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EEX Market Monitor
by the Market Surveillance of EEX
Q2/2009

1 Quarterly Report by the Market Surveillance

The seventh issue of the EEX Market Monitor is published this month. It constitutes the report by the Market Surveillance (HÜSt) of the European Energy Exchange (EEX) for the second quarter of 2009.

The Market Monitor focuses on subjects of regulation and monitoring of the energy market in general and on the EEX in particular. Furthermore, it is intended to provide a report on the development of the markets during the respective past quarter in a neutral and objective manner.

In this issue for the second quarter of 2009 we will introduce the procedure for the establishment of the respective settlement prices in connection with the transfer of the French Power Futures from Powernext to the EEX Power Derivatives GmbH (EPD) as of 01 April 2009. After that, we will summarise the events on the market over the past three months on the EEX as in the previous issues; moreover, we will add the French Power Futures in this issue for the first time.

As during the last issues our glossary will be expanded with further terms which come from the field of clearing in this case.

The EEX Market Monitor is not only intended for the EEX trading participants and their compliance departments but also and in particular for the interested public. We hope to reach associations, authorities as well as all those persons interested in the liberalised energy market and in the EEX with this publication. We provide the EEX Market Monitor on our internet site but are also pleased to send it out via e-mail. To that end, we provide the possibility of subscription. After that, you will automatically receive the respective current EEX Market Monitor upon its publication. Please send a short e-mail to surveillance@eex.com to that end.

We hope that you will enjoy reading the EEX Market Monitor.

We are very grateful for recommendations and suggestions.

Your EEX Market Surveillance Office

2 Report on the Activities of the HÜSt for the Second Quarter 2009

The second quarter of 2009 was once again characterised by numerous innovations for the European Energy Exchange (EEX). For this reason, the EEX Market Surveillance would like to report on the impact which these innovations have had on its work as well as on its regular activities for monitoring trading on the EEX.

During the past quarter, the HÜSt continued its activities aimed at monitoring the EEX markets. On the one hand, this was ensured through daily analyses in the framework of which possible violations were identified. However, all of these were cleared up again in contact with the respective trading participants concerned. Furthermore, several more detailed investigations were carried out – both on account of current reasons and upon inquiries by the Saxon Ministry of Economic Affairs and Labour (SMWA).

As of 01 April 2009 the French Power Futures, i.e. power futures with physical delivery in France, were contributed to the EEX Power Derivatives GmbH. This means that an essential milestone in the power trading co-operation between the European Energy Exchange AG (EEX) and the Powernext SA in Paris has now been reached.

As a result of the transfer of the French Power Futures, monitoring of the trading activities in these contracts has now become part of the field of activity of the EEX Market Surveillance. For this reason, the HÜSt has looked into the French power market intensively in order to acquaint itself with its particularities and, especially, the differences compared with the German/Austrian and Swiss power market over the past months.

Furthermore, technical innovations, such as a different type of the establishment of settlement prices, were implemented in connection with the contribution of the French Power futures. The HÜSt also analysed these procedures and we would like to specifically address and present the procedure for the establishment of settlement prices in more detail in this issue of the Market Monitor.

The results of these analyses of power trading on the French market were analysed by the HÜSt and considered with regard to its monitoring activities. For example, the process for daily monitoring of trading was adjusted as a result.

However, it was not only the expansion of the field of activity of the HÜSt with regard to the co-operation with Powernext but also the merger of EEX Power Spot into EPEX Spot, which is scheduled to take place on 01 September 2009, which was important. In order to prepare this step the Market Surveillance Offices of the EEX and of EPEX Spot as well as the German Exchange Supervisory Authority (SMWA) and the French regulator (Commission de régulation de l'énergie) were in close contact. In this process, the co-operation with the Market Surveillance of EPEX Spot, in particular, was intensified. Workshops as well as numerous intense conversations enabled the Market Surveillance Offices to report on their activities and to exchange experience. This helped to lay the foundation for a close future co-operation between the two Market Surveillance Offices. The active exchange of information and expertise, which has already been established this way, will be appropriately expanded and intensified further in order to ensure a comprehensive, coherent and integrated analysis and supervision of the power markets concerned.

3 The New Procedure for Settlement Pricing

The French Power Futures Market was transferred from Powernext to EEX Power Derivatives Markets (EPD) with effect as of 01 April 2009. A new mathematical settlement pricing procedure, which is identical with the one used by Powernext and will initially be exclusively used for the French Power Futures, was introduced at EPD together with the French Power Futures. The settlement pricing procedure is to be changed for all underlyings based on the automated Powernext methodology in further steps.

The settlement price is calculated for every contract traded on the EEX Derivatives Market at the end of every exchange trading day. This price reflects the market value of the contract as of the end of trading of every exchange trading day. The difference between two settlement prices regarding consecutive exchange trading days constitutes the measurement parameter for the change of the value of the contract, which is used to establish the Variation Margin at the end of every exchange trading day.

In addition to this, the settlement prices are published and, hence, serve as indicators for the general trading activities on a given day. They constitute an important reference parameter for the entire market. The settlement prices on the EEX Power Derivatives Market are also used as reference prices beyond Germany on the European markets. As a result of this, their correct determination needs to be ensured, especially with regard to their importance not only for the trading participants but also e.g. for industrial and private final consumers.

Under the procedure which will be replaced by settlement pricing for the French Power Futures, a check is carried out for every contract (all maturities of all products) as to whether a trade with a quantity of at least 5 contracts has taken place during the last 30 minutes prior to the end of trading. If such a trade has been concluded, its price corresponds to the settlement price. If there are several trades fulfilling these criteria, the chronologically last trading price corresponds to the settlement price.

Should these criteria not be fulfilled, the chief trader procedure is to be applied. Under this procedure, prices – the so-called fair values – are inquired from the traders. An average is established from the different price specifications communicated by the traders with the possibility of excluding indicators from the calculation if they deviate considerably from the average. The value established this way corresponds to the settlement price provided the following preconditions are also fulfilled:

As a rule, the price established this way should lie within the spread, i.e. the range between the last best bid and the last best ask. In this context, the best bid corresponds to the price of the buy order with the highest price limit and the best ask corresponds to the price of the sell order with the lowest price limit. If the price established using the chief trader procedure does not lie within the spread, it is established by Market Supervision in accordance with the situation on the market.

Finally, the settlement prices have to be free from arbitrage. Freedom from arbitrage means that the relation of the settlement prices of the three month contracts to the corresponding quarter contract and of the four quarter contracts to the corresponding year contract is ensured.

The automated mathematical determination of the settlement price according to the procedure applied for the French Power Futures is carried out in several steps during which orders and trades relevant for the calculation have to be selected first. These must fulfil certain criteria regarding the time at which the order was entered as well as regarding the number of contracts. Afterwards, the selected orders and trades are used to establish various average values with regard to spreads and prices. These averages in turn are weighted differently, settled into an averaged price which corresponds to the settlement price subject to the check for freedom from arbitrage. In detail, this comprises the following:

The settlement price is established according to the new procedure on the basis of the order book situation during the last 10 minutes before the end of trading. In this context, only orders and trades with a defined minimum number of contracts are considered. This minimum number amounts to 3 contracts for year futures, to 5 contracts for quarter futures and to 10 contracts for month futures. The following values are then established on the basis of the orders and trades which fulfil these conditions:

The `CumulatedSpreadDuration` corresponds to the cumulated time during which there was at least one buy order and one sell order in the system at the same time. Individual periods (`Duration(A)` ... `Duration(E)` ...) are determined and added on the basis of this best bid – best ask spread. In this context, one duration corresponds to the period of time during which there was both a constant best bid and a constant best ask.

The `WeightedAverageTradePrice` corresponds to the volume-weighted average of the trade prices.

The `AverageBestBid` and the `AverageBestAsk` are weighted averages of the best bid and the best ask. Weighting is effected on the basis of the duration for which the best bid and the best ask were valid respectively.

The `AverageMid` is the average established from the `AverageBestBid` and the `AverageBestAsk`, whereas the `AverageSpread` constitutes the difference between the `AverageBestAsk` and the `AverageBestBid`.

