

EEX Gas market update

9th July 2020

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EEX Gas Market Updates

- After more than 4 years of existence of Pegas platform under Powernext license, EEX has successfully integrated Powernext and Gaspoint Nordic as of 1 January 2020:
 - Single point of contact for power futures, emission certificates and gas markets
 - Offer power derivatives and gas markets under one Exchange license
 - Local sales teams and Customer Care department
 - Simplified admission process and harmonized price list
- Introduction of EEX Online Exam, acceptance of scans for admission process during Corona times, implementation of EEX Natural Gas Newsletter
- Introduction of single PEG product, Spanish gas (PVB) and LNG product in 2019

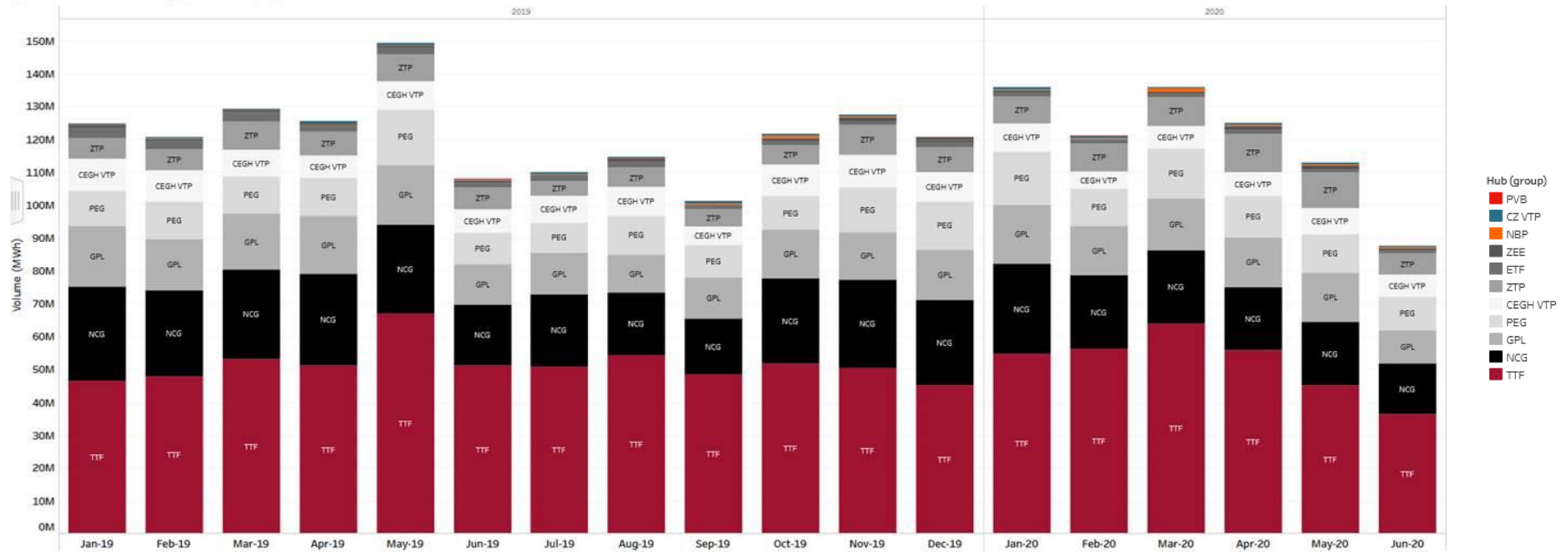
Gas market volumes

Gas Market Trends

- High activity on the wholesale gas market in Q1 2020 because of volatility, but there was a slow down in Q2 2020
- Spot overall volumes are decreasing but EEX market share is stable and even growing in certain hubs
- Futures volumes overall are slightly decreasing compared to last year, with the Austrian hub becoming more and more liquid but with UK and ZEE hubs being less attractive

