

EEX LNG Futures

EEX Global Commodities
April 2024

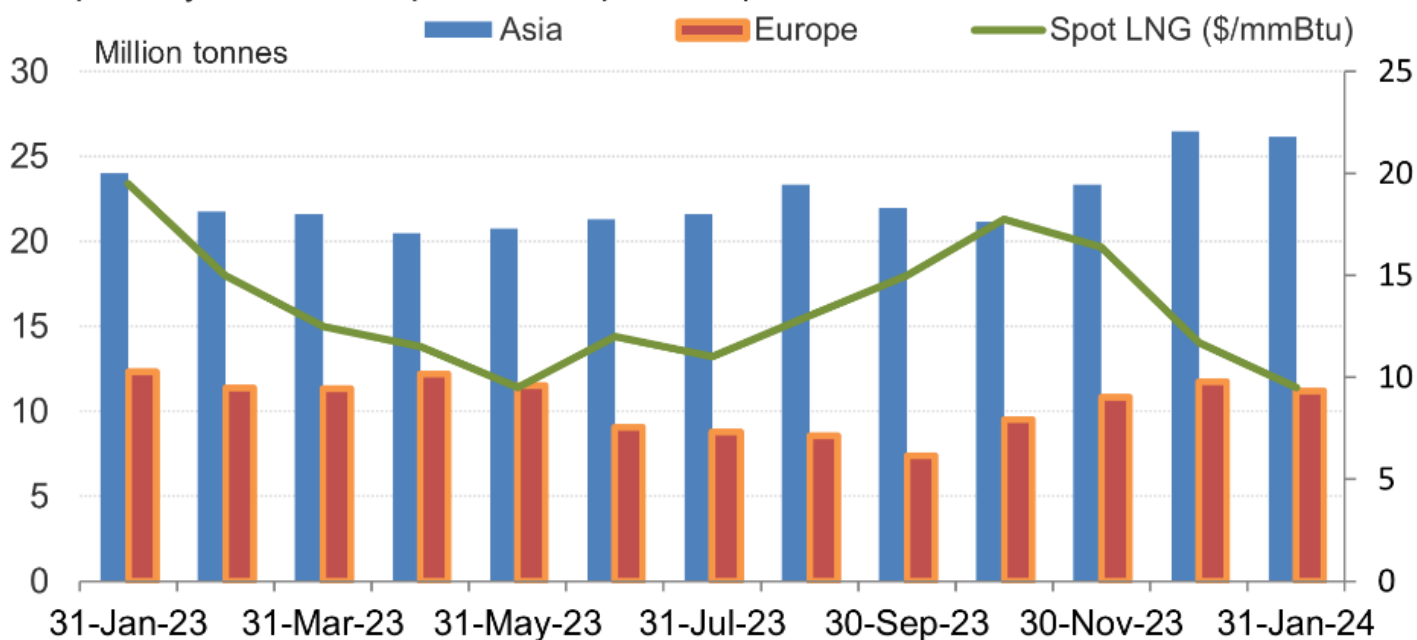
Agenda

- Introducing EEX Platts JKM and \$TTF futures
- Accessing the new EEX contracts
- Benefits of trading LNG futures at EEX
- Further development plans for EEX LNG futures
- Q&A

LNG is a Critical Energy Import for EEX's Customers

Asia & Europe LNG Imports

LNG imports by Asia vs Europe vs Asia spot LNG price



Source: Kpler, LSEG Reuters graphic/Clyde Russell 05/02/24



EEX LNG

- LNG is now a critical part of European gas market
- LNG has long been a vital energy import in North Asia and particularly Japan
- As such the price of LNG has a big impact on EEX customers in our established European gas and power markets as well as in the Japanese power market
- The growing impact of LNG has led to many EEX members asking us to develop a complete LNG portfolio to help them manage the price risks of this commodity alongside their gas and power business at EEX

EEX LNG Futures Products

EEX Platts JKM LNG Natural Gas Futures

EEX Platts JKM LNG Natural Gas Futures are monthly expiry futures which are financially settled against the Platts JKM® (Japan, Korea Marker) LNG price assessment. **Platts JKM® is a world leading benchmark for the pricing of LNG in the Asian market and beyond.**

EEX TTF Natural Gas Month (\$/MMBtu) Futures

EEX TTF Natural Gas Month (\$/MMBtu) Futures are monthly expiry futures which are financially settled against the EEX TTF Front Month (\$/MMBtu) Index. **TTF in \$/MMBtu has grown to become a pricing benchmark of choice for European LNG imports as well as being used outside of this region for LNG related trading strategies**

