



What's happening in the Nordics

Peter Fredriksson, Baymarkets, co-chair FPL Nordic

Morten Lindeman, Infront AS, co-chair FPL Nordic



The period since Sept 2017

- MiFIDII was implemented...where was the panic?
- What is FinTech?
 - Not PayTech
 - Not BankTech
 - RegTech
 - Traditional FinTech
 - Tomorrow there is another fintech event here at Berns....
- We implemented MIFID II!
 - Norwegian FT surprised everyone to implement MIFID II one day earlier than everyone else



Transactions with Nordic focus

- Ivititi acquires Ullink (backed by Nordic Capital)
- Nordic Capital acquires MacroBond
- Infront ASA acquires SIX Terminal client base and lists on Oslo SE
- Trioptima which was sold to ICAP, which later became NEX, is now in the hands of CME once CME acquired NEX
- Cinnober acquired Ancoa which is a competitor to Scila which they have a stake in
- Altor acquires Nordic Trustee
- ITRS Group acquires OP5
- GS closes acquisition of Pantor, and closes down the remaining clients
- Nasdaq bid on Cinnober



Financing rounds

- Robo Advisors
 - Sigma Stocks, €10k, Oct 2017
 - Waizer AB, €778k, Oct 2017
 - Urd Rating, Sweden, €51k, Nov 2017
 - Opti, Sweden, €450k, Feb 2018
- Crowd Founding
 - Pepsin Group AB, Sweden, Crowd Founding, €10m, Nov 2017
 - Tessin, Sweden, Crowd Founding, €2m, Mar 2018
 - FoundedByMe, Sweden, Crowd Founding, €2m, Aug 2018
- Automatic Asset Mgmt (incl Quant funds)
 - Fronteer Solutions, Norway, unknown, Nov 2017
 - Iaib, Sweden, ~€600k, Apr 2018
 - InvestMate, Unknown, May 2018
 - Lysa AB, Sweden, SEK 40m, Aug 2018



Financing, continued

- Misc
 - TradeWorks Denmark, Trading Tech, €108k, Sept 2017
 - F&A Forecasting, Sweden, Timeseries analysis, €226k, Dec 2017
 - Limina, Sweden, Portfolio Mgmt System, €560k, Dec 2017
 - Midaxo, Finland, M&A Platform, €13m, Mar 2018
 - (Infront ASA raises NOK 100m in IPO)

Source, Nordic Tech List



Markets

- Equity IPO seems to be slowing down a bit in 2018 compared to 2017 (gross figures)
 - Nasdaq: >90 new listings since last conference (2017: 114, 2018: 56)
 - Spotlight Nordic (Aktietorget): 17 new
 - NGM: 11 new (2017: 25, 2018: 5)
 - Exception Oslo: 37 (2017: 26, 2018: 23)
- Systematic Internalizers
- Aktietorget
 - switches trading platform to NGM
 - Changes name to SpotLight
 - Introduces trading on Danish Instruments
- ****Exchange members
 - Additions/Deletions



Mentionable items

- Finwire (news) expands operation to Denmark
- Nasdaq and Cinnober have had several head to head client races, which Nasdaq has won the most of
- Scila and Smarts (Nasdaq) have been in several head to head cases
- Veronica has left Cinnober due to differences of company's direction with chairman
- Baymarkets has made a transition from an OTC Trading vendor to Clearing system
- Danske Bank are investigated in a huge money laundering scandal through its Baltic subsidiary
- Nasdaq Commodities Market got a hit when member Einar Aas failed his margin call (>€100M)
- <https://youtu.be/uHkvD7-u7y8>



MIFID II impact on the Nordic markets

- Nordic Bond trading model broken
- Worse quality analysts consensus on the Nordic instruments
- Auction on demand in various implementations (or – how to beat DVC with broker priority)



MiFID II impact on the Nordic Buy-side

- Reporting and administration has become a burden for small to mid-size funds.
- The trend is that corporations like EFA, State Street, Northern Trust, do all admin for the funds
- Saves cost for the funds and gives comfort to end clients
- Leads to consolidation in the market
- Fintech is taking over fund distribution
- Index following funds continues to grow, less admin
- Leads to consolidation
- AI leads to fewer funds but in the long run....
- Barriers to entry for new funds is harder than ever before
- New business opportunities in admin and new kinds of fund management



Focus for the year to come

- How to fix what MIFID II broke
- New clearing regimes(?)
 - Routines
 - Margin calculations
 - Margin levels
 - DCM rules