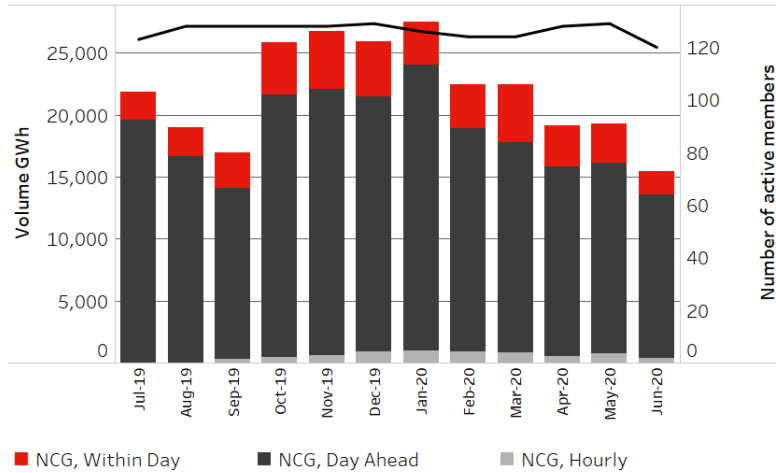
EEX Gas Volumes – Global Gas Spot

Spot - Volume 1-sided Hub(s): None - Split per hub

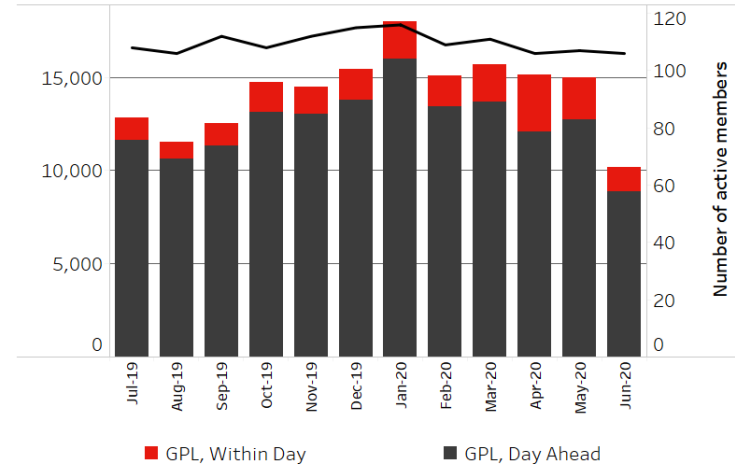


EEX Gas Volumes – Gas Spot Details 1/3

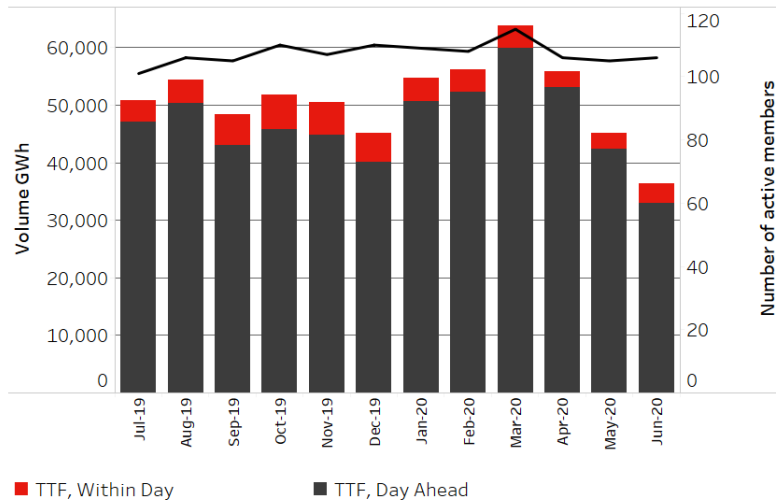
Evolution of EEX Gas volumes - Spot- NCG



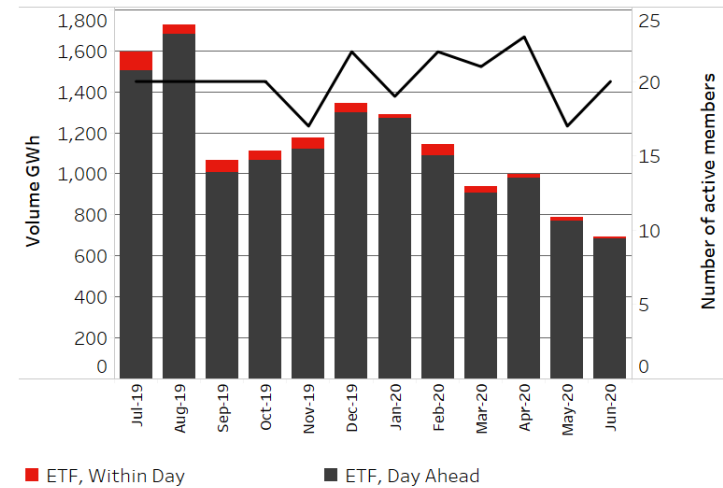
Evolution of EEX Gas volumes - Spot- GPL