<https://www.eex.com/en/global-commodities/lng>

To be launched on 15 April 2024

EEX Platts JKM LNG Natural Gas Futures

EEX Platts JKM LNG Natural Gas Futures

Product Description	Monthly financially settled futures based on the Platts daily assessment price for the LNG DES Japan/Korea Marker (Platts JKM®) where the final settlement price is calculated as the arithmetic average of the Platts JKM® on each day that it is published over the Calculation Period (see below for details)
Contract Size	1 lot (equals 10,000 MMBtu)
Pricing	In USD per MMBtu to the third decimal place after the point
Price Tick	0.001 USD per MMBtu
Contract Series	The next 72 consecutive calendar months
Last Trade Registration Day	The 15th day of the month prior to the expiry month or, if this day is a weekend or a holiday in the UK or Singapore, the Exchange Day preceding that day
Final Settlement Price	The final settlement price is determined on the Last Trade Registration Day and is calculated as the arithmetic average of the Platts JKM® on each day that it is published over the Calculation Period. The Calculation Period begins on the 16th day of the second calendar month prior to the respective expiry month. If the Platts JKM® is not published on that day, the Calculation Period starts the next day on which the Platts JKM® is published. The Calculation Period ends on and includes the Last Trade Registration Day of the respective Future.
Trading Method	Trade Registration
Trading Fees	Exchange Fee: \$7.00 per side Clearing Fee: \$3.00 per side (fee rebate schemes available)

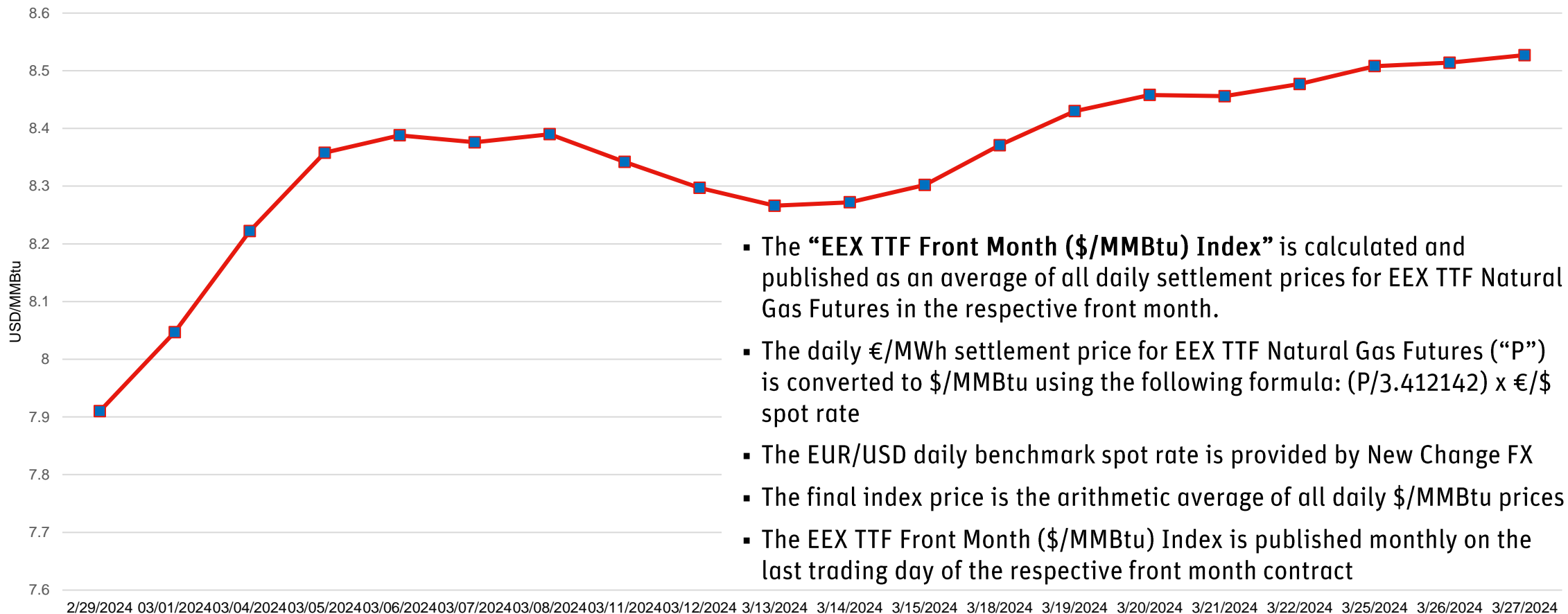
EEX TTF Natural Gas Month (\$/MMBtu) Futures

