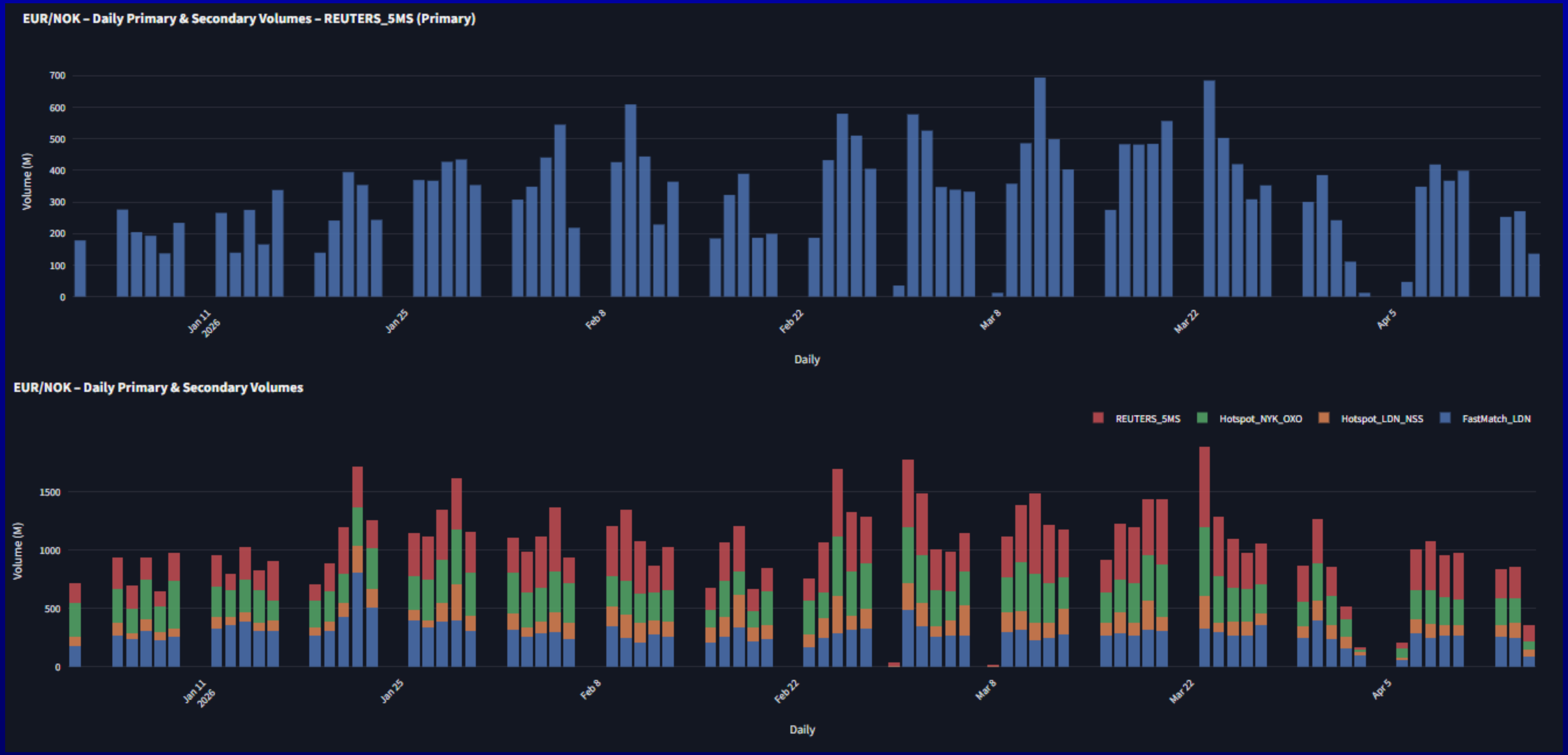
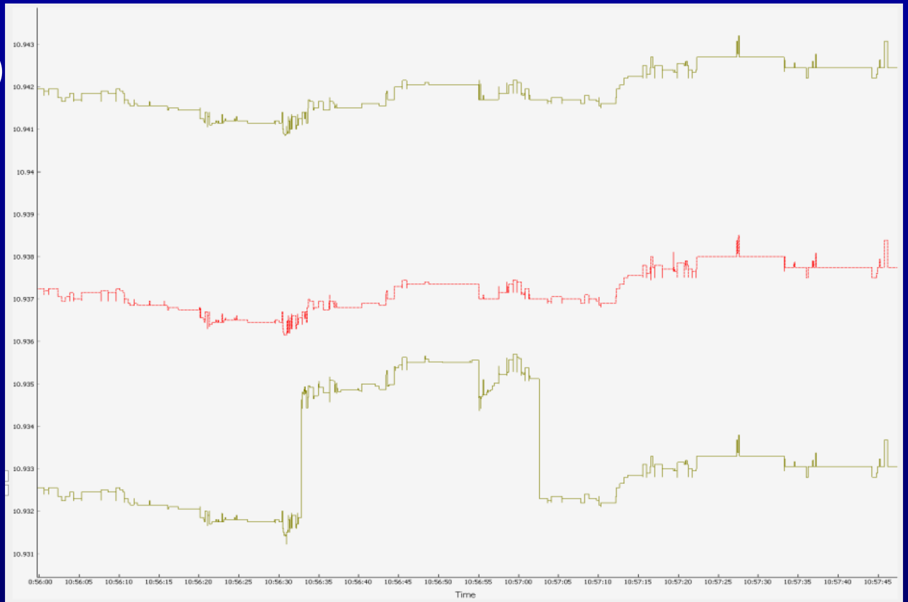
Norges Bank net FX Purchase