These values form the basis for the calculation of the settlement price. In addition to this, the following conditions also play a role:

Condition A: The `CumulatedSpreadDuration` is higher than or equal to 3 minutes (0.3 multiplied by the period for the establishment of the settlement price – which corresponds to 10 minutes in this case).

Condition B: The `AverageSpread` is smaller than or equal to the `MaxSpread`. The `MaxSpread` is determined individually for every contract and amounts to between EUR 3 and 5 per MWh for month futures, between EUR 2.5 and 6 per MWh for quarter futures and to between EUR 1.5 and 6 per MWh for year futures.

Depending on the fulfilment of these conditions and depending on the number of trades concluded the settlement price is determined differently. In this context, five cases are differentiated:

Case 1: If there were at least two trades which are included in the determination of the settlement prices and condition A as well as condition B were fulfilled, the settlement price corresponds to the WeightedAverageTradePrice.

Case 2: If there was only one trade for the calculation of the settlement price and if condition A as well as condition B were fulfilled, the settlement price proportionately consists of the AverageMid and the WeightedAverageTradePrice depending on the proportion of the trade volume to the minimum number of contracts.

Case 3: If there was only one trade and condition A or condition B were not fulfilled, the settlement price corresponds to the WeightedAverageTradePrice.

Case 4: In case there was no trade for the determination of the settlement price and condition A as well as condition B were fulfilled, the settlement price corresponds to the AverageMid.

Case 5: In case there was no trade and at least one of the conditions A or B was not fulfilled, the chief trader procedure is applied, which essentially corresponds to the procedure described above.

Once the settlement price has been established – regardless of the procedure used – a check for freedom from arbitrage has to be carried out. This is effected by the Market Supervision Department, which also adjusts the individual settlement prices somewhat if required under consideration of the respective situation on the market.

The final settlement price is only established at that point in time.

This means the new procedure for the establishment of the settlement price considers the development in the order book during the last 10 minutes prior to the end of trading. The period under consideration for the new procedure, on the other hand, is shorter than the one for the current procedure (the last 30 minutes before the end of trading), though trades only are included in the establishment of the price and the spread only has an indicative function in the latter procedure. The new procedure is more complex and, hence, less transparent than the current one. This also makes it more difficult to consciously exercise influence on the settlement price – however, it does not make it altogether impossible.

The price has to be established correctly especially on account of the importance of the settlement prices as references for the entire market. For this reason, the Market Surveillance was particularly interested in analysing and understanding the procedure for the establishment of the settlement prices of the French Power Futures in detail. This was done in the framework of a special investigation which does not only outline the procedure but also describes the effects which this change has on daily monitoring of the trading activities. As a result, detailed monitoring of the individual orders and trades is still mandatory as in the past in order to identify any possible targeted influence on the settlement price. This is an important task for Market Surveillance in order to safeguard proper trading. Thus, the analysis of the order books and of the corresponding settlement prices will be adjusted to the particularities of the new procedure and will remain an important item in the course of daily monitoring of trading.

This description of the new procedure for settlement pricing is simplified and for information purposes only. A binding description of this new procedure will be made available on the website of the EEX www.eex.com shortly.

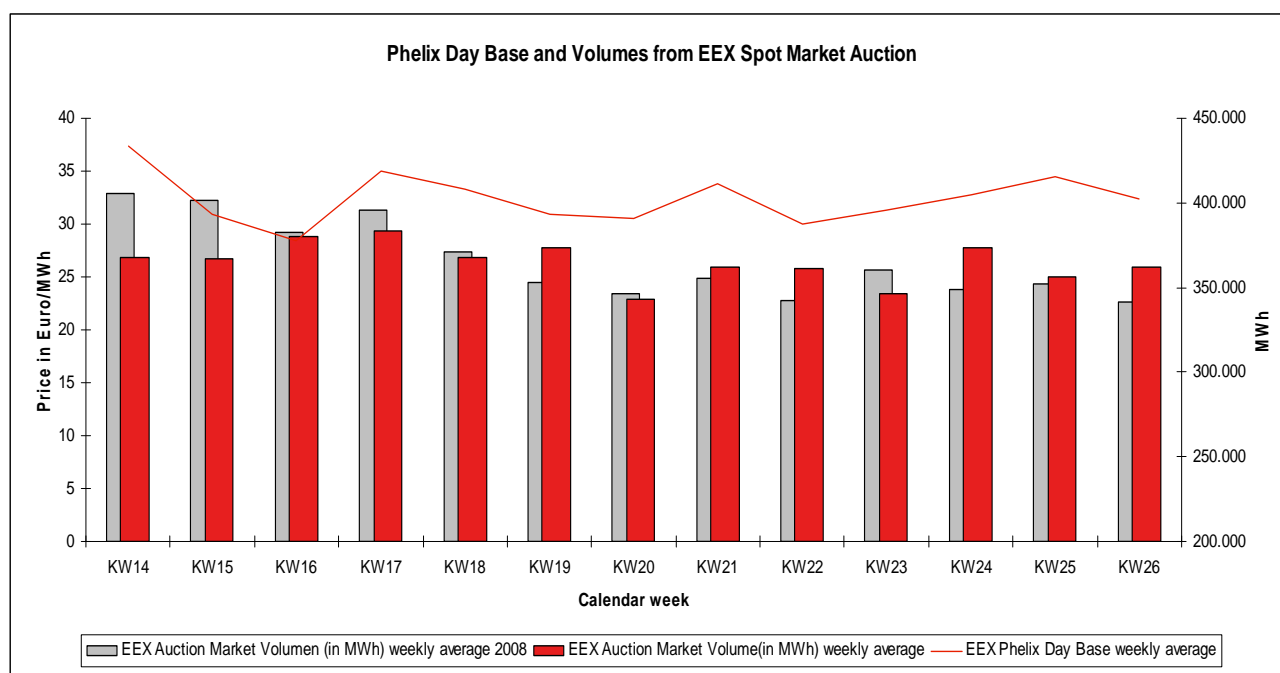
4 Market Developments

The overview below contains a summary of the development on the markets during the past period under review. The report is only intended as general information regarding the events on the markets of the EEX for the trading participants and the interested public. The Market Surveillance Office does not engage in analysts' activities. Neither it nor the EEX itself comment or evaluate the development of prices on the different markets. The Market Surveillance does not prepare any forecast under any circumstances since this is diametrically opposed to its task.

Power

Development of Prices and Volumes on the EEX – Power Spot Market –

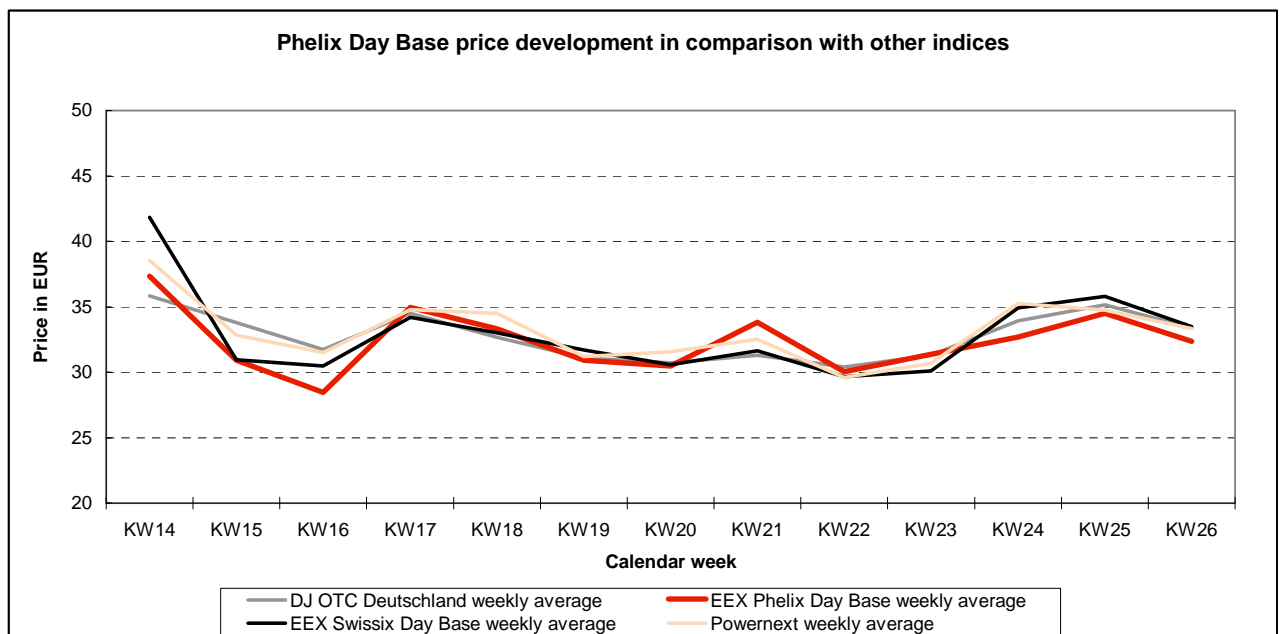
On the EEX, the power prices for the physical delivery of power in the German/Austrian market area as well as in the Swiss market area are established in daily auctions. On the basis of the auction results, the EEX establishes the Phelix Day Base, which constitutes the reference for the development of power prices in Germany and Austria.