Evolution of EEX Gas volumes - Spot- TTF

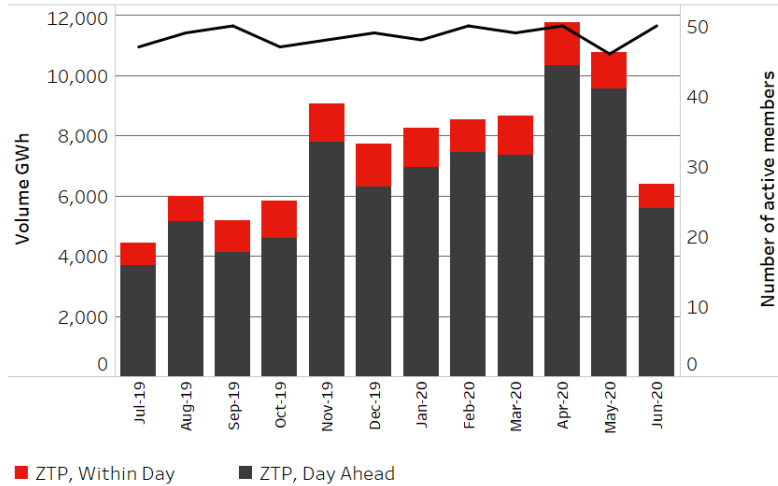


Evolution of EEX Gas volumes - Spot- ETF

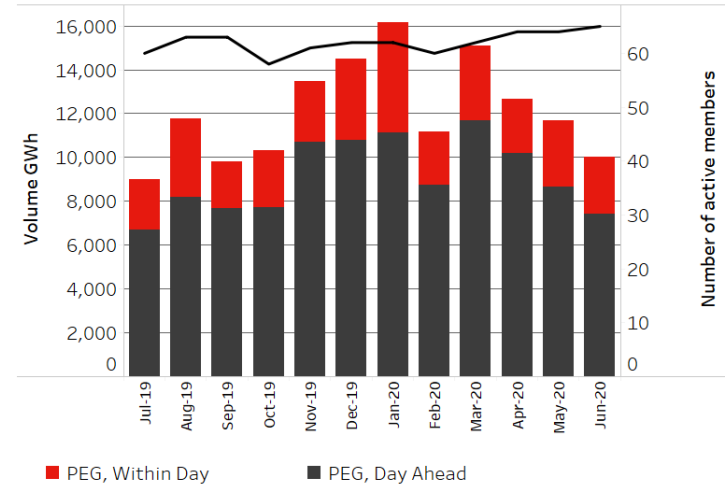


EEX Gas Volumes – Gas Spot Details 2/3

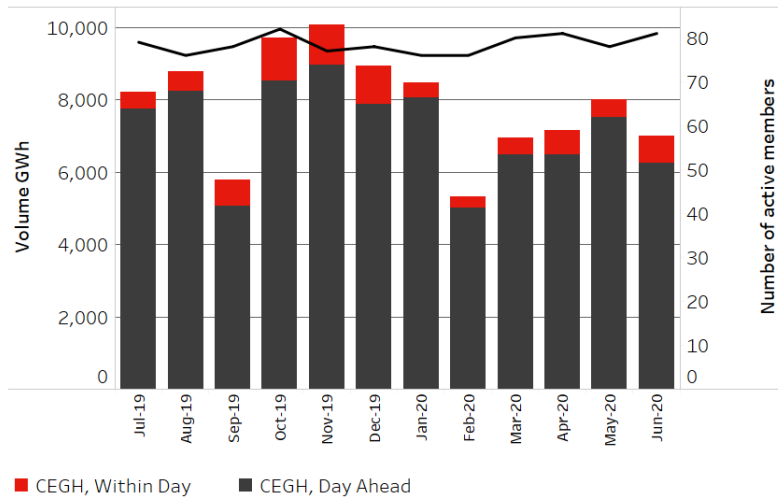
Evolution of EEX Gas volumes - Spot- ZTP



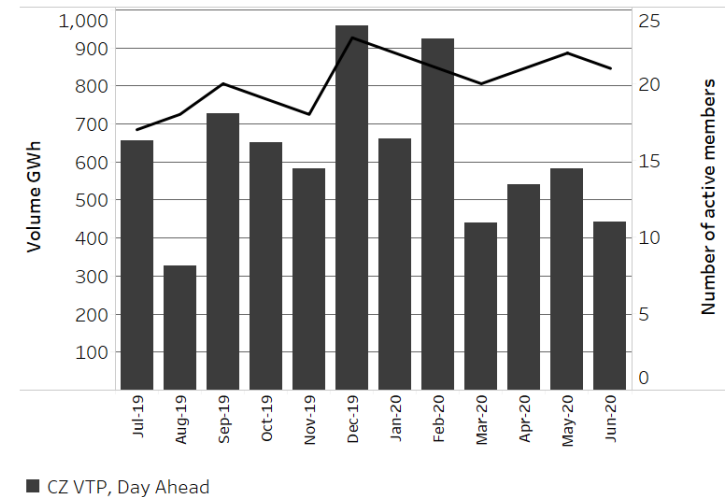
Evolution of EEX Gas volumes - Spot- PEG



