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#BuildingMarketsTogether

# EEX - Introducing Financial Gas Futures & Spark Spreads

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› eex

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› nodal

› ecc

› nodalclear

› grexel

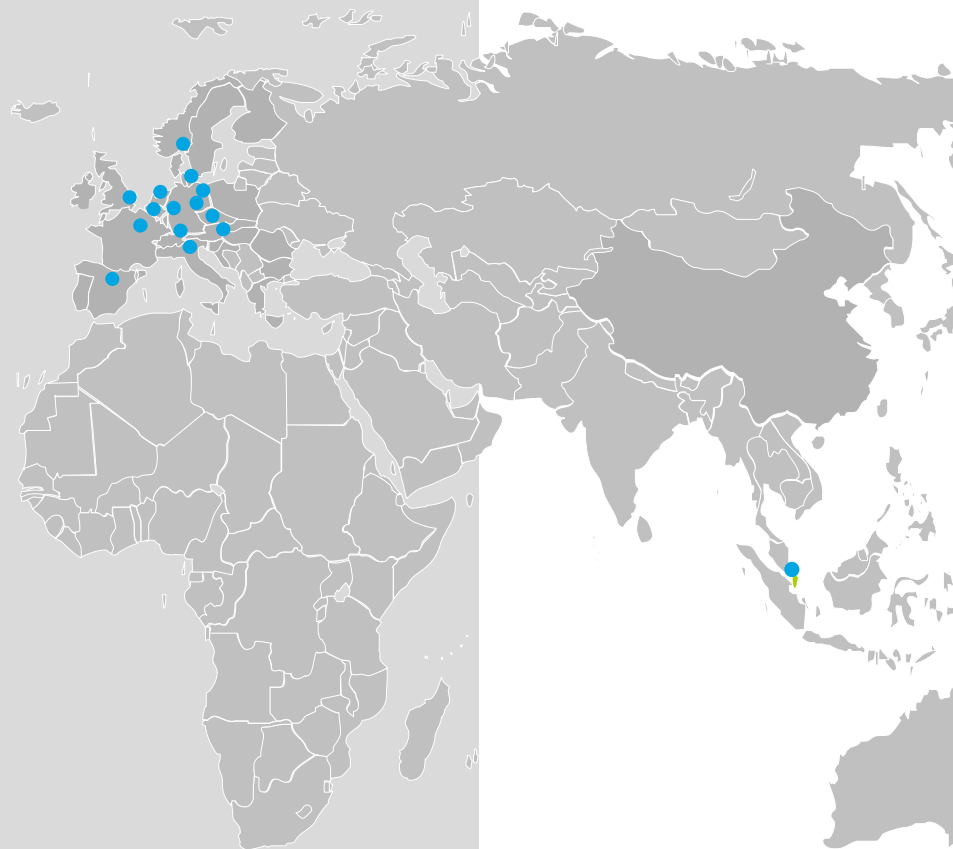
› pxe

# EEX Group – A Global Commodity Exchange

US



Europe



Asia



#GoingGlobal

# 1  
in Power Trading  
Worldwide

More than  
**750**  
Trading participants  
from 40 countries

17 locations  
worldwide

7,077 TWh

Traded on the global EEX Group  
power markets in 2020

2,412 TWh

Traded on the global EEX Group  
gas markets in 2020

Day-ahead  
Market Coupling for

20

power spot markets

49,452

Contracts traded in  
Agricultural  
Commodities in 2020

More than

750

Trading participants  
from 40 countries

218

Emissions Auctions (EU+EUAA)  
in 2020

# Mirroring the EEX Flagship Power Futures



EEX the home  
of power trading  
worldwide

The new cash-settled Gas Futures will eliminate the burden of physical fulfillment while aligning with the standards of the highly liquid Power market

EEX is the N°1 exchange in power trading worldwide for four consecutive years

In power derivatives, EEX has a 20-year proven track record with Germany being the benchmark power product for Europe.