The chart above shows the development of prices and volumes for the German/Austrian market area during the period under review. The volume traded on the EEX during the second quarter of 2009 fluctuated between 343 GWh and 383 GWh on a weekly average. Throughout the quarter, an average of approx. 365 GWh was traded per day, while the average for the second quarter of the previous year amounted to approx. 366 GWh per day. A comparison between the second quarter of 2009 and the same period during the previous year shows that on average approx. 1 GWh less was traded every day than during the second quarter of 2008. The development of the weekly averages does not indicate any lasting trend. Following a slight increase in CW 16 and 17, the trade volumes fell again and then fluctuated around 350 GWh up until the end of the second quarter.

With minor differences, prices display a similar course to the development of volumes. Unlike the development of volumes, the prices fell during the first three calendar weeks of the period under review. After that, the average price recovered and moved within a range of between EUR and EUR 35 per MWh in the further course of the quarter. The average price throughout the period under review amounted to EUR 32.39 per MWh. The maximum price corresponds to EUR 37.25 per MWh, while the minimum price corresponds to EUR 28.45 per MWh. Volatile price developments were not observed on any market.

The chart below shows the Phelix Day Base compared with the OTC prices as well as the prices for Switzerland (Swissix) and France (Pownext).



Throughout the entire period under review, all prices initially displayed a slight decline. After that, prices increased again; however, they did not manage to reach the level of CW 14 again. In the further course of the quarter, prices ranged between EUR 30 per MWh and EUR 35 per MWh. Shortly before the end of the period under review, prices increased to slightly more than EUR 35 per MWh. In this context, the high correlation in the development of the prices of the indices is notable.

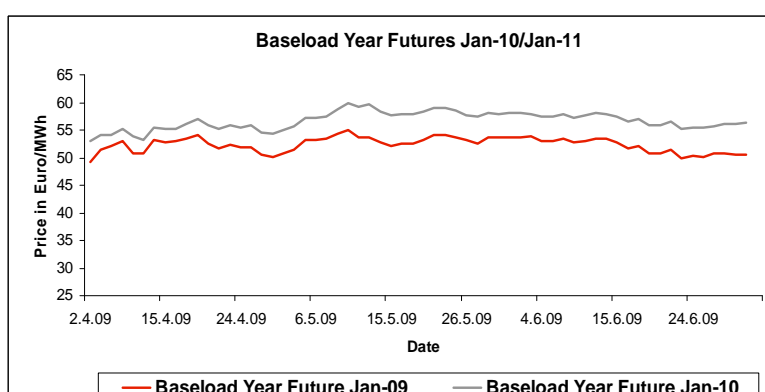
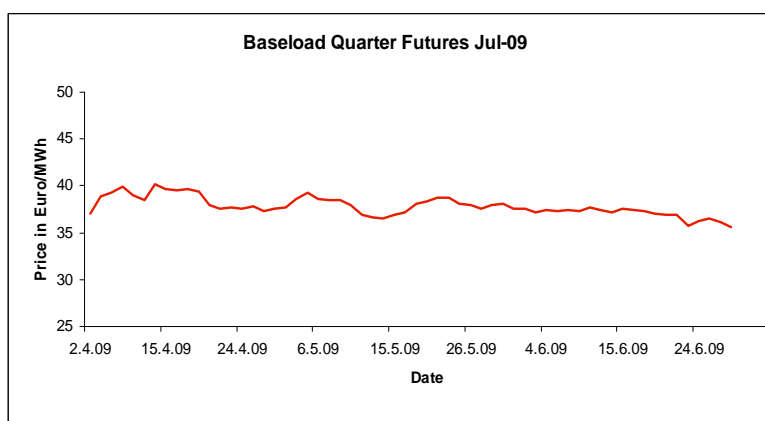
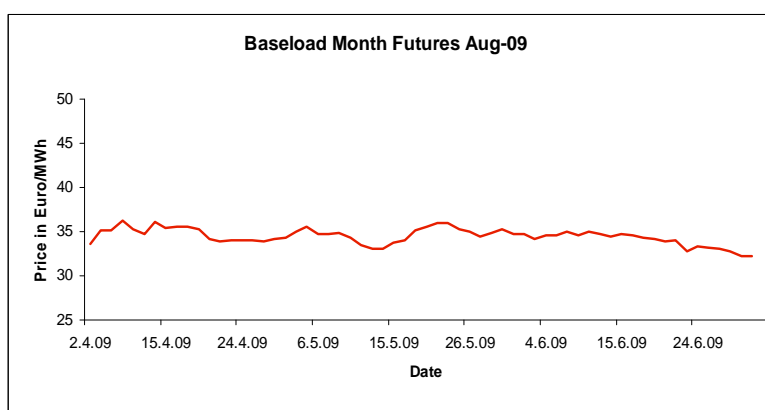
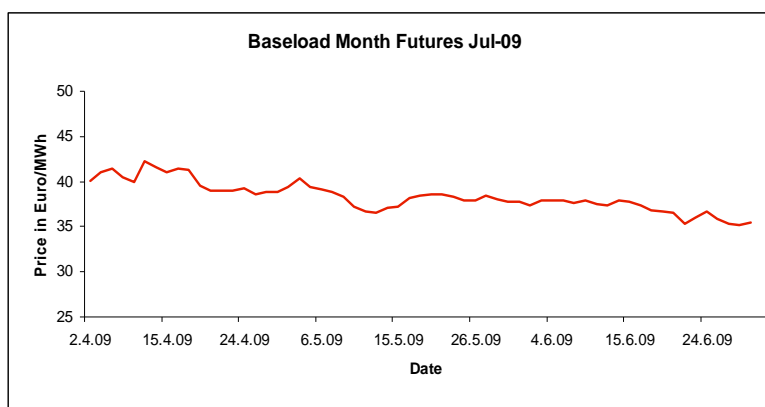
Development of Prices on the EEX – Power Derivatives Market –