Evolution of EEX Gas volumes - Spot- CEGH

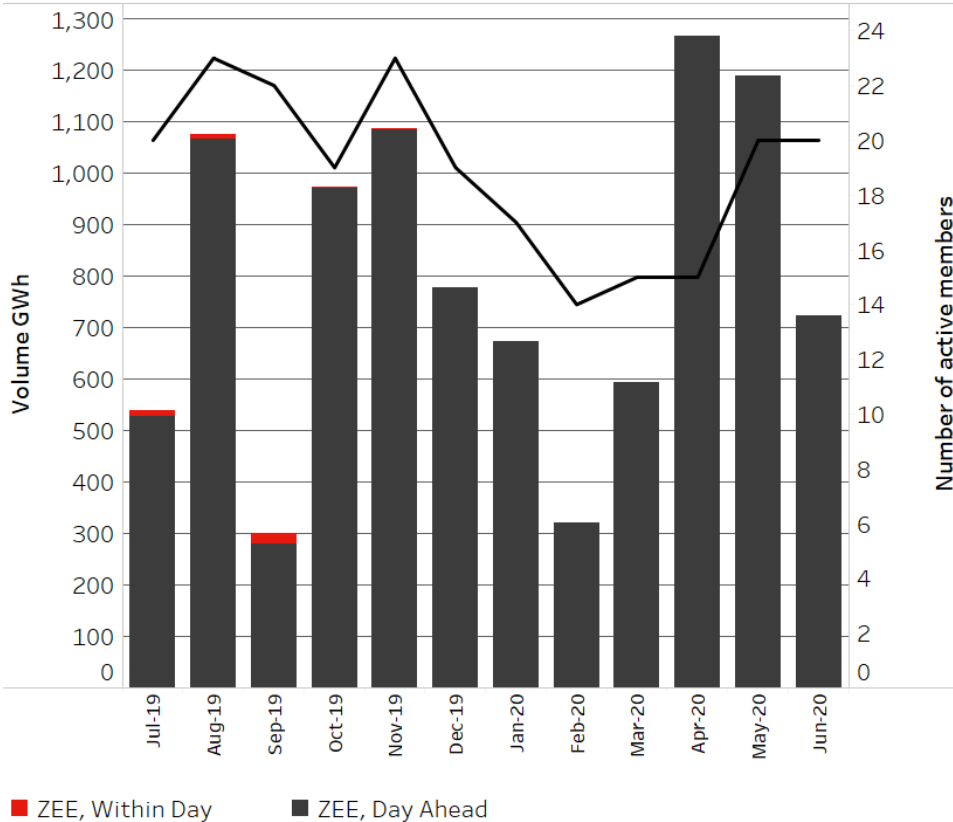


Evolution of EEX Gas volumes - Spot- CZ VTP

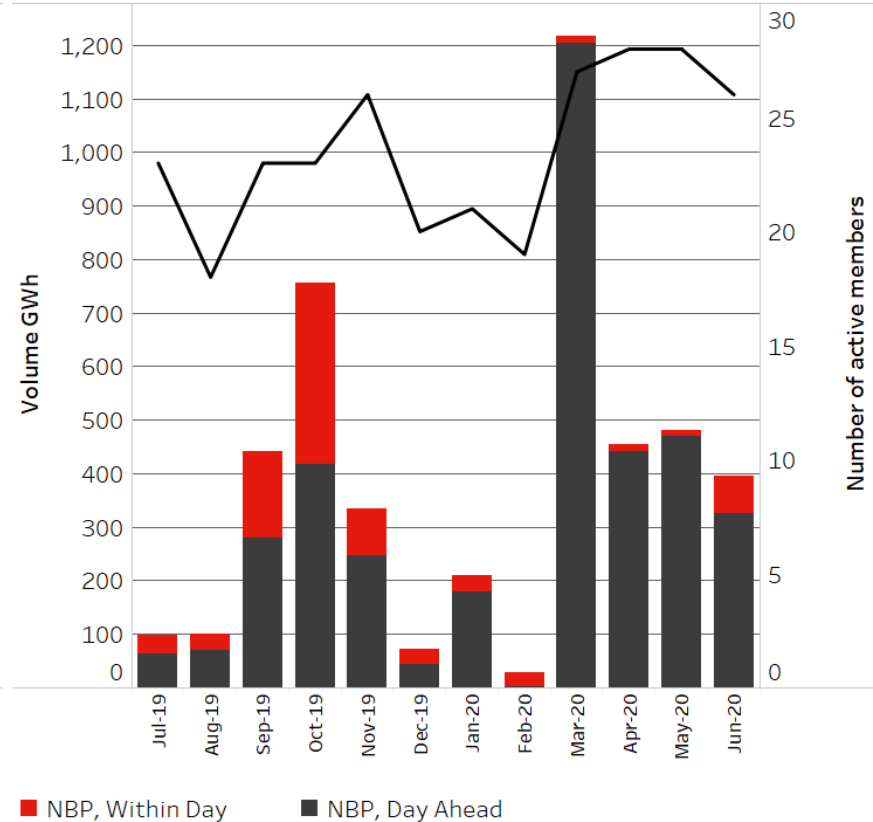


EEX Gas Volumes – Gas Spot Details 3/3

Evolution of EEX Gas volumes - Spot- ZEE