# Adding Financial Gas Futures



Launch  
28th June  
2021

**TTF:** North-Western European benchmark for Euro denominated gas trading

**NCG:** After the NCG/Gaspool merge **THE** will become the new benchmark for gas trading in Germany

**CEGH:** The Central European gashub

## **Introducing Short Term Maturities:**

Reducing early close-out risk. Cash-Settlement in delivery month

## **Perfect fit for financial players**

Cash settled futures, ideal for proxy hedging

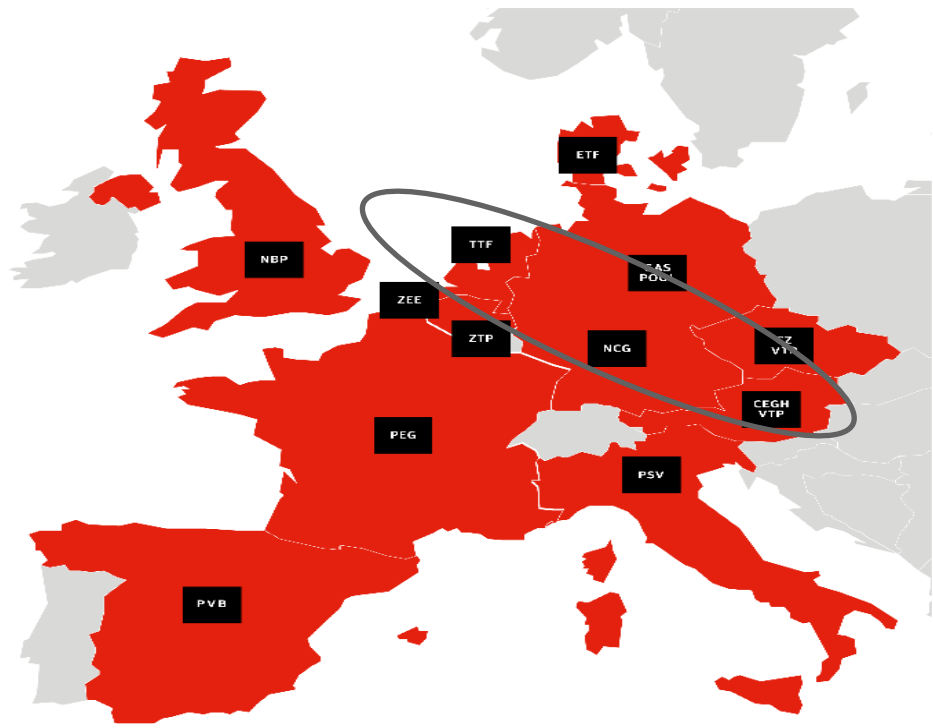
## **Low entry barriers.**

Be active in the liquid and volatile gas markets without any balancing, shippers agreements and risk of physical delivery.

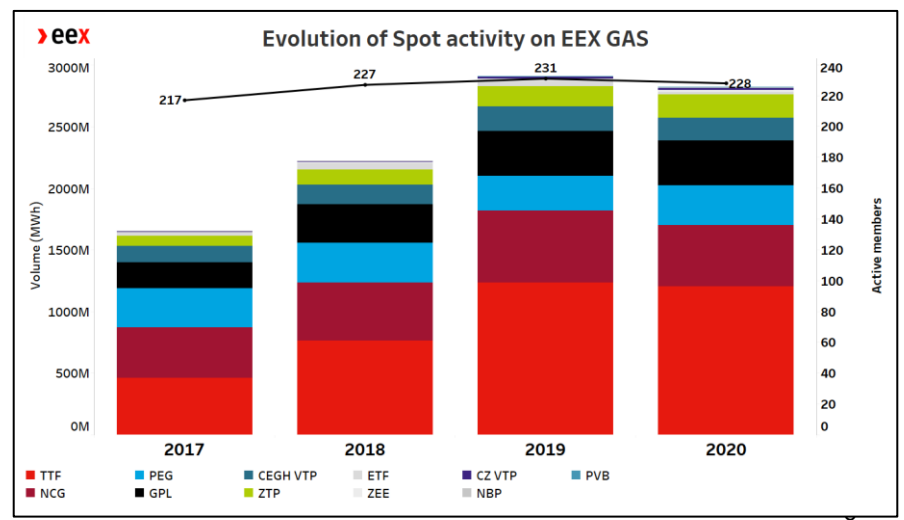
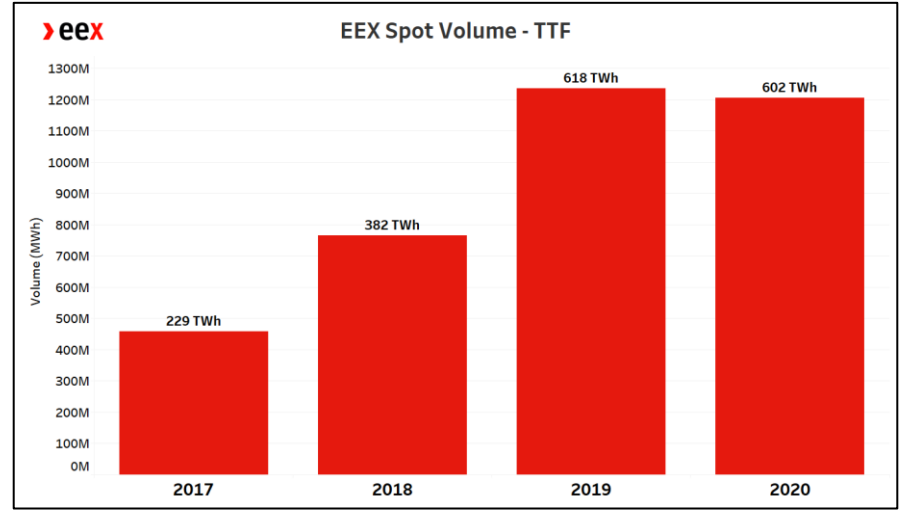
## **Bridging EEX Power and Gas markets**