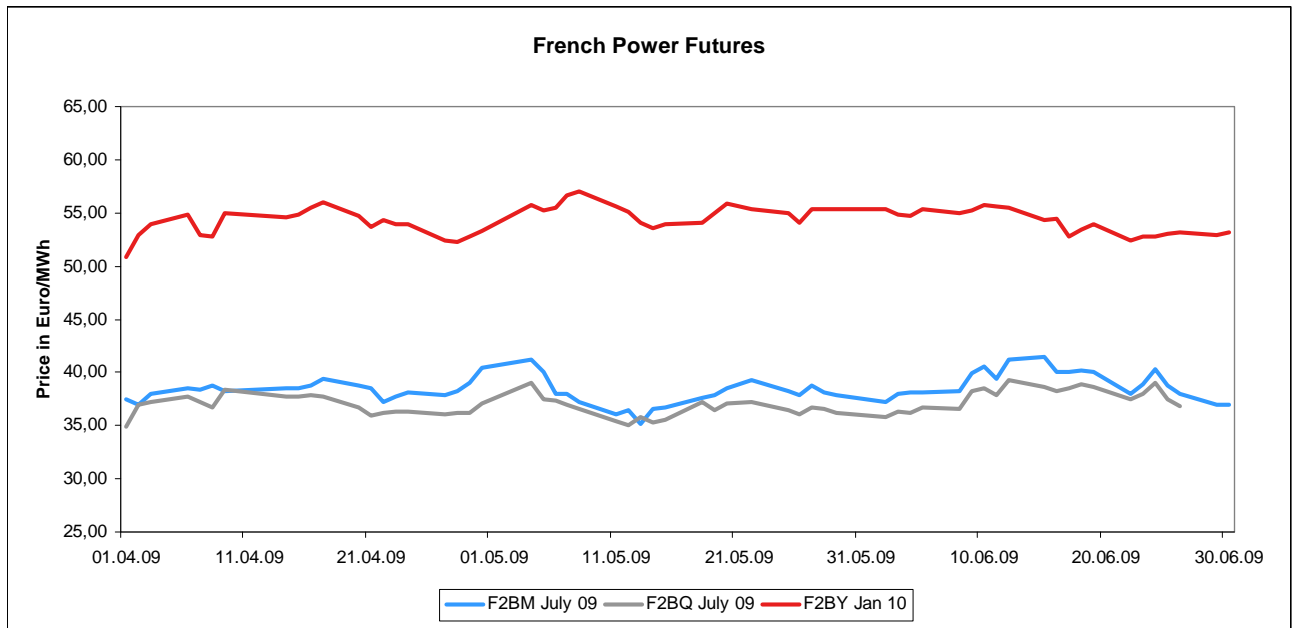
On the Derivatives Market, futures on power are traded in addition to options. Futures comprise the right and the obligation to buy a certain quantity of power at a price established upon the conclusion of the contract at a certain point of time and/or during a certain period of time in the future.

The prices of different maturities display similar developments on the Power Derivatives Market. However, differences are found in the level of the prices of the individual futures and maturities.

With the exception of the chart for the Base Year Futures, all charts show falling prices during the period under review. The price reduction is most obvious in the Base Load Month Future Jul 09. On the other hand, F1BM Aug 09 and F1BQ Oct 09 displayed a lateral movement over a longer period of time. Throughout the period under review, however, slight price reductions were also observed for these two products.

Unlike the month and quarter futures, the year futures generated a price increase during the period under review. In this context, a high correlation between F1BY Jan 10 and F1BY Jan 11 can be observed. However, we can also see that the spread between the prices for F1BY Jan 10 and F1BY Jan 11 increased until the end of the second quarter.





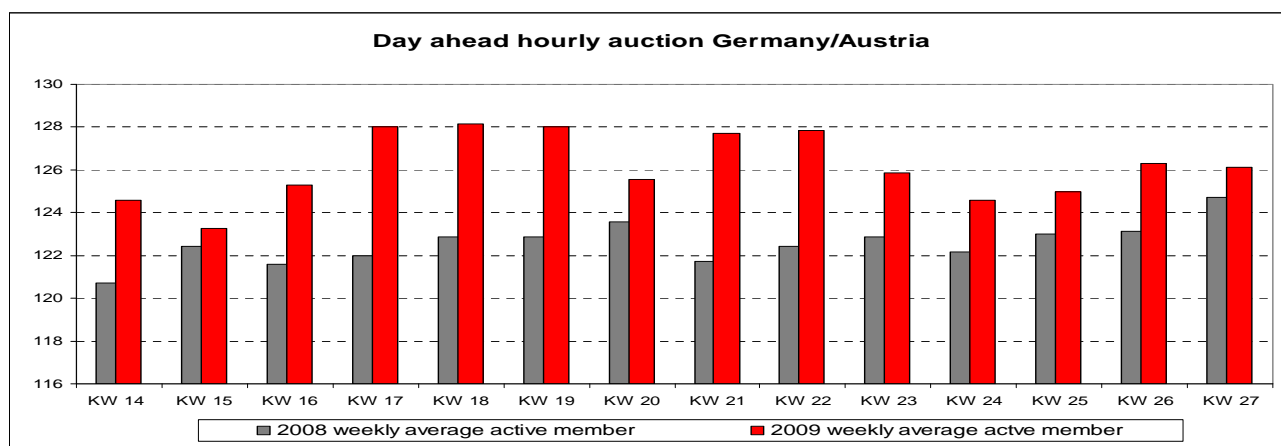
Upon the contribution of the Powernext Power Futures to the EEX Power Derivatives GmbH on 01 April 2009, an essential milestone of the power trading co-operation between European Energy Exchange AG (EEX) and Powernext SA was reached. EEX Power Derivatives, in which the EEX holds an interest of 80 percent, while the Paris-based Powernext holds the remaining 20 percent, continues power derivatives trading for France according to the co-operation agreements.

The Powernext Power Futures have now been integrated into the EEX Power Derivatives Product “French Power Future“. Physical settlement of the Base Load and Peak Load Futures (month, quarter and year futures) is effected by means of the delivery of power into the RTE TSO zone.

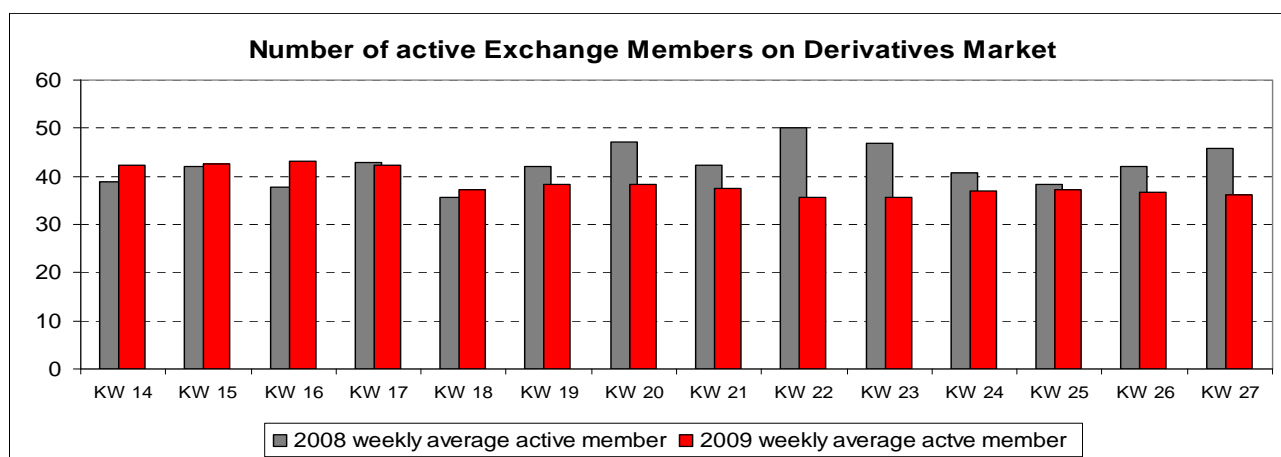
During the second quarter of 2009, the prices of the French Power Futures did not develop in any clear direction. As in the case of the Phelix Futures, volatility was very low if we look at the entire quarter. The prices of F2BM July 09 and F2BQ July 09 predominantly fluctuated in a range between EUR 35 per MWh and EUR 40 per MWh. As regards F2BY Jan 10, the price ranged between EUR 50 per MWh and EUR 55 per MWh over a longer period of time. If we consider the price level, the year futures tend to be highest followed by the month and the quarter futures.

Number of Active Trading Participants on the Power Market

The chart below shows the number of active trading participants in the daily auction for the German/Austrian market area. In deviation to the development of the trade volumes, the number of active trading participants on the Power Spot Market for the German/ Austrian market area has increased.



