

Bloomberg

Europe Gas Trading Recovered in June After Virus Slump: Prospex

2020-07-10

By Anna Shiryayevskaya

(Bloomberg) -- In 1H, Dutch Title Transfer Facility natgas market grew to more than four times the size of the shrinking U.K. National Balancing Point market, Prospex said in an emailed research note.

- * TTF volumes increased by almost 30% y/y, while NBP volumes fell by at least 10%
- * Total European gas trading rose ~20% y/y in 1H
- * “During the coronavirus lockdowns of April and May, TTF growth slowed sharply, and NBP’s contraction accelerated. Trading activity recovered somewhat in June”
- * TTF dominates European gas trading, with exchange trading of contracts for spot delivery ~seven times the volume of the U.K.’s NBP
- * For futures contracts, a bigger market, TTF’s volume is almost twice that of NBP
- * Exchange trading of options for European gas has transferred almost entirely from the NBP hub to TTF
- * “These trends still have some way to run. The TTF market, although now by far the largest-ever hub market for European gas, could still expand further”
- * Liquidity makes it attractive for financial traders seeking exposure to European gas markets

To contact the reporter on this story: Anna Shiryayevskaya in London at ashiryayevska@bloomberg.net

To contact the editors responsible for this story: Reed Landberg at landberg@bloomberg.net, Rachel Morison, Andrew Reiersen

To view this story in Bloomberg click here:

<https://blinks.bloomberg.com/news/stories/QD8WMMT1UM10>

