

The NASDAQ price – FAQ – Frequently asked questions

How to understand the NASDAQ Salmon report, example week 17 in 2020:

NASDAQ Salmon Index - Prices Per Weight Class

Weight Class (kg)	Price (NOK/kg)	1 Week Change	Distribution %	St.dev.
1-2	42.26	-0.07	0.50	1.90
2-3	49.23	0.90	7.07	1.92
3-4	53.01	0.05	16.65	0.99
4-5	53.35	-0.26	26.68	0.90
5-6	52.98	-0.01	24.15	0.68
6-7	49.55	-0.65	14.53	1.03
7-8	47.74	-1.66	7.24	0.92
8-9	47.18	-1.83	2.53	1.00
9+	46.51	-1.67	0.64	0.70
NQSALMON	51.70	-0.28		

- **NQSALMON** for week 39 was **51,70** NOK/kg average price all sizes. This is a volume weighted calculation. (price SUP1-2 of 42,26 * 0,50 % + price SUP2-3 of 49,23 * 7,07 % + price SUP9+ of 46,51 * 0,64%). **Week change. 0,28 NOK/kg** lower than in week 16
- **Distribution**, This is % of reported volume (not slaughtered volume). Remember that only export to Europe is included. Volume sold by air-freight etc is not included
- **St.dev.** Standard deviation is a mathematical formula of the variation in the prices reported. A low st. dev means that the exporters reported quite equal prices. A very easy example with 2 exporters. Average price 50,60 NOK/kg and st.dev 0,49. According

	Volume	Price	Average Price	Price dev.	Square 0,60*0,60	Mult with volume 2000*0,36
Exp A	2000	50,00	50,60	-0,60	0,36	720
Exp B	3000	51,00	50,60	0,40	0,16	480
	5000					1200
			Variance/kg (1200/5000)			0,24
			Standard deviation(v of 0,24)			0,49

to the mathematics 68% of the reported volume is within 50,60 NOK/kg plus/minus 0,49 NOK/kg. The mathematics need a lot of statistics to give a correct answer, but st dev is a good indication of the spread in prices reported from the exporters.

- Average St.dev for SUP3-6 kg salmon was 1,04 NOK/kg in 2019.

Page 2 shows the SUP3-6kg price of **53,14 NOK/kg** used for settlement of Fish Pool contracts:

NASDAQ Salmon Index 3-6kg weighted 30/40/30

Week 17/2020



Fish Pool
part of Oslo Børs ASA

NASDAQ Salmon Index 3-6kg weighted 30/40/30

NQSALMON 3-6kg (NOK/kg)	53.14	
1 Week Change	▼ -0.09	-0.17%
4 Week Change	▼ -2.85	-5.09%
12 Week Change	▼ -17.10	-24.35%

NASDAQ Salmon Index 3-6kg weighted 30/40/30 - Historical Prices

When is the volume that is reported slaughtered?

The price reported in the NASDAQ price is (almost 100%) volume slaughtered in the reported week. (same as it was in the NOS price)

Day of invoicing decisive: ex week 17-2020. The volume reported was invoiced in week 17, Monday to Sunday. All exported volume must be followed by an invoice to be custom cleared. There is a possibility that salmon slaughtered in week 16 was not sold and thus invoiced Monday - Tuesday week 17. If so, the volume will be reported in week 17-2020 as day of invoicing is decisive for the NASDAQ-report

When is the price that is reported agreed?

The price is agreed between exporter and customer in Europe at very different times. Some volume is agreed the week before delivery, and some volume is agreed on the day of slaughtering and transporting. Ex week 17-2020, a lot of the volume invoiced is agreed on Thursday and Friday in week 16. When the NASDAQ price is sent you by email Tuesday week 18, the NASDAQ price will reflect a market price from 10 days to 5 days ago.

How is the average weekly currency EURNOK etc calculated?

60% is Monday-Thursday in the spot reference week, 40% is the Friday the week before. Ex week 16 from April 20th – 24th, Friday 17th weights 40% and Monday 20th to Thursday 23rd weights 15% each.

What volume is reported, and are there volume limits?

In the new NASDAQ price all exporters selling more than 5 trucks HOG/ week, (app 5.000 tons/year) to Europe may report. The reported volume is thus much higher than the old NOS/FHL report. In 2019 an average of 4.970 tons/week was reported.

There is a 25% volume limit per reporting company on total reported volume (not per size). Ex: One week 4500 tons is reported from several exporters, one exporter reports 1600 tons (thus 26%), this exporters volume is reduced to 1500 tons (thus 25%) by reducing volume of all sizes by 9,4%. For the small volumes, SUP1-2, SUP7-8 etc it may happen that one exporter has much more than 25% of the total volume of these sizes.

