

Report Summary

This 178 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 41 tables and 46 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.

Chapter 2 – Gas Market Infrastructure: this chapter provides an overview of EC gas infrastructure planning, projects of common interest (PCIs), 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 presents the overall performance of European gas trading during 2017 and the individual performance of each of the main trading markets. It provides analysis of trading volumes in comparison to physical gas consumption, and of the distribution of trading activity and growth or contraction in the exchange and OTC trading sectors.

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 2017 and 1H 2018. It presents analysis of the recent development of price volatility and price spreads that are key to trading profit. It discusses the linkages between international gas prices, as well as the main price drivers and the role of oil indexation in European gas.

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 reviews 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.

In 2017, we estimate that total traded volumes at European gas hubs decreased by 2% on the year to just over 50,000 TWh. This is only the second time that volumes have fallen on an annual basis, the previous instance being a 5% contraction between 2012 and 2013.

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About the Authors

Mary Jackson and Nigel Harris are independent energy market consultants. Each has over 25 years' experience of working with energy traders, providing analysis, training, information and technology services to companies engaged in the oil, gas and electricity markets. Mary and Nigel regularly write, speak and lecture on the gas markets and energy trading. Analysts at Prospex Research developed the report structure and assisted Mary and Nigel during the project.

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Kingston Energy Consulting Ltd
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This 100 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 34 charts and 15 tables.

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