



## European power trade volume rises 23% in 2016 – Prospex

Reporting by Olav Vilnes, Monday 20 March 2017

**(Montel) Power trading volumes in Europe's biggest markets rose 23% last year to a record 11,804 TWh, the highest annual growth rate since 2001, according to London-based energy research firm Prospex.**

"The market has grown for four years in a row now and has clearly regained its confidence after declines around the turn of the decade," said Prospex in its annual power trading report, adding volumes have risen 35% since 2011.

However, the estimated market value of contracts has risen only 2% over the same period to EUR 398m, amid a drop in wholesale prices.

The volumes include spot and forward trades on power exchanges and brokered markets in Germany, France, the Nordic region, the UK, Italy, Spain and the Netherlands.

Germany accounted for 42% of the total traded volume last year, followed by France at 17%, the Nordic region at 15% and the UK with 12%, it said.

Yet France saw the largest annual growth rate of 37%, compared with Germany and the UK each at 30%, Spain at 17%, the Netherlands at 11%, the Nordic region at 7% and Italy at 2%.

Germany also had the most liquid market when measuring total trading volumes as a multiple of physical consumption. The so-called churn factor in Germany stood at 9.3%, which compared to 5.3 in the Nordic region, 4.8 in the UK and 4.6 in France.

### **More cleared contracts**

Over-the-counter trading accounted for 64% of the total volume, with annual growth rising 24% to 7,591 TWh, according to the report. Of this volume 2,891 TWh was cleared, an increase of 37% over 2015.

Exchange-based trading rose 23% to 4,213 TWh.

The EEX group remained by far the largest power exchange with a total volume of 4,384 TWh last year, which includes cleared OTC contracts and trades at its spot subsidiary Epex Spot.

Oslo-based exchanges Nasdaq Commodities and Nord Pool followed second and third in the ranking with Spain's Omie in fourth.