

LONDON ENERGY BROKERS' ASSOCIATION SEPTEMBER 2013 VOLUMES IN GAS POWER EMISSIONS AND COAL

London, 7th October 2013 - London Energy Brokers' Association ("LEBA"), the industry association representing the FSA regulated wholesale market brokers in the OTC and exchange traded UK and liberalised European energy markets, today publishes the regular monthly volume report and additional accompanying analysis covering the main European gas, power, coal and emissions markets.

Market	September 2013		September 2013		2013 Year to Date	
	Average Daily Volume	Total Volume (Including Cleared)	Average Daily Cleared Volume	Total Cleared Volume	Total Volume (Including Cleared)	Total Cleared Volume
<u>Natural Gas (MWh)</u>						
UK NBP	43,191,469	907,020,854	2,145,790	45,061,587	8,186,626,597	439,599,777
Netherlands TTF	32,668,666	686,041,980	941,389	19,769,177	5,751,566,516	103,246,494
Germany NCG	5,981,685	125,615,393	0	0	984,395,674	29,760
Germany GasPool	5,835,128	122,537,694	0	0	631,116,217	0
France PEG	1,272,847	26,729,787	2,086	43,800	290,546,380	362,570
Austria VTP*	1,284,876	26,982,393	0	0	163,234,769	0
Italy PSV *	1,006,842	21,143,688	0	0	189,956,516	0
Other Gas	4,023,892	84,501,733	0	0	839,501,051	4,588,585
Total Gas	95,265,406	2,000,573,522	3,089,265	64,874,564	17,036,943,720	547,827,186
<u>Power (MWh)</u>						
UK Power	3,066,865	64,404,163	7,267	152,601	606,796,300	5,922,181
German Power	27,883,155	585,546,259	4,246,817	89,183,158	4,199,901,336	377,981,167
French Power	1,777,011	37,317,241	29,150	612,140	335,780,706	4,450,707
Nordic Power *	1,642,514	34,492,797	1,642,514	34,492,797	288,212,889	288,212,889
Italy Power *	2,741,813	57,578,082	9,944	208,820	440,223,448	6,908,462
Central & Eastern Europe	1,406,558	29,537,723	17,217	361,555	229,856,637	1,674,855
Other Power	2,367,875	49,725,375	242,101	5,084,126	438,432,488	31,743,052
Total Power	40,885,792	858,601,640	6,195,009	130,095,197	6,539,203,804	716,893,313
<u>Coal (MT)</u>						
API 2 Rotterdam	12,100,048	254,101,000	8,613,238	180,878,000	1,582,484,950	1,163,575,550
API 4 Richards Bay	3,421,881	71,859,500	2,653,452	55,722,500	310,026,000	233,312,000
Other Coal	2,087,190	43,831,000	1,922,667	40,376,000	305,972,000	172,849,000
Total Coal	17,609,119	369,791,500	13,189,357	276,976,500	2,198,482,950	1,569,736,550
<u>Emissions (MT)</u>						
EUA	2,380,381	49,988,000	2,141,905	44,980,000	1,475,004,126	1,290,309,000
CER	863,143	18,126,000	758,571	15,930,000	206,714,901	185,176,000
Other Emissions	641,190	13,465,000	245,714	5,160,000	83,034,248	53,639,715
Total Emissions	3,884,714	81,579,000	3,146,190	66,070,000	1,764,753,275	1,529,124,715

Overview

September - what a fascinating month.

Natural Gas – There was a very welcome bounce in volumes. The best month since March 2013. NBP and TTF volumes were both healthy but the interesting story is the rise in German GasPool volumes.

GasPool volumes are only 25% of TTF but have increased spectacularly in 2013. Why? A number of factors. The Nord Stream pipeline is the biggest single reason. This pipeline links Vyborg in Russia with Germany beaching at Greifswald in the GasPool network. It consists of two parallel pipes, the first opened in November 11 and the second in October 12. The high capacity installation is pumping gas into the GasPool region. At the moment much of it is staying there. Another pipeline, the Norddeutsche ErdgasLeitung (NEL), has been built to carry gas west from Greifswald to Denmark, Netherlands, Belgium and UK via the Interconnector. This pipeline operated at only 20% capacity during September and isn't expected to be fully operational until November.

A second reason for increased volumes is that the GasPool network is now close to being integrated with its neighboring Polish and Czech Republic networks.

Thirdly the hub managers are buying their balancing requirement in the market. Anja von Poblocki of GasPool Balancing Services GmbH told LEBA – “In the past months GasPool has been actively preparing for the implementation of the Target Model on Balancing Energy. In doing so, Gaspool has brought almost all of its traded volumes (Day Ahead and Intraday) to the market leading to more liquidity than in the past. We believe this attracts many players to take closer look at our hub. Further, we have been constantly improving our service for traders and some bigger players are more active at the Gaspool hub now, as capacity from the TTF into our market area is easier to acquire”.