- Daily volume in Primary and Primary + Secondary market
- Data from 01-01-2026 – 16-04-2026



Extra ordinary revenue

- Large transactions
- Normally handled as “market-order”
- Provides us the ability to off-set flow towards opposite franchise flow
- It takes a longer time
- In general little market impact (No public information, no market activity)



Rebalancing

- Assuming hedging ratio is constant we are talking rebalancing of existing currency hedges
- Defined by hedge policy within institutions
- Rebalancing flow has become less mechanical to an extent in our franchise
- Our franchise see larger volumes around month-end, quarter-end, year-end… but less significant compared to earlier
- Very little 17.00 Fixing orders
- Rebalancing normally performed via RFQ’s, which makes it prone to market impact (Semi-Public information)

- … Time-of-crisis/volatility is largest driver for institutional volume (rebalancing) in our franchise

RFQ Tips to consider

2-sided RFQs vs. 1-sided RFQs

Don't show everyone your intention

Predictability of flow

Try to randomise execution style and patterns

Careful LP selection

Include meaningful LPs
Consider holistically the quality of the LP

Gap between request and trade

Reduce the window where information is leaked

NOK is NOK

EURNOK, USDNOK, GBPNOK, PLNNOK: It's all NOK

Clip spacing

Provide ample time between clips.

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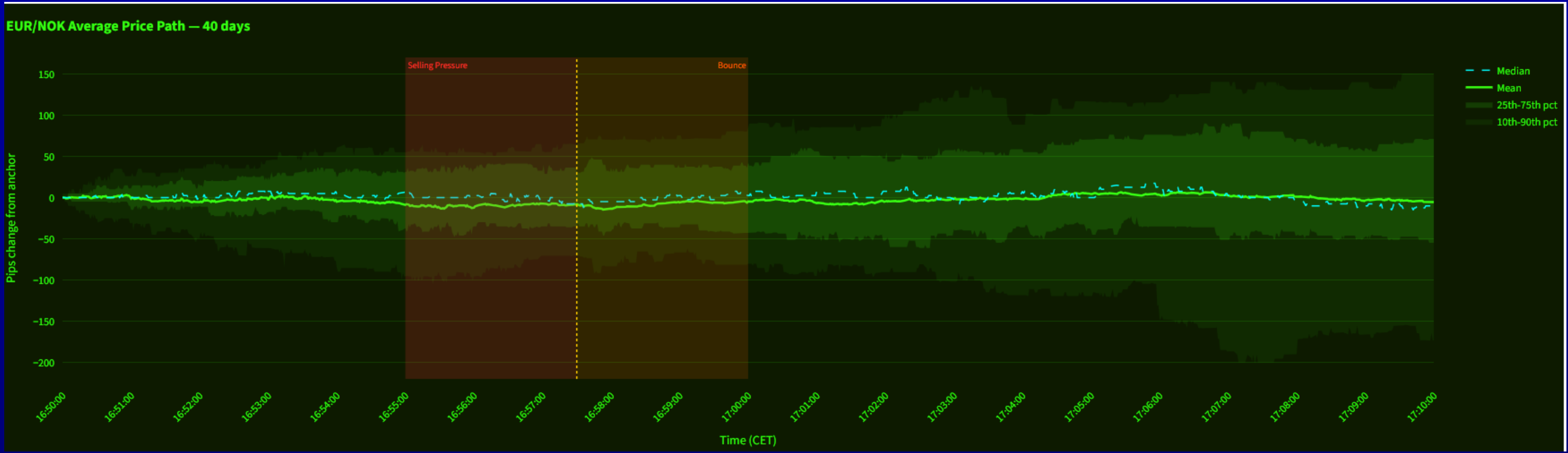
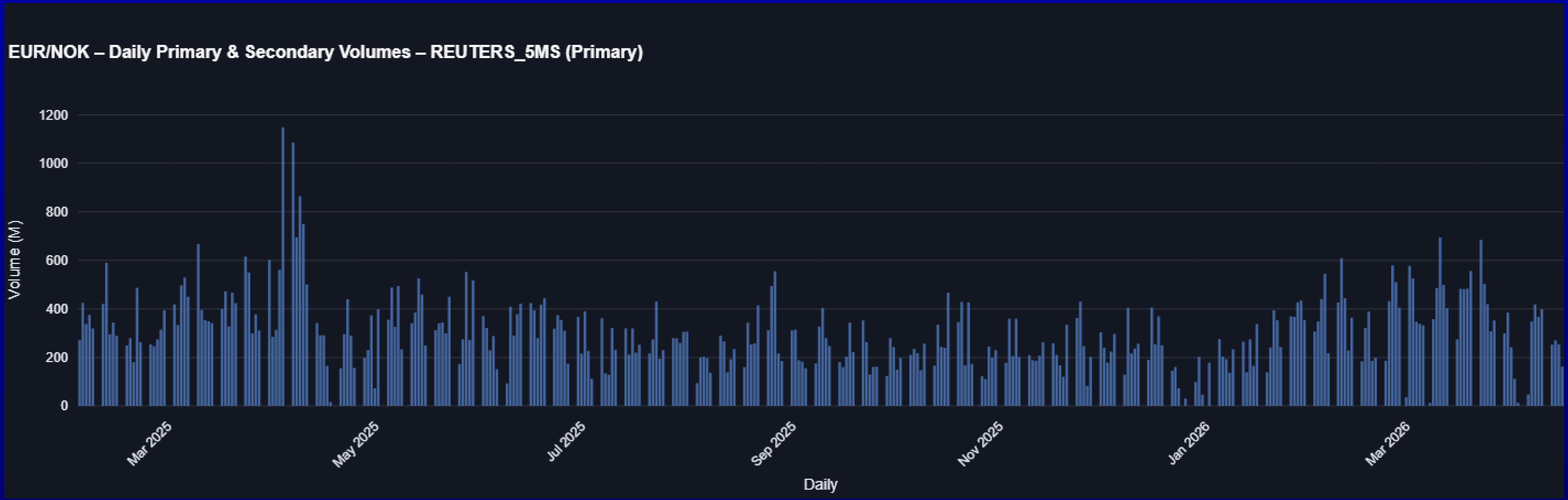
Rebalancing

