



## **European 2021 power trading volumes drop 12% – Prospex**

(Montel) Power trading volumes in Europe's biggest markets fell 12% to 8,285 TWh last year and have continued lower this year, London-based energy research firm Prospex said on Friday.

Volumes had now fallen 30% since the historic peak in 2016, though the value of the market trebled last year to a record EUR 836bn as a result of soaring wholesale prices, the analyst firm said in a report.

Market indicators and sources suggested volumes were also down year on year in the first half of 2022, with market liquidity having been hit since last autumn, when prices started to rise sharply due to turbulence driven by the recovery after the pandemic and the conflict in Ukraine.

The volumes include spot and forward trades on power exchanges and brokered markets in Germany, France, the Nordic region, the UK, Italy, Spain and the Netherlands.

Germany was the biggest market by far, accounting for 49% of all volumes in 2021. It was followed by France with 15%, the Nordic region with 12%, the UK with 9%, Italy with 8%, Spain with 5%, and the Netherlands with 2%.

OTC trading remained the biggest, accounting for 57% of total volumes, at 4,745 TWh, which is still down 41% from the record high in 2010.

The share of OTC trades being cleared continued to increase compared with uncleared trades, with the latter segment recording a record low volume of 1,647 TWh, down 34% year on year.

Forward market exchange contracts saw a 3% slump in volumes last year to 2,329 TWh, while spot exchange volumes fell 2% to 1,241 TWh.

Germany also had the most liquid market when measuring total trading volumes as a multiple of physical consumption. The so-called churn factor in the German market stood at 8.3 compared with 3.2 in the Nordic region, 2.6 in the UK and 2.4 in France.