Trade EEX Spark Spreads with identical financial legs

# EEX Natural Gas Trading

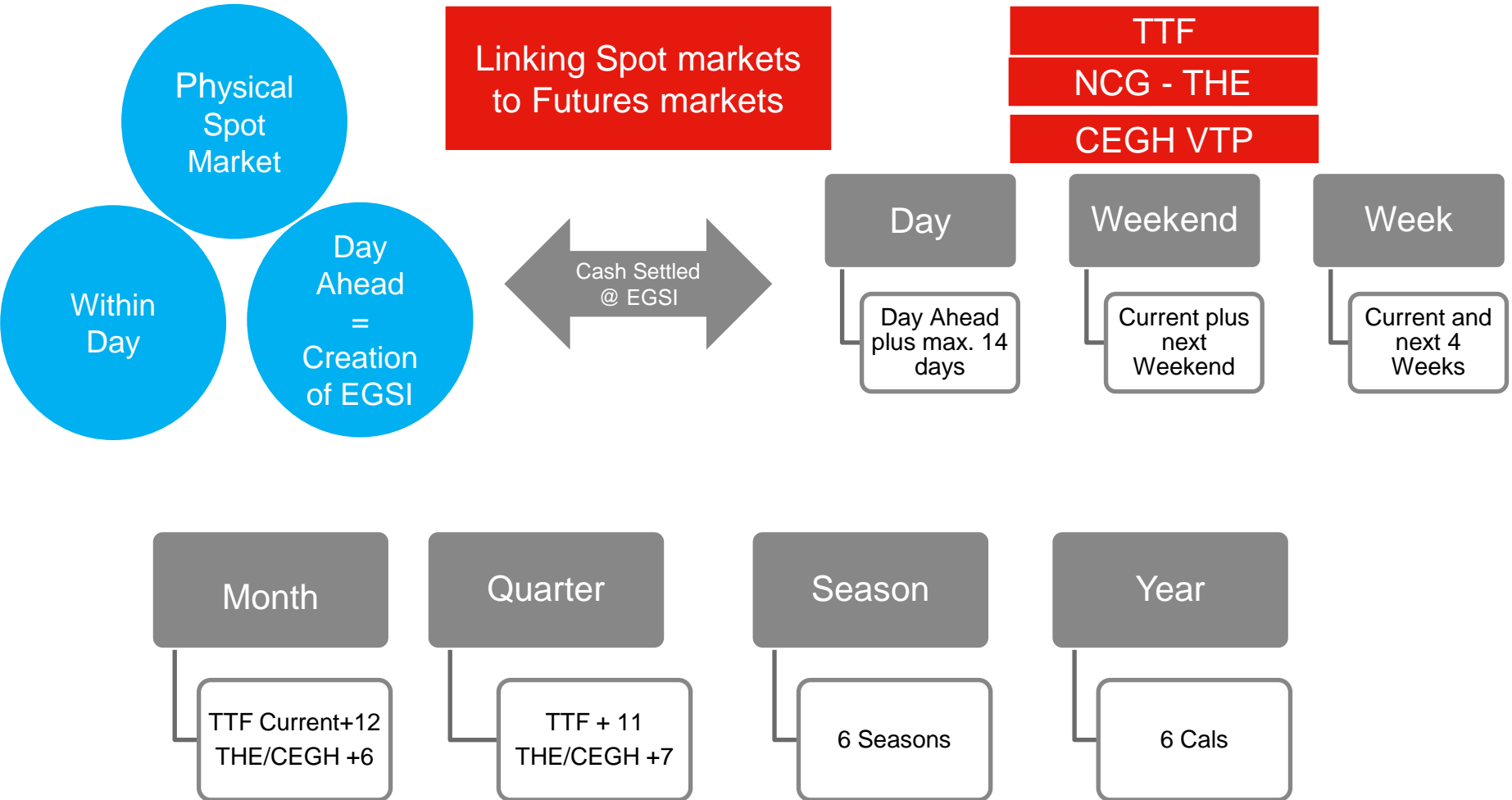


**EEX**  
**TTF, NCG, CEGH VTP Spot Market Share**  
**60 – 80 %**



# EEX – Financial Gas Futures EGSI

Full range of maturities



# Settlement against EGSI benchmark



EEX Group the  
**number 1** spot  
gas trading  
exchange

Cash settled against corresponding index:

