

## TTF gas market expands fastest in H1 2016 – analyst

Reporting by:

Julia Demirdag

[julia.demirdag@montel.de](mailto:julia.demirdag@montel.de)

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Editing by:

Robin Newbold

[robin@montel.no](mailto:robin@montel.no)

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(Montel) - The Dutch TTF gas hub has expanded faster than any other in Europe this year, with first-half trading jumping 44% compared to the corresponding period in 2015, according to estimates released on Wednesday from London-based Prospex Research.

“The rise of the Dutch market is remarkable. For the second year running, the market expanded faster than any other in 2015 and the expansion has continued this year,” it added in a new report.

“By total trading volumes, we estimate that the TTF market was equivalent to 70% of the [UK’s] NBP market in 2015 and 85% in the first half 2016.”

In 2015, NBP trading volumes rose 4% to 22,587 TWh, while in the Netherlands, volumes surged 33% to 15,913 TWh.

The TTF market has already overtaken its NBP equivalent by some measures, such as OTC trading, which was 30% larger than its UK equivalent in the first half of 2016, while it is also ahead in terms of exchange-based spot trading, though the British hub still dominates futures, Prospex said.

Overall gas trading volumes in Europe rose 13% to a record 46,111 TWh last year, thanks mainly to more volatility in the market and increased competitiveness of gas-fired power generation, the report added.

A combination of weak gas and high hard coal prices has allowed German gas-fired power plants to run around the clock, for example, even outbidding some of their utilities’ hard coal assets in the merit order that selects which units can run on a given day, Montel reported earlier this month.

The European churn rate, the ratio between traded volumes and national gas consumption volumes and a key gauge for a market's liquidity, stood at a record 10 last year, said Prospex.

It was the highest at 47.7 in the Netherlands, up from 35.7 in 2014, though remained flat in the UK at 28.5.