During the first calendar weeks of the second quarter of 2009, the number of active trading participants increased continuously. From CW 17 to CW 22, 128 trading participants were active on the market on average. From calendar week 23 onwards, the number of active trading participants decreased slightly. As against the year 2008, a clear increase was observed. On a quarterly average, approximately 126 trading participants were active every day during the second quarter of 2009. In the second quarter of 2009, an average of 122 trading participants per trading day was active on the Power Spot Market.



The number of trading participants which were active on the Power Derivatives Market in the second quarter of 2009 declined slightly as against the second quarter of 2008. Even though, during the first calendar weeks of the second quarter of 2009, the number of active trading participants was higher than in 2008, the figures for 2008 exceeded those for the current year in the further course of the quarter. On average, approximately 43 trading participants were active per day in the first quarter of 2008. In the second quarter of 2009, this figure amounted to on average 38 trading participants per trading day.

Natural Gas

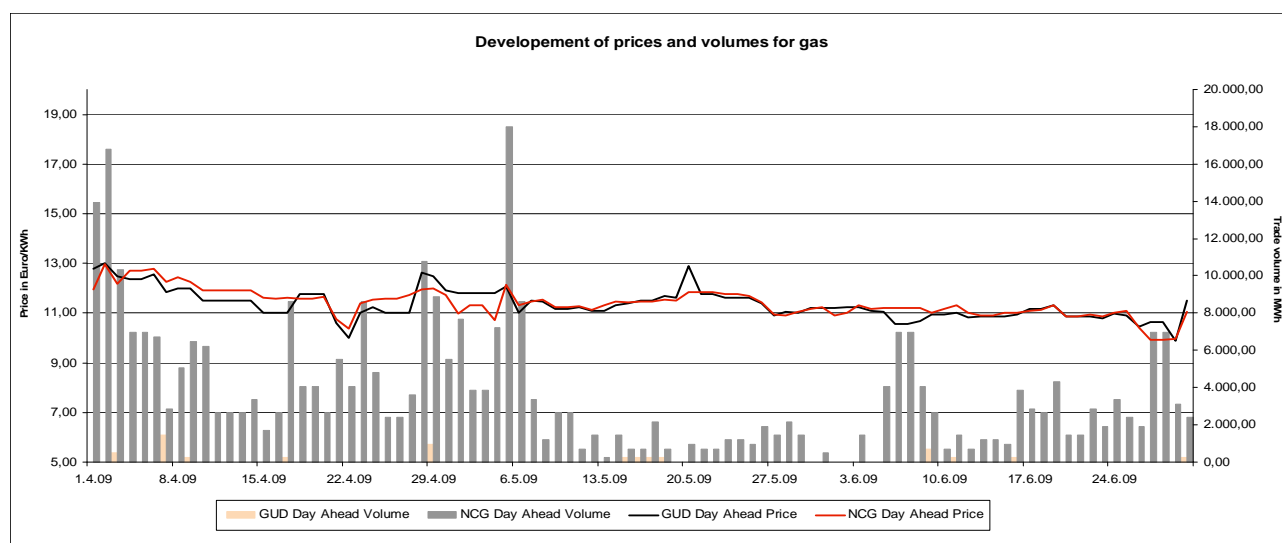
On the EEX, natural gas is traded on the Spot and on the Derivatives Market. The EEX offers spot and derivatives trading for the GUD and NCG market areas.

On the Spot Market, natural gas is traded for the next and next-but-one day as well as for the weekend. The Spot Market for natural gas is used for the short-term optimisation of gas procurement and sales, for trading external balancing energy as well as for arbitrage transactions between market areas.

On the Derivatives Market, natural gas is traded for the current month, the next six months, seven quarters and six calendar years. The Derivatives Market is used for the medium- to long-term optimisation of gas procurement and sales.

Development of Prices and Volumes on the EEX – Gas Spot Market -

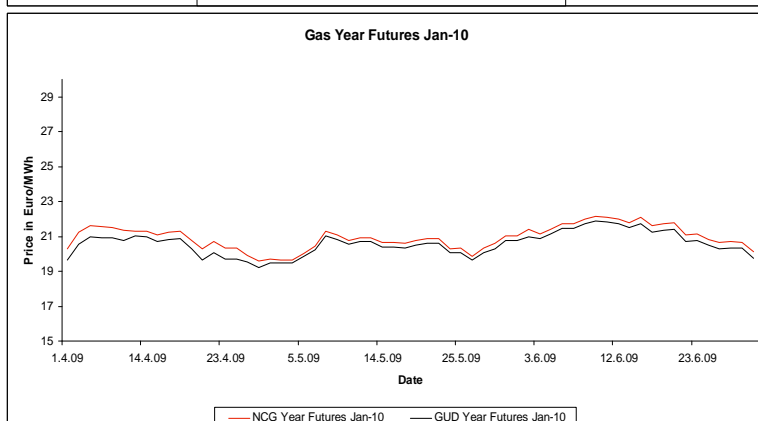
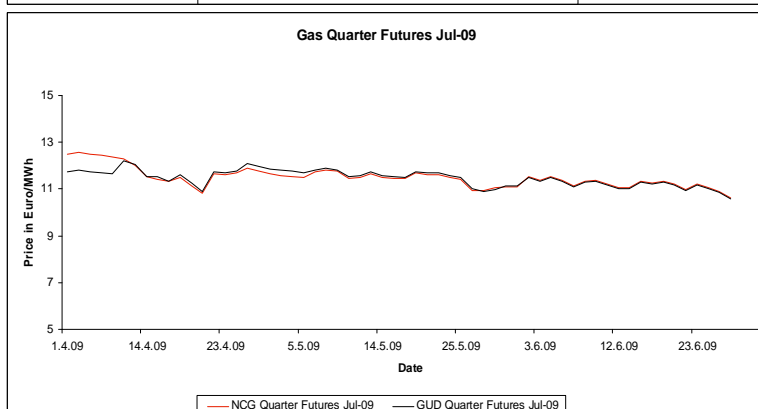
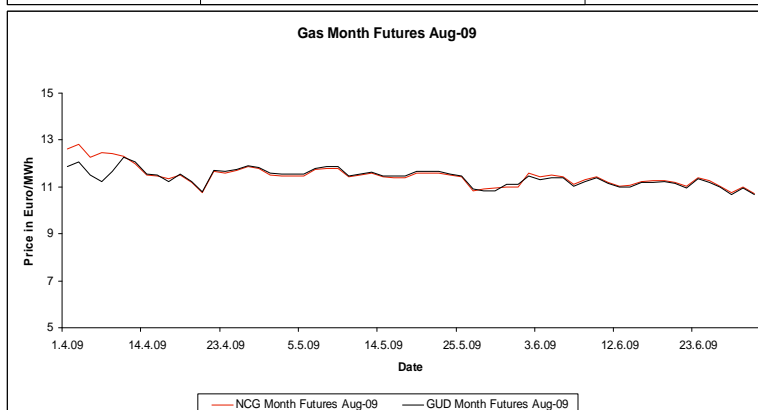
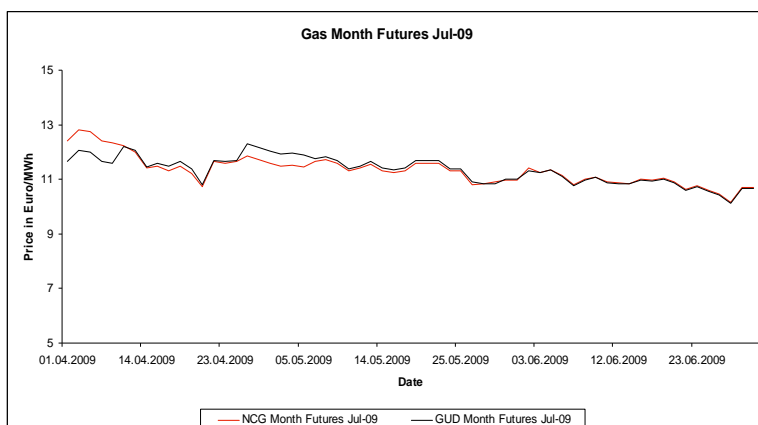
In the first quarter of 2009, the volume in the NCG market area was highest with a total of 339,840 MWh. On the other hand, the total trade volume in the GUD market area amounted to 5,760 MWh. The highest day-ahead volume on any given trading day was reached in the NCG area and amounted to 17,760 MWh.