What product is reported?

Standard SUP – salmon, including Global gap, but not Label rouge, organic and ASC (they are normally sold on fixed price contracts and thus excluded). Not air-freight, fillets and other non-standard whole gutted salmon products. Also not fixed-price contracts, nor promotions like 2-3 weeks fixed prices. Not sales within Norway, to other exporters or Norwegian clients. Either place of delivery or customer address must be in one of the listed European countries below.

How much of the total export volume is included in the Nasdaq report?

Exporters representing approximately 2/3 of the export volume participates in the Nasdaq report. In 2019 a total of 1350' tons were slaughtered and 891' tons exported from Norway, 730' tons to EU. On average 14.036 tons were exported weekly to EU and 4.970 tons reported as standard spot sale to Nasdaq:

Salmon volume 2019:	Average weekly	%	Total in 2019	
Slaughtered volume round weight	25 962		1 350 000	tons
Export fresh salmon HOG	17 129		890 712	tons
Export outside of EU-27	-3 093			
Export to EU-27	14 036	100 %	729 857	tons
30% to fixed prices:	-4 211	-30 %		
10% ORD, ASC. etc special	-1 404	-10 %		
10% internal deliveries + Nasdaq ind	-1 404	-10 %		
Total sale EU to spot prices	7 017	50 %		
30% exp non-reporting companies	-2 047	-15 %		
Spot sale to EU from reporting comp	4 970	35 %		

Around 35% of the total fresh export volume to EU is included in the Nasdaq report. The following volumes are not included. Fish Pool has estimated the %:

- Fillets, frozen, ORD; ASC etc (only Head on gutted incl Global Gap)
- Sales outside EU-27 and sales to Norwegian buyers
- Internal deliveries within a company and Nasdaq indexed sales contracts
- Fixed price contracts

What information is used from each exporter in producing the price?

Information from the invoices is used in the report. The NASDAQ – report is calculated using only the following information on each invoice. Example for the calculation:

- Volume in kg. Ex: 1.110 kg SUP3-4
- Invoiced amount in currency. Ex: 5.550 Euro
- Incoterms. Ex: DDP
- Country of delivery: Ex: Germany

What standard information is used to calculate the NASDAQ price?

The following information is used to calculate the standard price:

- Average standard currency for the relevant week. (all exporters use exactly the same average currency rate)
- Freight from Oslo to each country (average freight estimate. The same standard freight is used for full-loads, part-loads and pallets transported)
- Custom 2% into EU and export fees 0,60%

Example – how do you come from 5,00 EUR/kg DDP in the invoice to 52,14 NOK/kg Oslo?

Pink figures: info from IT system of exporter			
Red figures: standard figures for all exporters			
Country	Germany		
Incoterm:	DDP		
Produkt	SUP3-4	kg	
Invoiced	5 550	Euro	
Weight	1 110	kg	
Amount	5,00	Eur/kg	
EURNOK	11,0000		Average currency for the week
In NOK	55,00	NOK/kg	
Freight	-1,10	NOK/kg	Same freight all over Germany
Price EU border	53,90	NOK/kg	
EU-cust 2%	-1,06	NOK/kg	Customs to EU is 2%
Added	-0,02	NOK/kg	Calculated as 2% of customs
Exp duty 0,60%	-0,32	NOK/kg	Market 0,30%, science fee 0,30%
Fixed 400/order	-0,36	NOK/kg	400 NOK divided by kg - here 1110kg
Oslo price	52,14	NOK/kg	

What are the standard freights used in the calculation?

When the seller pays the freight, the invoiced amount includes freight costs. To calculate Oslo prices a standard freight rate is deducted. For deliveries in the European countries, the following freight rates are used.

This is an estimated average of full-loads, pallets etc. Most sales to Russia and east-Europe are sold FCA and EXW packing station, where the customer collects the salmon. Freight is thus not included in the invoice. All salmon sold at FCA and EXW terms are **added 0,85 NOK/kg** (increased from 0,65) as standard freight rate to Oslo (same standard 0,85 NOK/kg wherever in Norway the customer collects his salmon)

Freights used from May 2020:

Country	New	Old									
Swed	0,80	0,55	Germ	1,10	0,98	Austr	1,95	1,58	Ukraine	2,30	1,75
Finl	0,95	0,60	Belg	1,25	1,05	Switz	1,95	1,58	Belar	2,30	1,75
Denm	0,85	0,63	Neth	1,25	1,05	Italy	2,25	1,73	Czech	2,15	1,75
Estl	1,10	1,00	Lux	1,25	1,05	GB	2,50	1,88	Slov	2,15	1,75
Latv	1,10	1,00	Poland	1,20	1,10	Spain	2,60	1,93			
Lita	1,10	1,00	France	1,75	1,50	Port	2,75	2,07			

Why do you use 0,85 NOK/kg as add-on to Oslo from all over Norway?

