



## **TTF volumes rise 30% in Jan-June despite virus – Prospex**

(Montel) Trading volumes on Europe's largest gas market, the Dutch TTF, rose by nearly 30% in the first six months of this year, according to a report by London-based energy research firm Prospex.

Meanwhile, the UK's NBP volumes likely dropped 10% over the same period, Prospex also estimated in the report.

"The opening months of 2020 saw continued growth in TTF trading volumes [year on year] while the NBP's decline slowed slightly," said report author Nigel Harris. "But during the coronavirus lockdowns in April and May, TTF growth slowed sharply and NBP's contraction accelerated. Trading activity recovered somewhat in June."

Harris cited several supporting factors: subdued gas prices; volatile oil prices; a strong clean spark spread, which is a measure of gas-plant profitability; the phase-out of Dutch gas production; large LNG flows to northwest Europe; and the commissioning of the Nord Stream 2 pipeline.

"Unless we have a horrendous year with a complete lockdown of our society, I would be very surprised if we didn't see a year-on-year growth in 2020. I think it should be quite a good year," Harris added in an interview with Montel.

NBP volumes peaked in 2015 at 22,500 TWh but contracted 40% since then, while the TTF market surged 150% over the same period.

Market participants have previously attributed the rise to hedging of LNG cargoes to northwest Europe, boosting TTF's position as Europe's most liquid gas hub.

"We believe these trends still have some way to run," said Harris. "The TTF market, although now by far the largest-ever hub market for European gas, could still expand further." He added that the merger of the German gas hubs was unlikely to challenge TTF's position.

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