The price developments in both market areas during the second quarter of 2009 were comparable except for minor deviations. On the Spot Market, the prices for gas were quoted between EUR 9.90 per MWh (GUD) and EUR 13.00 per MWh (GUD) with a rather low volatility.

At the beginning of the quarter, the prices in both market areas initially increased to EUR 13 per MWh; afterwards, they fell to EUR 10.00 per MWh and to EUR 10.28 per MWh for the GUD and NCG market area respectively. In the further course of the quarter, prices fluctuated between EUR 11 per MWh and EUR 13 per MWh. In June, prices displayed a lateral movement with a rather low volatility, which was, however, supplemented by a price reduction and an immediate recovery at the end of the period under review. In this process, prices fell to EUR 9.90 per MWh (GUD) and EUR 9.93 per MWh (NCG). These values also correspond to the minimum values of both price curves during the period under review.

Development of Prices on EEX – Gas Derivatives Market –



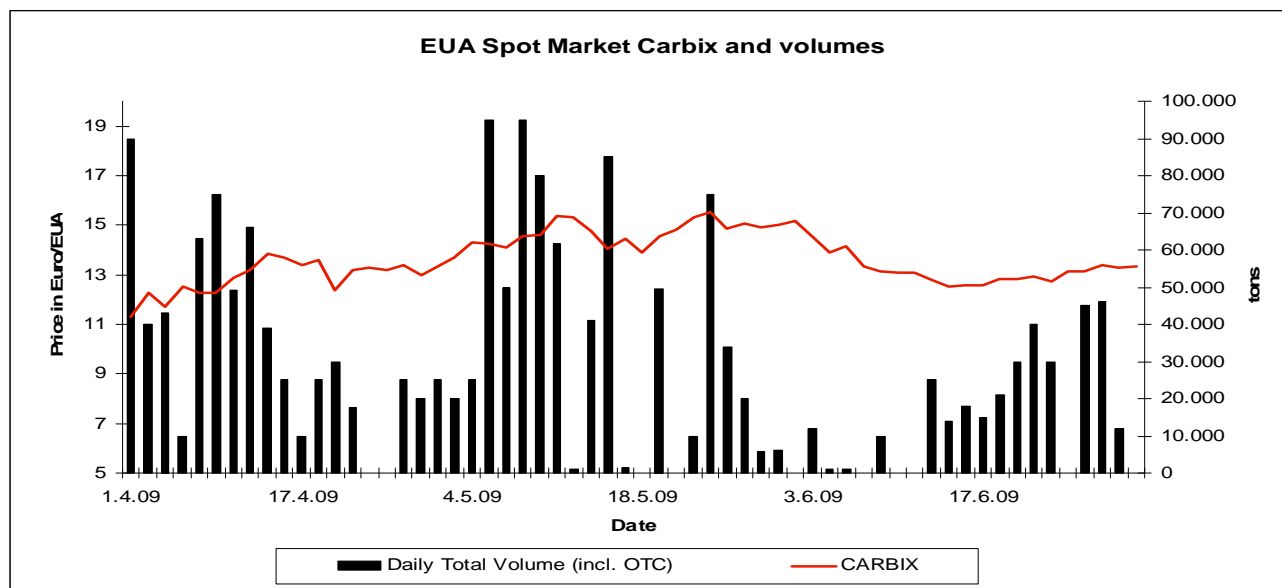
The delivery or purchase of natural gas in H-gas quality in accordance with DVGW [German Technical and Scientific Association for Gas and Water] guideline 260 with a constant output of 1 MW during the time from 06:00am on any given delivery day of the delivery month until 06:00am of the following calendar day at the virtual trading point within the market areas of NetConnect Germany GmbH & Co KG 3 (NCG Natural Gas Futures) or Gasunie Deutschland GmbH & Co. KG 4 (GUD Natural Gas Futures) constitutes the subject of the contract of the physical gas futures on the EEX Derivatives Market. All calendar days of the delivery month are delivery days.

Just like on the Spot Market, the prices of the month and quarter futures on the Derivatives Market fell during the first days of the second quarter of 2009. In the further course, prices stabilised again and displayed a sideways movement.

Independently of the development of the other futures, the prices of the year futures increased at the beginning of the period under review. However, they slumped afterwards and once again reached the level of the beginning of the quarter. These processes were repeated several times until the end of the second quarter. In this context, the development of the prices in the two market areas was comparable with the NCG futures prices, which are generally slightly higher than those of the GUD market area.

Emission Rights

EEX Carbox and Trade Volumes

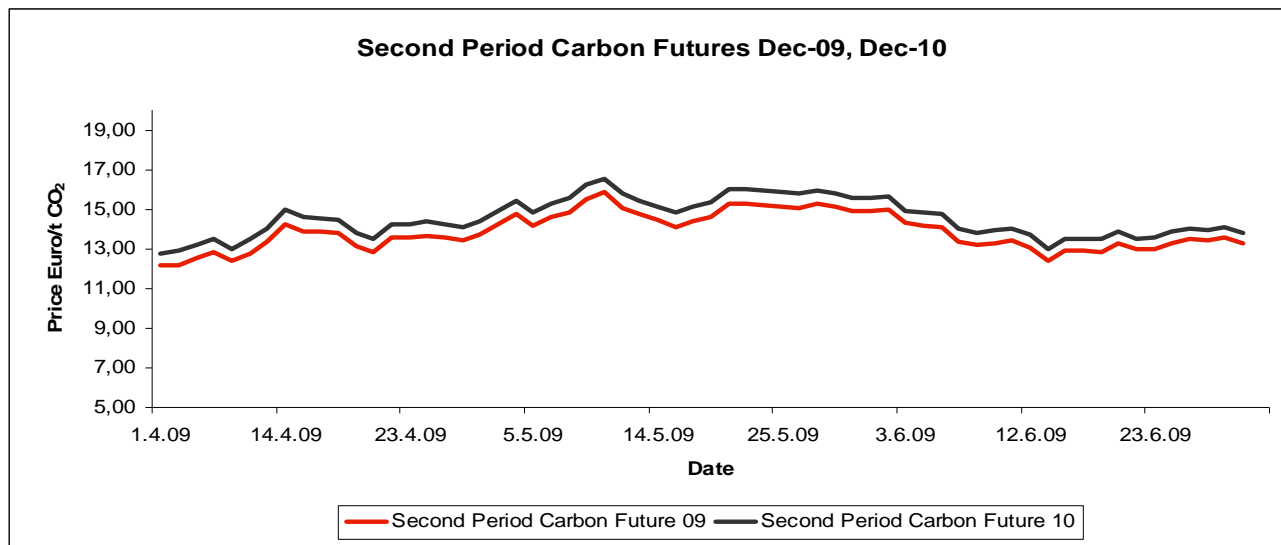


The EEX Carbox is a price index for EU emission allowances (EUA), which is established in an intraday auction on the Spot Market of EEX on every exchange trading day.

On 16 January 2009, EEX launched spot trading in CO₂ emission allowances (EUA) for the second commitment period. The trade volumes did not display any clear trend during the period under review. The initial volumes declined considerably from mid-April and remained slightly below 30,000t per day until the beginning of May. Even though volumes increased again in May, they do not display continuous volumes. In June, trading was lower than in May. On several days, no trading was observed at all. However, the volume increased constantly from the middle of the month. Throughout the entire period under review, a total of 1,727,776 t CO₂ was traded. The maximum trade volume during the period under review was recorded on 07 May 2009. On average, 28,796 t CO₂ were traded per trading day.

The Carbox increased from the beginning of the period under review. Prices increased from an initial EUR 11.29 per EUA to up to EUR 15.37 per EUA until 11 May 2009. Following a slight decline, prices rallied again. However, they declined again slightly as of the beginning of June. On 30 June 2009, the Carbox was quoted at EUR 13.34 per EUA.

