

# Europe gas trade volume on track for another record in 2019

Vera Eckert

FRANKFURT, July 12 (Reuters) - European gas trading volumes this year may beat the record 52,604 terawatt hours (TWh) recorded in 2018 due to growth at the Dutch, German and Italian gas trading hubs, research firm Prospex said on Friday.

Last year's volume rose 5% and trading across 11 markets monitored by Prospex increased by at least 10% in the first half of 2019 compared with the same 2018 period, the consultancy said in an annual gas trading report.

It did not give a specific volume figure for the first half of 2019 to compare with the 2018 Jan-June period's 26,000 TWh.

Prospex said that volume growth on Dutch gas exchange Title Transfer Facility (TTF) remains dominant, more than offsetting a continued decline on Britain's National Balancing Point (NBP).

The two account for 80% of European wholesale gas trading.

“Overall, it would be very surprising if at the end of 2019 we don’t have a new total annual trading volume record for European natural gas,” the report’s author, Nigel Harris, said.

Wholesale trading has picked up in recent years as the region’s gas resources fall and more liquefied natural gas (LNG) arrives.

The NBP serves as the trade hub for LNG arriving into British terminals, but also all exchange futures trading and price risk management for markets in Britain denominated in sterling.

Almost as much LNG came into continental European ports Zeebrugge and Rotterdam last year onboard ships, and France’s Dunkirk was also quickly establishing itself.

TTF absorbs pipeline gas arriving from Norway and Russia and now more LNG, eclipsing NBP’s activities.

The industry dynamics allowed TTF to race ahead with a 28% volume gain in 2018 while NBP’s volume slumped by 19%.

Having overtaken NBP since 2016, the TTF saw trading volumes around three times those of NBP in the first half of the year, Prospex said.

As global gas prices increased by around 20% last year, the total European gas trading value in 2018 amounted to 1,190 billion euros (\$1.34 trillion), up 35% and exceeding one trillion euros for the first time ever, it said.

The Netherlands, Britain, Germany, France, Italy and Belgium are the leading markets in that order.

Data was also gathered from Austria, the Czech Republic, Denmark, Poland and Spain. (\$1 = 0.8884 euros) (Reporting by Vera Eckert, editing by Louise Heavens)