- Day EGSI
- Weekend EGSI
- Week EGSI
- Month EGSI

EEX is the leading venue for gas spot trading in central Europe, holding 60-80% market share in TTF, NCG and CEGH spot markets.

EGSI, EEX flagship Index, representing fair traded prices benchmark.

Closer alignment between the Spot and Futures markets gives customers the opportunity to trade on a more robust and liquid market.



Volume weighted average price for each delivery day calculated with all Day trades executed between 08:00-18:00 CET

## EGSI Explained

- Exchange traded benchmark
- Based on truly traded prices
- Reduced settlement volatility
- Getting more popular amongst End Users and Industries



- EEX offers EGSI since Sept. 2017 free of charge
- Full Transparency

## Robust Benchmark

### Facts and Figures (3 hubs)

- Average number of daily active members: **>550**
- Average number of daily trades during EGSI window: **>2000**

# Settlement of financial gas futures in delivery

- Same methodology as today for financial power futures at EEX
  - Settlement window: 17:00 - 17:15 CET
  - Daily settlement price: arithmetic average of
    - Already available EGSi prices for delivery days in the delivery period and
    - The last settlement price of the respective future before start of delivery

Settlement of the financial gas future May in the delivery month - May 8 <sup>th</sup>																															Jun	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2
5.332	4.942	4.978	4.054	4.265	5.043	4.402	4.216	4.097	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793	4.793			
EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP	BDSP		

$$\text{Settlement price(May 8th)} = \frac{(5.332+4.942+4.978+4.054+4.265+5.043+4.402+4.216+4.097+4.793 * 22)}{31} = 4.735 \text{ €/MWh}$$

- Final settlement price (FSP) can be calculated if all EGSi values are known

Final settlement of the financial gas future May in the delivery month - May 30 <sup>th</sup>																															Jun		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	
5.332	4.942	4.978	4.054	4.265	5.043	4.402	4.216	4.097	4.679	4.296	4.755	5.467	5.275	5.770	5.361	4.924	4.864	5.055	5.377	5.596	5.315	5.232	5.510	5.698	5.658	5.918	5.743	5.560	5.142	5.506			
EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi	EGSi		

$$\text{Final Settlement price (May 30th)} = 5.098 \text{ €/MWh}$$

$$\text{FSP (May 30th)} = \frac{(5.332+4.942+4.978+4.054+4.265+5.043+4.402+4.216+4.097+4.679+4.296+4.755+5.467+5.275+5.770+5.361+4.924+4.864+5.055+5.377+5.596+5.315+5.232+5.510+5.698+5.658+5.918+5.743+5.560+5.142+5.506)}{31} = 5.098 \text{ €/MWh}$$

# EEX – Spark Spreads

## Bridging EEX Financial Power and Gas Futures

German Power/  
NCG-THE

Austrian Power/  
CEGH VTP

Dutch Power/  
TTF

Italian Power/  
TTF

German Power/  
TTF

German Power/  
TTF

Week

Month

Quarter

Year

- Trade the price differential between EEX Power and Gas (fixed ratio 1:2)
- Identical underlying financial futures
- Guaranteed Price and Execution
- Enabling better hedging decisions and strategies results into more focus on underlying markets
- Leverage robust power liquidity into gas
- Cross margining benefits

# Fee Structure and Admission

Financial Gas Futures included in all EEX membership-packages free of charge until December 31<sup>st</sup> 2022

EGSI Futures: Initiator for free until July 31<sup>st</sup> 2022

Spark Spreads: EGSI leg for free

Automatic admission for Gas members (underlying markets)

Easy admission for Power members, please contact your Key Account Manager for more information.

# WE ARE READY FOR THE LAUNCH 28/06/2021

The EGSI Financial Gas Futures and Spark Spreads will be available through all our common platforms like TT and Trayport



LOOKING FORWARD TO SEE YOU TRADING

# EGSI Futures and Spark Spreads

## Questions & Answers



# Thank you for your attention.

Additional information needed? Please contact  
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