For all salmon sold delivered outside Norway (DDP og DAP) the 0,85 NOK/kg is not used at all. The freight costs are included in the invoiced price, and the deduction method – see above is used.

The add-on to Oslo is only relevant for salmon sold FCA and EXW, where the buyer collects the salmon in Norway. The invoice does not contain freight, and 0,85 NOK/kg is thus added to calculate

an Oslo price. Most of the salmon sold to Eastern Europe (and Russia) is sold FCA or EXW. For these sales 0,85 NOK/kg is added, wherever in Norway the salmon is collected, packing station or Oslo.

What controls are there of the reported figures?

There is a weekly control when each company is reporting. There is ongoing audits done annually of Kontali Analyse AS of the reporting companies, where more than 50% of reported volume is audited annually, and the audit report is made public.

How can I use the NASDAQ price to calculate my selling and buying price?

The new NASDAQ Salmon Index will give a correct estimate of the prices in the physical market. Fish Pool recommends all buyers and sellers to calculate the difference between the price they sell at packing station or buy DDP delivered own plant and the NASDAQ price. This is important for comparing a fixed price delivery contract DDP your plant with a financial contract with reference Oslo. NASDAQ prices are calculated using standard freight rates etc. buyers should be careful in expecting that a cost calculation using the exact transport costs from Oslo to your plant will give an exact price for a DDP delivery

Why is salmon sold to overseas markets by air-freight not included?

Salmon sold by air-freight to overseas markets are not included in the NASDAQ price calculations. The freight costs are a large part of the invoiced amount. It would be impossible to use standard calculations for salmon transported by air-freight and the errors in calculating an Oslo price would be too high.

Where can I find more details about spot prices for salmon?

Click the following link to historical Nasdaq spot prices: <http://fishpool.eu/price-information/reports/nasdaq-salmon-index-archive/> On this page, you will also find a link to historical NASDAQ and NOS/FHL prices back to 1995.

FAQ concerning the old NOS/FHL – price and the new NASDAQ price:

What is the main difference between NOS and NASDAQ price?

NOS price was an exporters **buying** price. Price paid by exporters buying from external farmers in Norway. (*external* means farmers not owned by the exporters). NASDAQ price is an exporters **selling** price. Price paid by European buyers to exporters.

Was the NOS/FHL price an exact purchasing price Oslo?

The NOS price reported price paid to farmer at packing station. A standard add-on for freight to Oslo was used for all; South Norway 0,50 NOK/kg, Nordland 1,00 NOK/kg and Troms/Finmark 1,30 NOK/kg. If a lot of salmon was transported from the north of Norway eastbound, and from the west of Norway south and westbound, the exporters may have had lower costs than the standard NOS calculation to Oslo indicated.

Is the NASDAQ price an exact selling price Oslo?

Only salmon transported by truck is included in NASDAQ, (around 80-85% of volume exported in 2011-12). Figures from SSB – Export Statistics Norway indicate that salmon sold by air-freight is sold at higher average prices. The NASDAQ report uses standard calculations and rates for freights, duties etc. The real costs for each exporter may vary.

What is exporter's margin?

Exporters margin is normally defined as sales price minus purchasing cost and all costs that can be allocated to each order; transport, duties, terminal costs etc. (Fixed costs like salary, rent, phones etc are not included when defining the margin)

What was the difference of 0,75 NOK/kg between the NOS and NASDAQ price?

This is the estimated difference between the old NOS price and the new NASDAQ price. From week 29 in 2012 until week 13 in 2013 the exporters had a parallel reporting of both NOS and NASDAQ price. Kontali did an additional analysis for 3 exporters for the whole of 2012. In total, we estimated a historical difference of 0,75 NOK/kg, and Fish Pool thus added 0,75 NOK/kg on the NOS price for SUP3-6 kg to convert to Nasdaq Oslo.

Please note that the NASDAQ price is a completely new price at a new point of measuring with very different exporters reporting. It is thus not correct to say that the difference between NASDAQ and NOS is selling price minus buying price and thus exporter's margin.

The NASDAQ price is a completely new price at a new point of measuring with very different reporters reporting. The concept of standard calculations, see above, also indicates that the exporters margin cannot be defined using NASDAQ and NOS as reference.

The NOS price stopped in week 13-2013. That comparison can no longer be done.