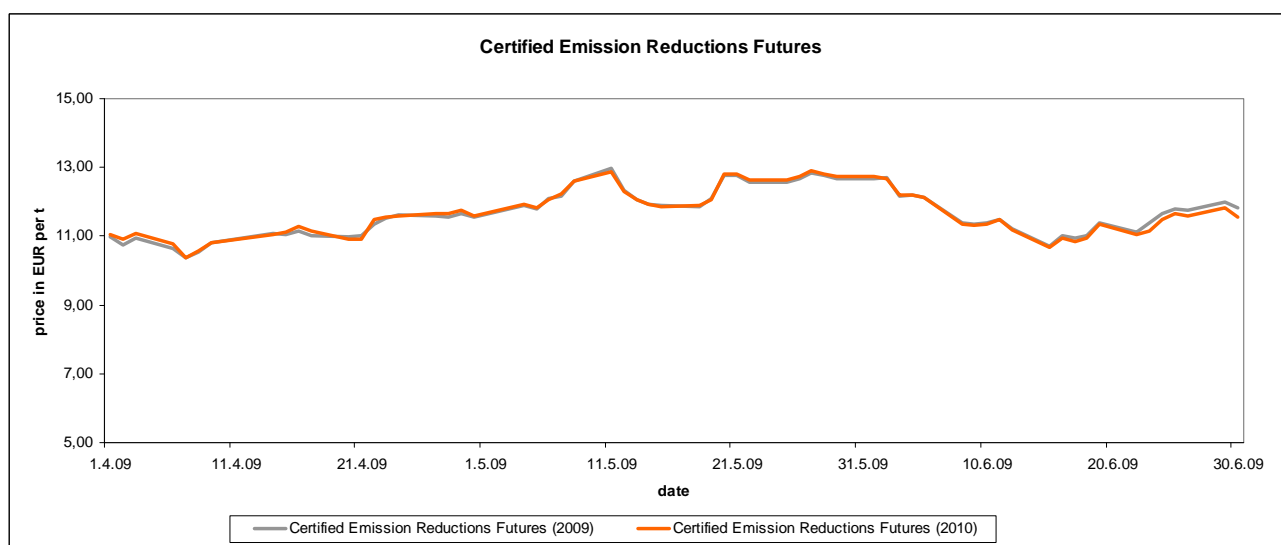
Derivatives Market for EU Emission Allowances (EUA)



The second commitment period for EUA began on 01 January 2008. From 01 January 2009, futures contracts for the second commitment period with the maturities of December 2009, December 2010, December 2011 and December 2012 can be traded.

During the second quarter of the year 2009, the prices for the maturities of December 2009 and December 2010 on the EUA Derivatives Market displayed a development which can be compared to the development on the Spot Market. Both the initial increase in prices and the decline in prices in June 2009 were also observed on the EUA Derivatives Market. Furthermore, a trend towards high correlations between both futures could be observed. However, the futures are different in terms of the level of prices. The price curve for Dec 10 was higher than the price curve for Dec 09 at all times. In this context, the price difference between the two maturities amounted to between EUR 0.50 and EUR 0.73.

Development of Prices on the EEX – Derivatives Market for Certified Emission Reductions (CER)



Certified Emission Reductions (CER) Futures are emission credits which are generated through emission reduction projects in developing countries and can be used towards the fulfilment of obligations under the Kyoto Protocol. On the EEX, they can be traded for the maturities from 2009 until 2012.

During the second quarter, the development of the prices of the CER futures with the maturities 2009 and 2010 were identical. Moreover, strong parallels to the development of the EUA Futures prices as well as to the development of the CARBIX could be observed. In the case of the CER, prices also increased at the beginning of the period under review until the second week of May and then fell for a short period of time after that. Following an almost lateral movement of prices, the futures prices fell gradually at the beginning of June and then recovered again at the end of the period under review. FCER Dec 10 closed at EUR 11.54 per t and FCER Dec 09 closed at EUR 11.82 per t.

5 Glossary of Exchange Terms

At this point, we would like to present you a short glossary of terms for exchange trading and the energy and energy-related markets, which we will continuously develop further. In this issue we will expand the glossary with several terms from the field of clearing.

Underlying

The object of the contract of a future or an option is referred to as the underlying. The underlying can comprise the delivery of a commodity (power, natural gas, emission allowances), indices (Phelix Base, Phelix Peak) or – in particular in the case of options - also futures.

Clearing

All those processes which take place once exchange transactions have been matched or once OTC transactions have been registered are referred to as clearing. As a general rule, these tasks are assumed by a central counterparty – the so-called clearing house. For the purpose of settlement, it steps into every transaction and becomes the seller for every buyer and the buyer for every seller. As a result of this, the trading participants of the exchanges do not bear any risk in the event of the default of another trading participant. Furthermore, the anonymity of the trading participants among each other is safeguarded in this way. The European Commodity Clearing AG (ECC) is the clearing house for all EEX transactions included in clearing.

Clearing fund

The protection fund to which the Clearing Members make a contribution upon a request to that end by the ECC in addition to the margins is referred to as the clearing fund.

This contribution is used to compensate the financial impact which the default of a Clearing Member has in case its margins are not sufficient to fully cover said impact. The clearing fund is independent of the other margins furnished. The adequacy of the contribution to the respective clearing fund is checked at regular intervals – usually on a monthly basis as well as when required. The respective amount has to be furnished in cash, securities or by means of bank guarantees.

Clearing Member (Direct Clearing Member / General Clearing Member)

A Clearing Member is a participant in the clearing procedure which has a clearing licence. The clearing licence is obtained by means of the conclusion of a corresponding clearing agreement between the Clearing Member and the ECC.

The clearing licence can be granted as a General Clearing Licence or as a Direct Clearing Licence. A General Clearing Licence confers the right to clear own transactions, customer transactions and transactions by Non-Clearing Members. A Direct Clearing Licence confers the right to clear own transactions, customer transactions and transactions by affiliated Non-Clearing Members. Under the clearing procedure, the Clearing Members assume an important role regarding the clearing house since they are financially responsible towards the clearing house with regard to the obligations of the trading participants of which they are in charge.

Upon the conclusion of a transaction on the exchange, a transaction is always concluded between the Non-Clearing Member and its Clearing Member and, moreover, an identical transaction is concluded between the ECC and the Clearing Member.

A Clearing Member can be licensed as a trading participant in one or several products at the same time.

Margin

A security in cash or in securities which has to be deposited with the ECC by the Clearing Member and with the respective Clearing Member by the Non-Clearing Member is referred to as a margin. These margins are intended to cover the possible losses from the open positions of a clearing member or from transactions which have not yet been fulfilled in the event of a default on the part of the Clearing Member.

The ECC differentiates five different types of margins: Initial Margin, Premium Margin, Additional Margin, Spread Margin and Delivery Margin. In spite of its designation, the Variation Margin is not a security deposited. It corresponds to the preliminary settlement of profits and losses which arises from the change in the value of positions in futures contracts and is settled in cash at the end of every exchange trading day.

In case open positions in futures and options have the same underlying, these can be summarised in margin classes in order to be able to offset risks in opposite directions in the establishment of the margins. Futures and options, whose underlying is correlated, can be summarised in margin groups, which means that the margins to be furnished are reduced (cross-margining).

Non-Clearing Member

A Non-Clearing Member is a trading participant on a market without an ECC clearing licence whose transactions are settled via a Clearing Member. A Non-Clearing Member can only be licensed for products comprised in the clearing licence of the Clearing Member in charge of said member.

Settlement

The financial settlement of transactions (financial settlement) or the transfer of ownership and the delivery of the commodities traded (physical settlement) are referred to as settlement. Hence, the ECC forwards the instructions for the payments by and to the Clearing Members as well as the schedule report for physical deliveries to the corresponding transmission system operators in the framework of settlement.

Volatility

Changes in the price of a product or an underlying over a defined period of time are referred to as volatility.

The ECC needs an estimated value regarding the expected volatility of an underlying for the calculation of the Additional and the Spread Margin. This value is derived from the historic volatility - i.e. from price fluctuations observed in the past.