EEX TTF Natural Gas Month (\$/MMBtu) Futures

Product Description	Monthly financially settled futures based on the EEX TTF Front Month (\$/MMBtu) Index.
Contract Size	1 lot (equals 10,000 MMBtu)
Pricing	In USD per MMBtu to the third decimal place after the point
Price Tick	0.001 USD per MMBtu
Contract Series	The next 72 consecutive calendar months
Last Trading Day	Two Exchange Days before the first day of the expiry month
Final Settlement Price	The final settlement price, determined on the Last Trading Day, is the EEX TTF Front Month (\$/MMBtu) Index for the respective expiry month. The EEX TTF Front Month (\$/MMBtu) Index is calculated and published as an average of all daily settlement prices for the underlying 'EEX TTF Natural Gas Futures with Physical Settlement' in the respective front month where each constituent daily settlement price denominated in €/MWh is converted to \$/MMBtu. The EEX TTF Front Month (\$/MMBtu) Index is calculated and published monthly on the last trading day of the underlying EEX TTF Natural Gas Futures contract.
Trading Method	Trade Registration and Order Book
Trading Fees	Exchange Fee: \$7.00 per side Clearing Fee: \$3.00 per side (fee rebate schemes available)

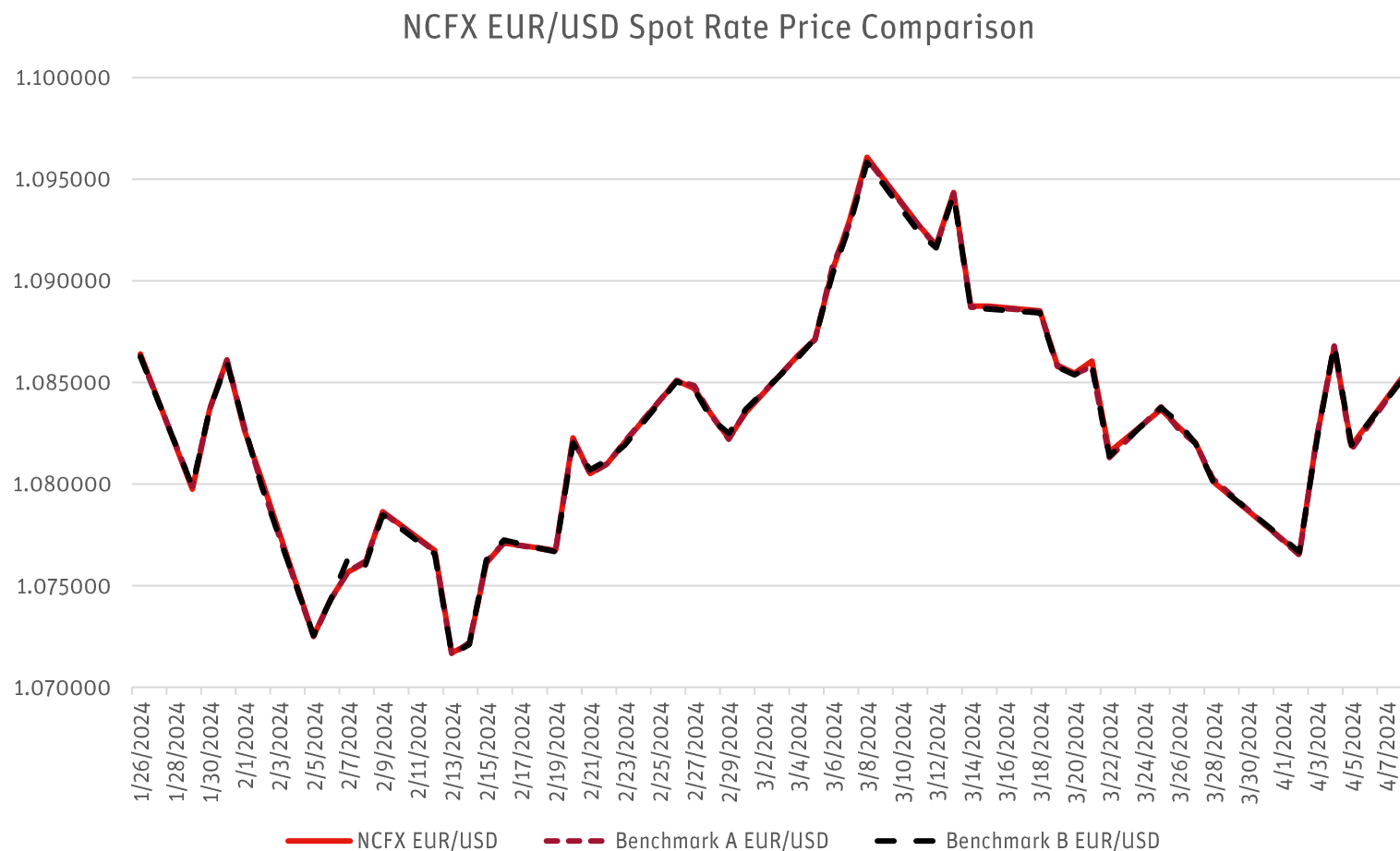
EEX TTF Front Month (\$/MMBtu) Index

\$TTF April 24



- The “EEX TTF Front Month (\$/MMBtu) Index” is calculated and published as an average of all daily settlement prices for EEX TTF Natural Gas Futures in the respective front month.
- The daily €/MWh settlement price for EEX TTF Natural Gas Futures (“P”) is converted to \$/MMBtu using the following formula: $(P/3.412142) \times \text{€}/\text{\$}$ spot rate
- The EUR/USD daily benchmark spot rate is provided by New Change FX
- The final index price is the arithmetic average of all daily \$/MMBtu prices
- The EEX TTF Front Month (\$/MMBtu) Index is published monthly on the last trading day of the respective front month contract

New Change FX (NCFX)



EEX \$/TTF FX Rates

- EEX uses a daily benchmark FX spot rate captured at 1600 UK time daily for pricing of the front month \$/TTF contract
- EEX uses additional forward FX rates for pricing all future expiries of the \$/TTF contract
- All FX rates used for EEX \$/TTF are supplied by New Change FX (NCFX)
- New Change FX (NCFX) is an FCA authorised benchmark administrator. FCA financial services register ref no.793983.
- A comparison of NCFX EUR/USD spot rates with other leading FX providers demonstrates an almost 100% correlation in pricing

NCFX newchangeFX.com

Trading EEX Platts JKM and \$TTF Futures at EEX

Membership	<ul style="list-style-type: none"> Exchange members: EEX Platts JKM & \$TTF futures included in EEX Full, Power Plus and Natural Gas Plus Membership packages Non-members: access via Clearing Member