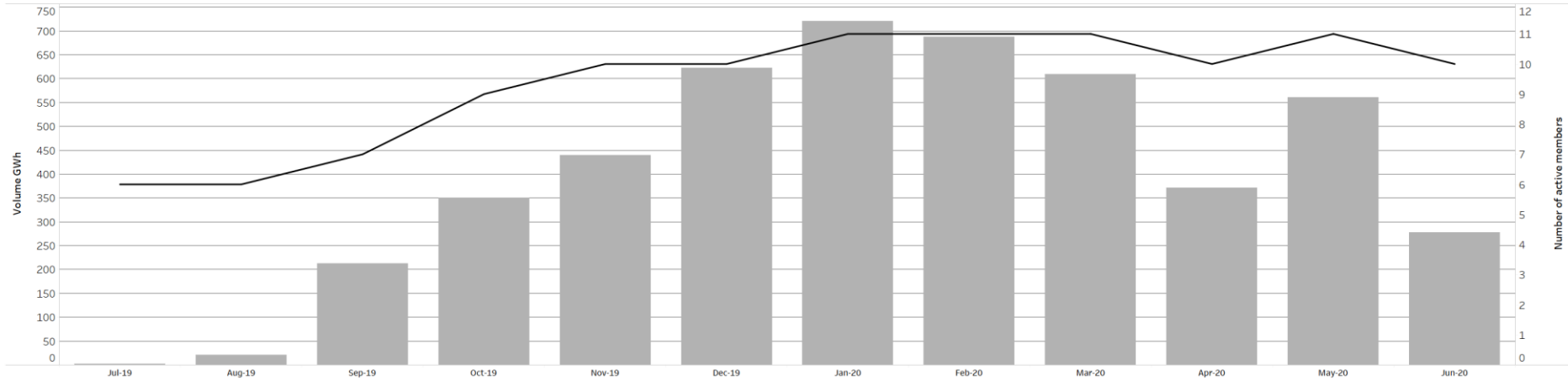


Evolution of EEX Gas volumes - Spot- NBP

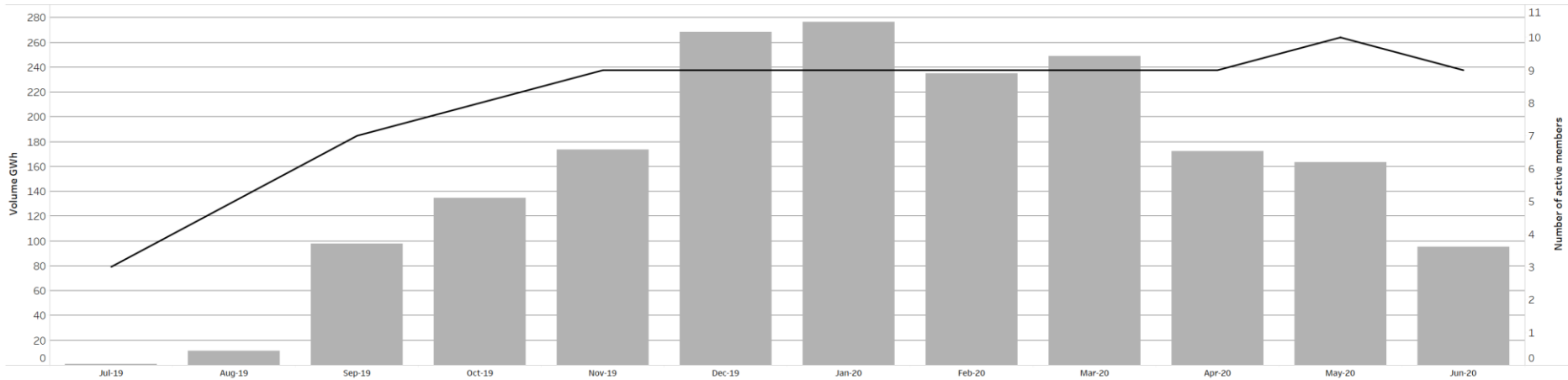


EEX Gas Spot Hourly Market

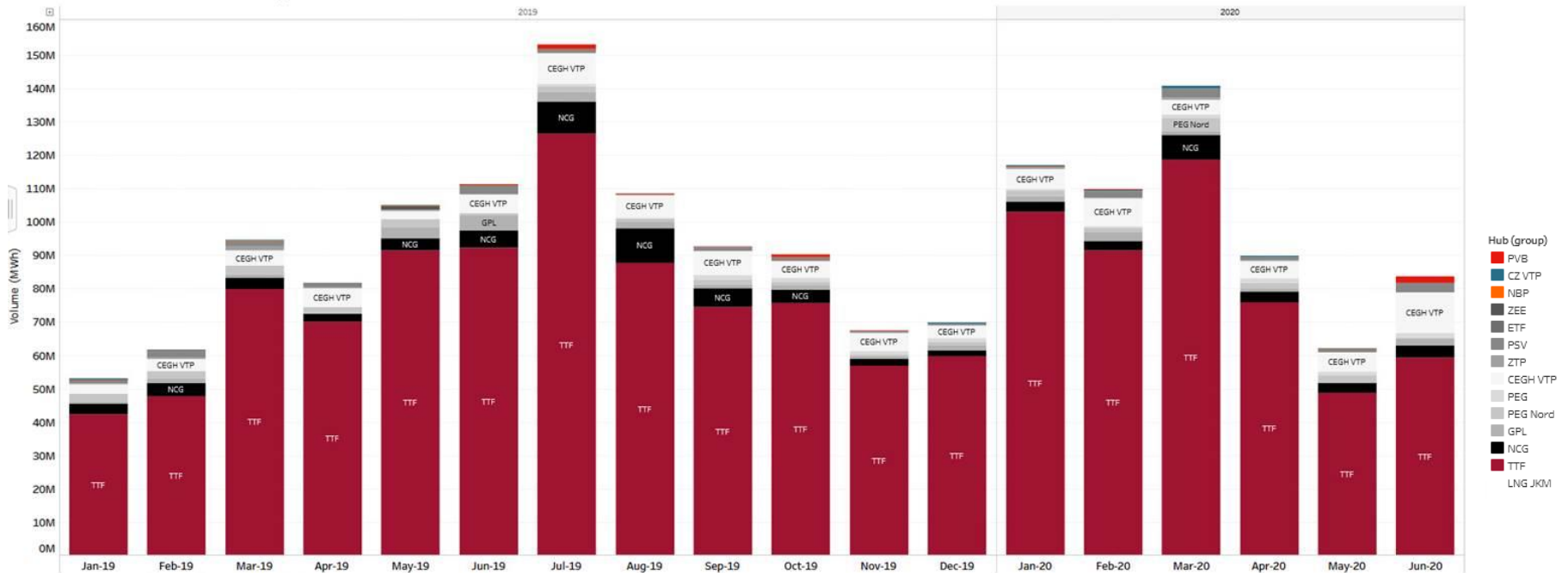
Evolution of EEX Gas volumes - Spot-NCG L Elten



