

# European Gas Trading 2016

13<sup>th</sup> edition of this popular report



*This document includes a report summary, a table of contents, report format and price information, and an order form.*

## Report Summary

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**We estimate that total European natural gas trading volumes rose by 13% in 2015 to a record high of just over 46,000 TWh. The market has continued to grow in the first half of 2016 - we estimate that total European gas trading volumes increased by 16% year on year.**

This 238 page report offers a comprehensive analysis of European gas supply and demand, infrastructure, the trading market, brokers and exchanges, regulatory issues, top industry players, and more. The market's dimensions and trends are profiled in 54 tables and 45 charts. The report is structured as follows:

**Chapter 1 – European Gas Markets Profile:** this chapter profiles the fundamentals of the European gas market, including the trends in gas reserves, production, consumption, imports and exports. It also considers the sources of seasonal flexibility, and the likely potential for unconventional gas production in Europe.

**Chapter 2 – Gas Market Infrastructure:** this chapter provides an overview of EC gas infrastructure planning, projects of common interest (PCIs), and EEPR and CEF project funding initiatives. It reviews existing and planned gas infrastructure, including import and cross-border pipelines, LNG terminals and storage facilities.

**Chapter 3 - Regulation:** this chapter outlines the legislative and regulatory framework within which European gas trading occurs. It reviews the EU regulations that govern the opening of gas markets to competition, and the development of European network codes. It discusses the regulation on energy markets integrity and transparency (REMIT) that came into force at the end of 2011, and reviews progress in the implementation of European financial market regulations that will affect some forms of gas trading activity.

**Chapter 4 – Trading Activity:** this chapter reviews the development of trading volumes, including exchange and OTC activity, at Europe's gas trading hubs. It documents the steady growth in trading activity that occurred during 2015, building on a strong increase in 2014. It gives details of the main traded instruments and describes the types of contract that are used in wholesale and retail markets. The final section reviews the key characteristics of each major national or regional market.

**Chapter 5 – Trading Markets:** this chapter reviews the trading venues for natural gas in Europe, covering the OTC markets, exchange spot, futures and options trading and cleared OTC trading. It includes a detailed analysis of trading volumes in each of these sectors, and covers the characteristics, key features and performance of the exchanges on which gas can be traded.

**Chapter 6 – Access to Infrastructure:** this chapter reviews arrangements for access to gas transmission networks and other key infrastructure. It assesses the state of implementation of European network codes for system balancing, capacity allocation and congestion management.

**Chapter 7 – Gas Prices:** this chapter starts with a survey of the market events that drove gas prices during 2015 and 1H 2016. It presents analysis of the recent development of price volatility and price spreads that are key to trading profit. It discusses the main price drivers and the role of oil indexation in European gas, and concludes with an analysis of end-user prices in the household and industrial sectors.

**Chapter 8 - Market Participants:** this chapter profiles the leading physical gas suppliers in Europe. It reviews the main participants in the trading markets, including physical suppliers, trading companies and banks, and summarises their membership at the leading exchanges. The chapter concludes by considering the recent mergers and acquisitions involving European gas companies.

**Chapter 9 - Definitions and Conversion Factors:** this chapter explains the units, unit conversion factors and currency conversions used in this report.

*We estimate that total European natural gas trading volumes rose by 13% in 2015 to a record high of just over 46,000 TWh. For the second year running, the Dutch TTF market expanded faster than any other, with volumes up by 33%. In the first half of 2016 the market has continued to grow - we estimate total volumes increased by 16% year on year.*

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Kingston Energy Consulting is a consulting company that specialises in energy markets and energy market information. Its services are aimed at companies that trade in the oil, gas and power markets and at the information and software companies that serve them.

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**European Energy Exchange Markets 2016 – September 2016**

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The cleared western European power, gas, coal and emissions markets are all growing in volume terms.

The coal trading market is the volume star, surging by 46% in the first half of 2016. Power trading followed with a jump of 36%, while gas trading saw volumes rise by 24%. In the emissions market the growth rate was comparatively modest at 5%. This 50 report reviews trading volume trends, market structures, and exchange market shares in the cleared western European markets for power, natural gas, coal and emissions. The markets are also profiled and illustrated with 17 tables and 27 charts.

**European Power Trading 2016 – March 2016**

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Total trading volumes in the major markets rose by 5% on the year in 2015 to 9,566 TWh, the highest growth rate of the last five years. Indicatively assessed by average spot prices during the year, the market's notional value was €348 bn.

This 191 page report offers a comprehensive analysis of the European power trading market. It covers power trading volume trends, EU energy trading regulations, the emissions trading factor in the power business, the leading western and eastern European power exchanges, major brokers, top trading players, power industry fundamentals, and power company rankings. Market characteristics and developments are illustrated in 40 tables and 61 charts.

**European Coal Trading 2014 – January 2016**

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The financial coal trading business has surged while the global coal industry plummeted into crisis. We estimate financial coal trading volumes in the main markets jumped by 44% on the year in 2015 to a record high above 5,300 Mt.

This 101 page report covers the global coal market context of European trading, market fundamentals inside Europe, the emissions policy factor, physical and financial trading market characteristics, trading volumes, key players, the rise of clearing, and more. It is based on wide-ranging research and interviews with leading players in all of the major European markets. Market and industry indicators are also illustrated in 33 charts and 19 tables.



## Report Format and Price and Info



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