

## Report Summary

This 235 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 53 tables and 47 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 created the competitive market for gas and established detailed rules for market operation. It also reviews European regulation of energy and financial trading and European rules on security of supply for gas.

**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 strong growth in Dutch gas trading activity that occurred during 2016, which contrasted with a contracting UK gas market. 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 – Gas Prices:** this chapter starts with a survey of the market events that drove gas prices during 2016 and 1H 2017. 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 7 - 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 with a review of the recent mergers and acquisitions involving European gas companies.

**Chapter 8 - Definitions and Conversion Factors:** this chapter explains the units, unit conversion factors and currency conversions used in this report.

*We estimate that the total volume of gas traded at European hubs rose by 11% on the year in 2016 to a new record high of over 51,000 TWh. The Dutch TTF market was the star - volumes jumped by 36% and surpassed UK NBP market volumes for the first time. By contrast, volumes in the long-established NBP market fell by 6%.*

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## ***About the Authors***

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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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In 2016 total power trading volumes jumped by 23% to a record high of 11,804 TWh. This was the highest annual growth rate since 2001. Indicatively assessed by average spot prices during the year, the market's notional value was €398 bn, a five-year high.

This 200 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 46 tables and 53 charts.

**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 page 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 Coal Trading 2016 – 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 the major European markets. Market and industry indicators are also illustrated in 33 charts and 19 tables.

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