Evolution of EEX Gas volumes - Spot- NCG L Vreden

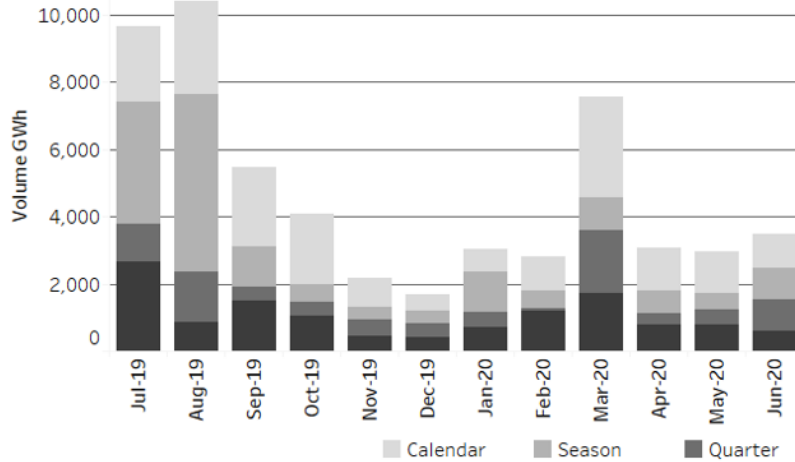


EEX Gas Volumes – Global Gas Futures

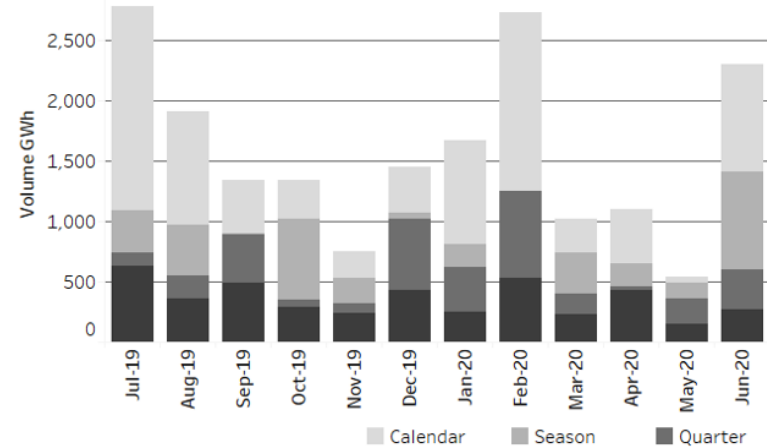


EEX Gas Volumes – Gas Futures Details 1/2

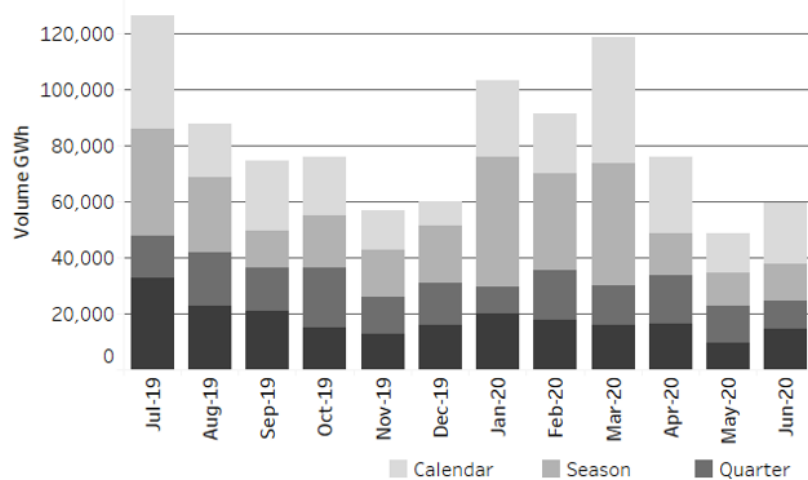
Evolution of EEX Gas volumes - Futures- NCG (Exchanges + TR)



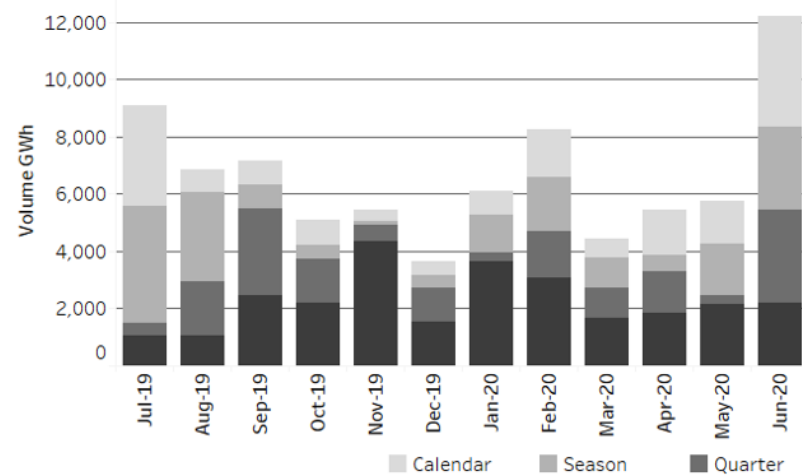
Evolution of EEX Gas volumes - Futures- GPL (Exchanges + TR)



Evolution of EEX Gas volumes - Futures- TTF (Exchanges + TR)

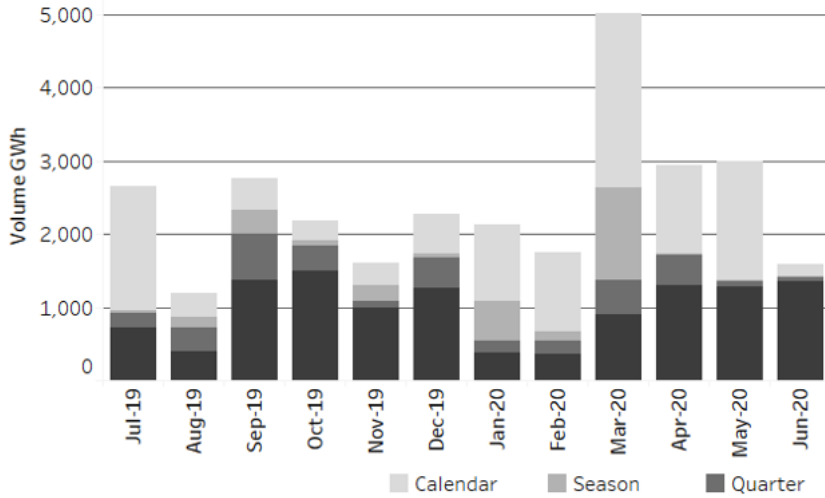


Evolution of EEX Gas volumes - Futures- CEGH (Exchanges + TR)