6 EEX in the Press

15/06/2009

Transparency Platform for the Power Market

In co-operation with European Energy Exchange AG (EEX), the four German transmission system operators (TSOs) EnBW Transportnetze AG, transpower stromübertragungs gmbh (formerly: E.ON Netz GmbH), RWE Transportnetz Strom GmbH and Vattenfall Europe Transmission GmbH will establish a new transparency platform on which market-relevant generation and consumption data will be published in order to further increase transparency on the wholesale market. In the framework of an experts' working group established at the German Association of Water and Energy Industries (BDEW) the TSOs, EEX, power plant operators as well as the German Association of the Energy and Power Supply Industry (VIK) and the Association of Local Utilities (VKU) are currently implementing the required preliminary work. The platform on the website of EEX will probably be launched during the fourth quarter of 2009 and will be operated by EEX. In this context, all power plant operators and large consumers are called upon to help make the new transparency platform a success through the submission of their data.

With this step, the publication requirements regarding generation and consumption data derived from the statutory obligations contained in the "Congestion Management Guidelines" (Annex to "EU Directive No. 1228/2003") and in chapter 4.3 of the "Report on Transparency" for the northern European region, which was prepared under the aegis of the German Federal Network Agency, will be implemented close to the market in a central as well as neutral location. The German Federal Ministry of Economics and Technology (BMWi) established the scope and form of the data, which will be made available free of charge, in the so-called "BMWi list"¹ together with BDEW, VIK and VKU. Moreover, the experts' working group at BDEW also adopted the resolution that data reported voluntarily will also be published on the platform. This means that the tried and tested structures of the current transparency platform on EEX will be continued.

Over the next weeks, the technical specifications will be agreed with all the partners included in the process and a generally comprehensible glossary for the complex "BMWi list" will be prepared.

15/06/2009

Exchange Council re-elects Dr. Günther Rabensteiner as its Chairman

In its constitutive meeting in Leipzig on 10 June 2009, the newly elected Exchange Council of the European Energy Exchange (EEX) re-elected Dr. Günther Rabensteiner, VERBUND-Austrian Power Trading AG, as its chairman. Sven Becker, Trianel GmbH, Pierre Chevalier, DB Energie GmbH and Vincent van Lith, BHF-BANK Aktiengesellschaft were elected as the new vice-chairmen. Furthermore, the Exchange Council elected Prof. Dr.-Ing. Albert Moser, Professor and Head of the Institute of Power Systems and Power Economics (IAEW) of RWTH Aachen University as a member of the Exchange Council in the capacity of the new investors' representative.

Committee members of Sanctions Committee elected

In its first meeting following the election the Exchange Council appointed five committee members for the Sanctions Committee in consultation with the exchange supervisory authority and, hence, ensured the committee's capacity to operate. The committee members are Pierre Chevalier, DB Energie GmbH, Marc Ehry, PCC Energie GmbH, Ralf Henze, Stadtwerke Hannover AG, Vincent van Lith, BHF-BANK Aktiengesellschaft and Dr. Bernhard Walter, EnBW Trading GmbH. The committee meets upon specific incidents. Its task is to penalise violations of statutory provisions and rules of the exchange by trading participants.

Intraday auction on the natural gas market

As a further item on the agenda of the meeting the Exchange Council adopted a resolution regarding an amendment of the rules and regulations of the exchange and, hence, paved the way for the intraday auction on the Natural Gas Spot Market. The introduction of an intraday auction with a reduced minimum lot size of 1 MW on the Natural Gas Spot Market for the NCG and GUD market areas is to be implemented at the latest at the beginning of the gas business year 2009/2010.

The introduction of the intraday auction and the concurrent reduction of the minimum lot size to 1 MW during the auction period gives the trading participants the possibility of improving the structure of their procurement and sales portfolio and of optimising these depending on the situation of the market. At the same time, the auction permits focussing of liquidity and the trading participants on a fixed period of time.

Resolution regarding the expansion of transparency on the exchange

Upon a suggestion from within the ranks of the trading participants a possible publication of block bids on the power auction market was discussed. At the moment, block bids in the hourly auction on power are not published separately. Due to requests by the trading participants, an additional publication of block bids will be introduced in order to enhance the transparency of the exchange. Thus, trading participants will develop a better understanding of the market situation in short-term power trading. For this reason, the Exchange Council adopted the resolution to publish the block bids for the hourly auction on the Power Spot Market for the market areas of Germany/Austria and Switzerland separately from the earliest possible time. This comprises the anonymised publication of all block bids on the FTP server (price limit, hours, volumes) plus information on whether these bids have been executed.

02/06/2009

EEX Exchange Council Election 2009

After the end of the Exchange Council's term of office of three years the trading participants of the European Energy Exchange (EEX) elected a new Exchange Council in accordance with the applicable schedule on 25th May 2009. The voting procedure was carried out via postal vote and resulted in the following new composition of the council.

The group of interconnected utilities and trading companies is represented by:

Paul Dawson (RWE Supply & Trading GmbH), Marc Ehry (PCC Energie GmbH), Peter Heydecker (Alpiq Holding AG), Dr. Günther Rabensteiner (VERBUND-Austrian Power Trading AG), Edgar Röck (TIWAG-Tiroler Wasserkraft AG), Kai Seela (Vattenfall Trading Services GmbH), Andrea Vittorio Siri (Edison Trading S.p.A), Dr. Bernhard Walter (EnBW Trading GmbH), Lars Wlecke (E.ON Energy Trading AG) and Leonardo Zannella (Enel Trade S.p.A.).

The group of municipal and regional suppliers is represented by:

Sven Becker (Trianel GmbH), Ralf Henze (Stadtwerke Hannover AG) und Dr. Michael Redanz (24/7 Trading GmbH).

The group of banks and financial service providers is represented by:

Felix Ernst (Deutsche Bank AG), Paul Goodhew (UBS Limited) and Vincent van Lith (BHF-BANK Aktiengesellschaft).

Phil Atkinson (ICAP Energy AS) was elected as the representative of the group of energy brokers, while Pierre Chevalier (DB Energie GmbH) was elected as the commercial consumers' representative.

In addition to the trading participants representing the election categories, four associations delegate one representative each to this board:

Dipl.-Ing. Wilfried Köplin (BDI - Bundesverband der Deutschen Industrie e.V.) [Federation of German Industries, registered association], Dr. Peter Sentker (VIK - Verband der Industriellen Energie- und Kraftwirtschaft e.V.) [German Association of the Energy and Power Supply Industry, registered association], Dr. Hans-Joachim Ziesing (vzbv - Verbraucherzentrale Bundesverband e.V.) [Federation of German Consumer Organisations, registered association] and Dr. Andreas Zuber (BDEW - Bundesverband der Energie- und Wasserwirtschaft) [German Association of Energy and Water Industries].

02/04/2009

6.1.1.1 Integration of Powernext Futures into EEX Power Derivatives implemented as scheduled

An essential milestone in the framework of the power trading co-operation between European Energy Exchange AG (EEX) and Powernext SA has been reached with the contribution of the Powernext Power Futures to EEX Power Derivatives GmbH as of 1 April 2009. EEX Power Derivatives, in which EEX holds 80 percent of the shares while the Paris-based Powernext holds the remaining 20 percent, will continue power derivatives trading for France with immediate effect in accordance with the co-operation agreement.

The Powernext Power Futures have now been integrated into the EEX Power Derivatives product "French Power Future". Physical settlement of the base load and peak load futures (month, quarter and year futures) is provided through the delivery of power into the TSO zone of RTE. Clearing and settlement of all products is ensured by European Commodity Clearing AG (ECC), the clearing house of EEX and its partner exchanges.

“The trading participants can trade all products on the Derivatives Market through one access to the market and, hence, benefit considerably from synergetic effects as well as from bundled liquidity and harmonised processes and structures“, Oliver Maibaum, Managing Director of EEX Power Derivatives GmbH, emphasizes.

EEX Power Derivatives GmbH is a majority subsidiary of EEX AG, which was established as of 01 January 2008. It operates the EEX Power Derivatives Market.

Imprint

Published by:
European Energy Exchange
Market Surveillance
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04109 Leipzig
Germany

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