

EUROPEAN POWER TRADING VOLUMES SLUMP TO 7-YEAR LOW IN 2019

Power



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(Montel) Power trading volumes across key European power markets fell 5% to a 7-year low last year, though the trend towards more exchange-based trading continued, according to a report from Prospex Research seen by Montel on Thursday.

Volumes were down 26% since their 2016 peak and had not been lower since 2012, Prospex said in its annual European power trading report that will be published on Friday.

Germany remained by far the largest market with 47% of traded volumes in the seven markets surveyed, followed by the Nordic region with 14%, France with 13%, the UK with 11%, Italy with 9%, Spain with 4% and the Netherlands at 2%.

More clearing

The survey also showed more trading shifted from bilateral OTC deals to power exchanges and clearing houses over the year.

Forward market contracts traded over exchanges rose by 9% last year to

2,117 TWh, while cleared OTC deals rose 11% to a record 2,745 TWh. Bilateral OTC trading plunged 24% to 2,620 TWh.

“This is a major transformation. The uncleared segment was long dominant, accounting for two thirds or more of total OTC volumes up to 2015,” said Prospex, adding the EEX was by far the largest power exchange with 67% of the volumes in that segment followed by Nasdaq at 13%.

Spot volumes fell 5% to 1,292 TWh last year but still accounted for 15% of total trading volumes.