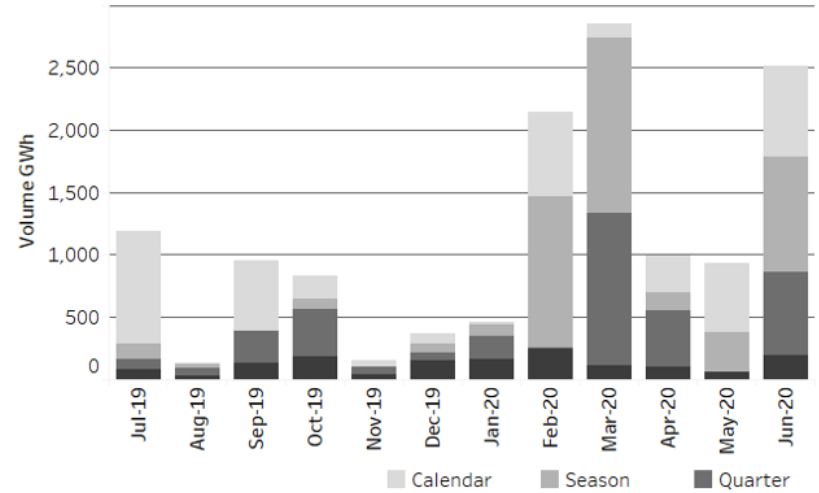


EEX Gas Volumes – Gas Futures Details 2/2

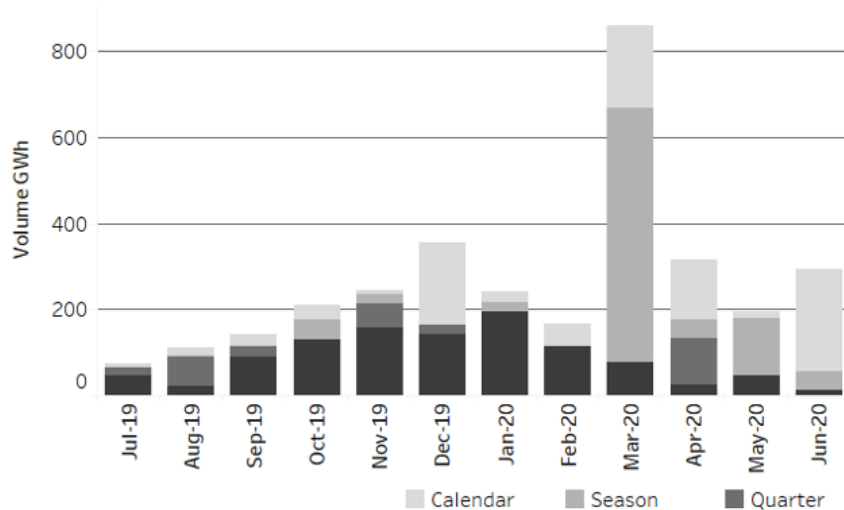
Evolution of EEX Gas volumes - Futures- PEG (Exchanges + TR)



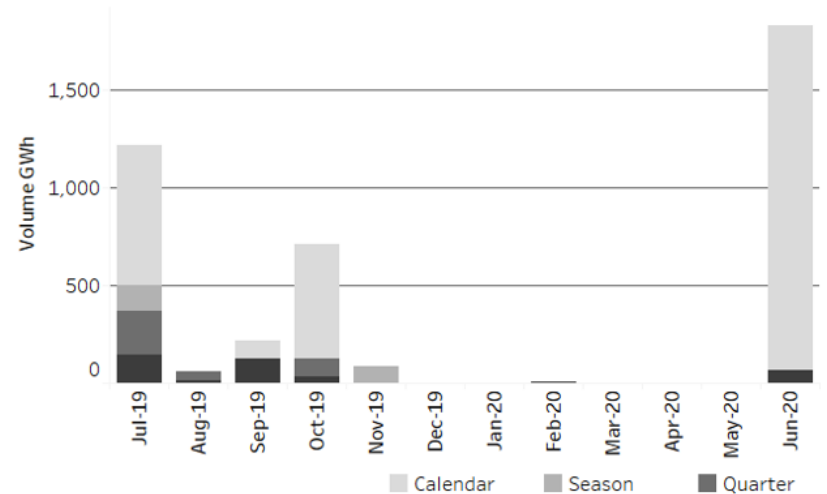
Evolution of EEX Gas volumes - Futures- PSV (Exchanges + TR)



Evolution of EEX Gas volumes - Futures- CZ VTP (Exchanges + TR)



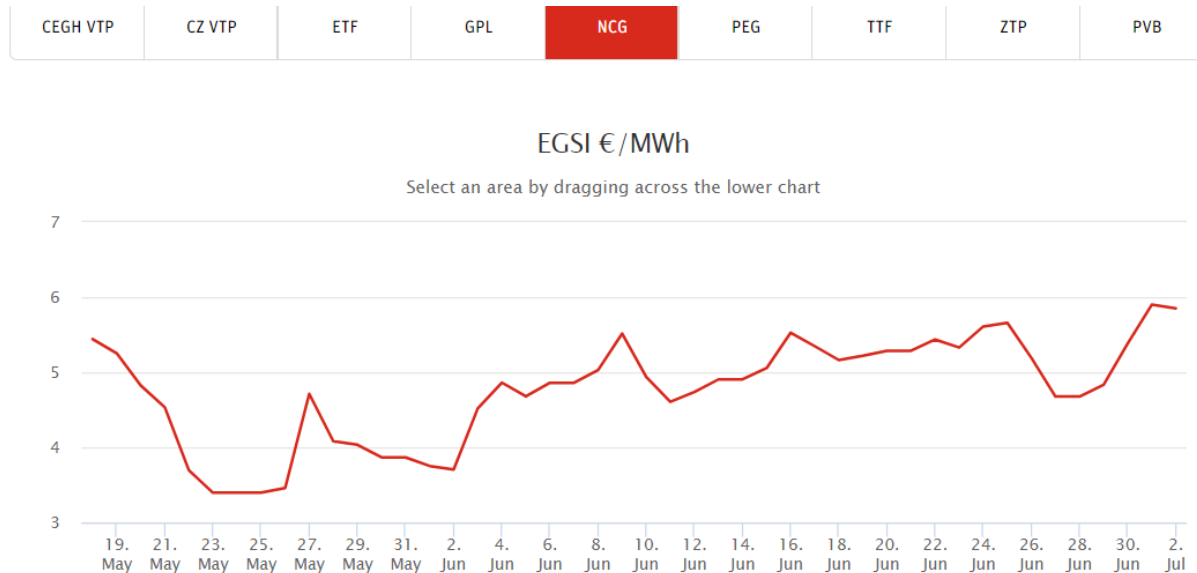
Evolution of EEX Gas volumes - Futures- PVB (Exchanges + TR)



Negative prices

Price trends

A small rebound of the gas prices in June: EEX EGSI



Prices dropped in May, both on spot & derivatives. Discussions around potential negative prices later this summer, especially on TTF and on German hubs, are getting more attention

Activation of negative prices on EEX markets

- Given the recent price trends, EEX is getting ready to introduce negative prices on its markets.
- EEX and ECC have already a great experience in handling negative prices as negative prices are activated on EEX Group power spot markets
- First focus is the gas spot market
 - EEX is now technically ready to activate the possibility to trade negative prices if there is a need
 - EEX is now coordinating with grid operators and regulators on a date of activation
- You will all be informed soon on the date of activation