Fees	<ul style="list-style-type: none"> Fees are charged in USD EEX Platts JKM \$10 per lot (combined trading and clearing fee) EEX \$TTF \$10 per lot (combined trading and clearing fee)
Fee Incentives	<ul style="list-style-type: none"> EEX Platts JKM and \$TTF futures included in EEX fee incentive schemes
Margining	<ul style="list-style-type: none"> Initial margins charged in Euro / USD Variation margins in USD
Margin Offsets	<ul style="list-style-type: none"> Significant margin offsets available between EEX Platts JKM LNG and \$TTF and EEX gas and power contracts EEX Platts JKM vs gas hubs – offsets up to 70% / JKM vs power – offsets up to 50% EEX \$TTF vs gas hubs – offsets up to 90%+ / \$TTF vs power – offsets up to 80% Inter-commodity spread file on the ECC website: https://www.ecc.de/en/risk-management/margining
Trading	<ul style="list-style-type: none"> EEX Platts JKM & \$TTF are available for trade registration Accessed through EEX Broker Members Trade registration via Trayport or Touchpoint
Data & Pricing	<ul style="list-style-type: none"> Index and daily pricing data available from EEX Market Data Services

Fee Incentives for EEX Platts JKM and \$TTF Futures

Monthly Traded Volumes (cumulative volume for all trades in Natural Gas Futures – Regulated market and OTF)	Rebate Rates (in % of EEX transaction fees)
Up to (including) 4 TWh	0%
Above 4 TWh up to (including) 8 TWh	30%
Above 8 TWh up to (including) 12 TWh	40%
Above 12 TWh	50%

Notes:

- EEX Platts JKM and \$TTF will be included in the “universal” member exchange fee rebate scheme
- The rebates are measured in TWh where one TWh = approx. 3.4 million MMBtu
- 4 TWh of LNG = approx. 1360 lots of JKM and/or \$TTF futures
- The contracts will also be included in the broker exchange fee rebate scheme at a level of 35%

EEX Product Roadmap for LNG

Future product development for LNG at EEX will focus on 3 key areas:

1. Development of LNG Freight Futures
2. European DES LNG Futures
3. THE (\$/MMBtu) & PEG (\$/MMBtu) Futures plus potential for other European Hub contracts

Key Takeaways

- The growth of global LNG trading impacts EEX's existing customers in the power and gas sector both in Europe and Asia
 - EEX's LNG products – EEX Platts JKM and \$TTF futures launch on 15th April 2024
 - Customers trading these products at EEX will benefit from significant margin offsets as well as inclusion in EEX's exchange fee rebate programme
 - EEX remains committed to the development of the market and plans add to LNG freight futures, NWE LNG futures and further gas hubs in \$/MMBtu to its product portfolio
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Thank you

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