- 17.00 BFIX
- Data from 01-01-2026 – 27-02-2026



Rebalancing

Primary market activity across liberation day (April 2nd 2025) and Epic Fury (27-02-2026)



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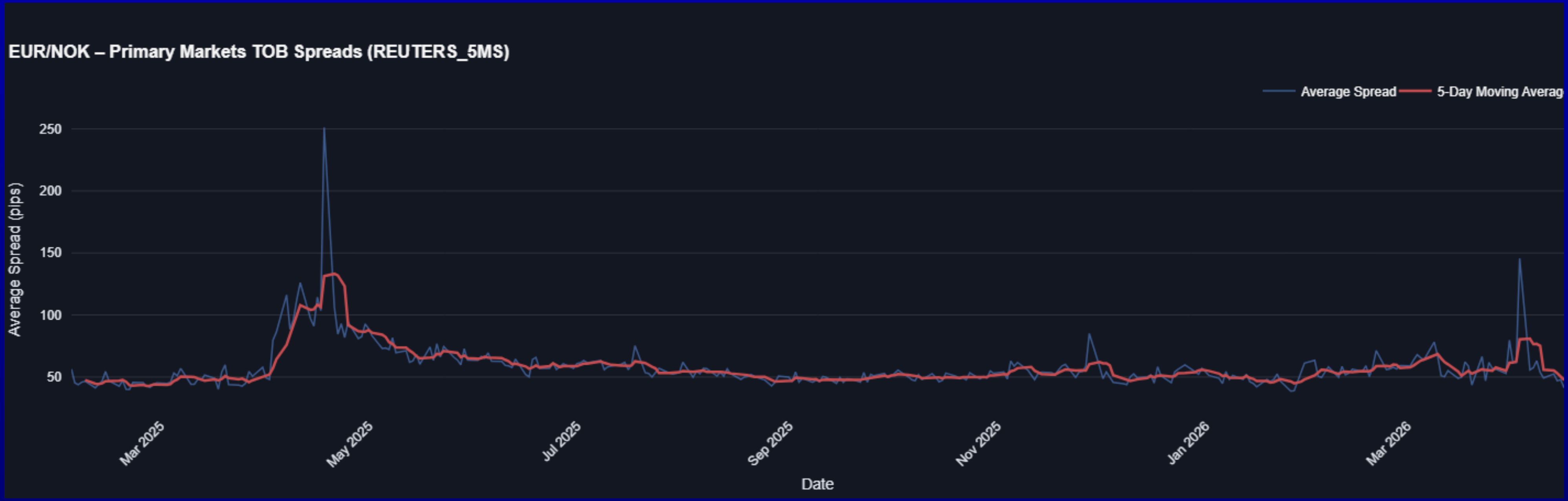
Rebalancing

Primary market TOB spreads across liberation day (April 2nd 2025) and Epic Fury (27-02-2026)



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Conclusion

- Any persistent mechanical need to buy or sell NOK is expected to have some effect
- In Market Making, the importance is the way the mechanical flow meets the market

THANK YOU !!