Focus on German hubs

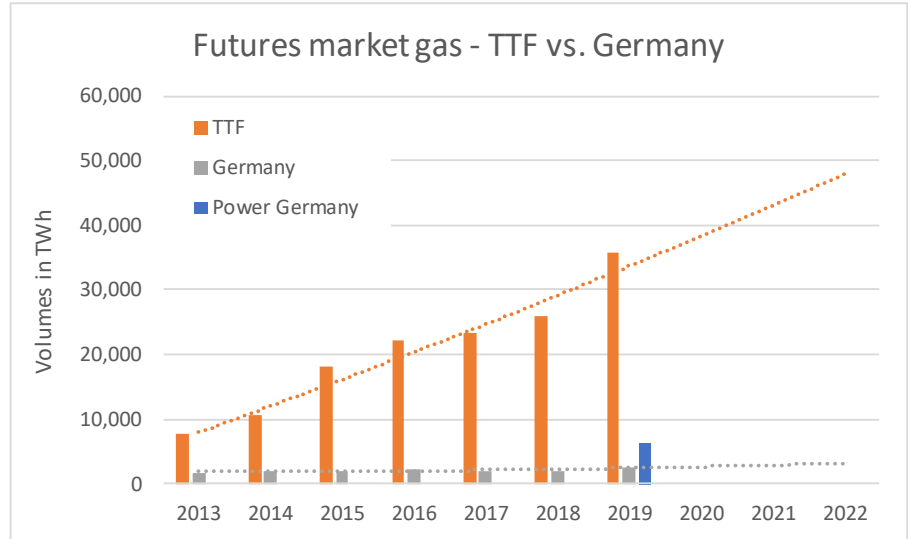
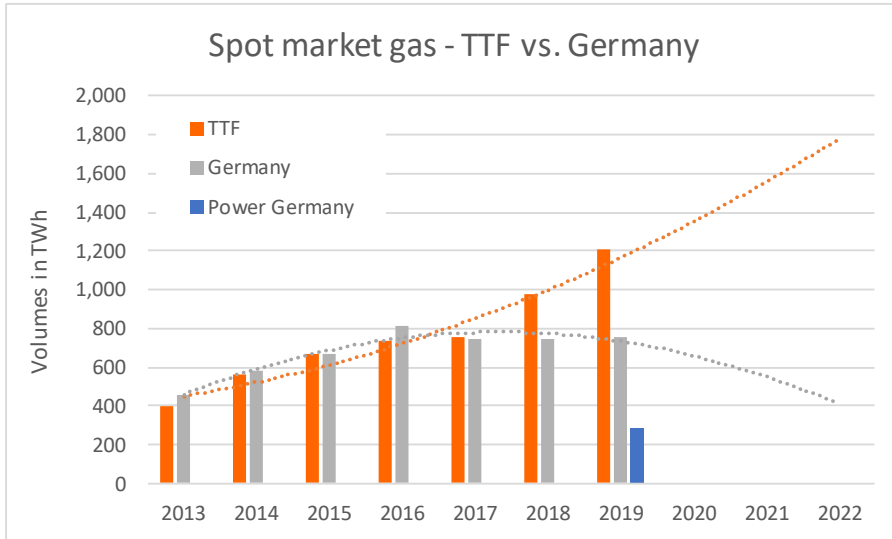
Financial incentives for NCG futures trading

“Market Maker” program of MAM NCG offered since January 2019

- Rewards companies that commit ahead toward the MAM to trade a minimum volume in M+2 and Q+2 products at VTP NCG during a fixed time period
- Idea: Shift of (physical) trading volumes from neighbouring markets to NCG
- The five winners of the tender with the highest commitments get k€ 100 each
- Program shows strong success as early as in 2019:
 - Vs. 2018: + 50% gas volumes traded (ca. 30 TWh) in rewarded M+2 und Q+2 products
- Small adjustment for 2020 tenders by NCG (6 months, k€ 50) → two tenders (both oversubscribed)

Good to know: For the 5 winners of the tender, EEX, on request, waives all trading, trade registration and clearing fees for trading in M+2 and Q+2 products

Today: Different acceptance for German power and gas



High liquidity in German power futures market, huge gas demand in Germany, high number of active market participants and introduction of single German Gas market area THE can support the liquidity of German Gas Futures market

German zone merger

- NCG and Gaspool will merge as of October 2021. New zone will be called THE (Trading Hub Europe).
- 2 options are still opened for derivative trading on THE

NCG renamed as THE	New THE order book created																																																																																																																																																																															
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Other product development

Study on launching cash-settled futures

- On top of its physical contracts, EEX is studying the launch of cash-settled futures on three hubs: TTF, THE and CEGH
- Trading these cash-settled products would have the following advantages:
 - Pure financial firms would more easily access to gas derivatives
 - Financial/Financial spark spreads could be launched between power and gas
 - Settlement would be done against reliable EEX gas spot indexes
- Several design options are still open and under discussion amongst market participants
 - Choice of the gas spot index: EEX EGSI (average price during the day) and EEX EOD (end-of-day price)
 - Choice of a settlement window: alignment with power settlement window (15:50 to 16:00) or with the physical gas futures settlement window (17:00 – 17:15)
- If you have some interests in these contracts, feedback is welcome!

Study on enabling direct clearing participant model for gas

- Today, EEX Group offers Direct Clearing Participant (DCP) model for trading on power spot, capacity guarantees and guarantees of origin
- The DCP membership is designed to connect market participants directly to ECC. By reducing access requirements and redefining risk controls it enables more players access to ECC-approved spot markets.
- ECC is studying the opportunity to launch such model for gas spot trading to enable smaller trading entities to access gas spot market.