What's really positive about the GasPool transformation is the nature of the trading we're now seeing. There is extensive trading out across the forward curve, through all periods of 2014, calendar 15 and even some trading in CAL 16. Traders are now using the hub to hedge their forward flow book and not just, as was historically the case, to balance their local short term flow requirements.

Power – The best month since February 13, volumes also most twice those of August. As in previous months Germany is again the story. The issues hitting the German power market are well documented – over capacity, mothballing of generating plants, stretched balance sheets of the leading utilities. In September the domestic turmoil was pushed to one side the market moved out of the doldrums. OTC volumes returned to historic levels. The traders are back.

Coal – September was a record month. The most liquid contracts API2 and API4 both traded volumes well above their previous record months. There was also encouraging growth in other less liquid contracts. 78% of cleared contracts were processed as blocks with the cleared market split CME NYMEX 58.5% ICE 41.5%. Both statistics were very similar to previous months.

OTC brokers continue to dominate trading in the coal market, only 1% of market volume is done direct on exchange screens.

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	YTD Total Market Volume Change 1 year	Proportion Cleared Sept 2013	Proportion Cleared Sept 2012	Average Price September 2013	Price Change 1 Month	Price Change 1 Year	Historical Volatility 1 Month
UK NBP	- 17 %	5%	4%	Price Benchmark LEBA TTF Day Ahead			
Netherlands TTF	+ 8 %	3%	2%				
Germany NCG	+ 33 %	0%	0%				
Germany GasPool	+ 72 %	0%	0%				
France PEG	+ 51 %	0%	0%				
Other Gas	+ 69 %	0%	0%				
European Gas	- 1 %	3%	3%	26.492 €/MWh	+ 3 %	+ 1 %	12%
UK Power	- 12 %	0%	10%	Price Benchmark LEBA UK Day Ahead			
German Power	+ 1 %	15%	6%				
French Power	+ 9 %	2%	1%				
Other Power	+ 6 %	23%	20%				
European Power	+ 1 %	15%	10%	49.421 £/MWh	+ 3 %	+ 12 %	45%
API 2 Rotterdam	+ 24 %	71%	66%	Price Benchmark LEBA API 2 Front Month			
API 4 Richards Bay	+ 23 %	78%	72%				
Other Coal	+ 64 %	92%	53%				
Coal	+ 28 %	75%	65%	77.48 US\$/MT	+ 9 %	- 8 %	19%
EUA	- 13 %	90%	87%	Price Benchmark LEBA EUA Spot Average			
CER	- 67 %	88%	95%				
Other Emissions	+ 1 %	38%	80%				
Emissions	- 27 %	81%	89%	5.22 €/MT	+ 10 %	- 37 %	59%

Notes:

1. Price Change - 1 Month: calculated using the percentage change from the previous month
2. Price Change - 1 year: calculated using the percentage change from the previous year
3. Historical Volatility - 1 month: calculated by taking the annualised standard deviation of the daily logarithmic returns over the last month.
4. Other Gas includes Austria VTP and Italy PSV which is broken out in the monthly volume table from June 2012
5. Other Power includes Nordic, Italian and Central and Eastern European which is broken out in the monthly volume table from June 2012.

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2012 / 2013 Energy Volume Comparisons

LEBA members started listing Austrian and Italian Gas and Nordic, Italian and CEE Power separately in May 2012 so these markets are included in "Other" in the Year to Date comparisons.

Market	September			September YTD		
	2012	2013	% Change	2012 YTD	2013 YTD	YTD % Change
Natural Gas (MWh)						
UK NBP	794,470,441	907,020,854	14.17%	9,877,902,589	8,186,626,598	-17.12%
Netherlands TTF	539,551,890	686,041,980	27.15%	5,338,335,872	5,751,566,516	7.74%
Germany NCG	92,110,848	125,615,393	36.37%	740,705,558	984,395,674	32.90%
Germany GasPool	39,849,991	122,537,694	207.50%	366,469,352	631,116,217	72.22%
France PEG	25,920,136	26,729,787	3.12%	192,398,306	290,546,380	51.01%
Austria VTP	16,152,595	26,982,393	67.05%		163,234,769	
Italy PSV	14,032,114	21,143,688	50.68%		189,956,516	
Other Gas	68,092,360	84,501,733	24.10%	705,122,237	839,501,051	69.15%
Total Gas	1,590,180,375	2,000,573,522	25.81%	17,220,933,914	17,036,943,721	-1.07%
Power (MWh)						
UK Power	57,376,331	64,404,163	12.25%	685,824,601	606,796,300	-11.52%
German Power	368,371,608	585,546,259	58.96%	4,155,617,264	4,199,901,336	1.07%
French Power	41,449,442	37,317,241	-9.97%	308,544,313	335,780,706	8.83%
Nordic Power	31,139,133	34,492,797	10.77%		288,212,889	
Italy Power	57,958,151	57,578,082	-0.66%		440,223,448	
Central & Eastern Europe	30,109,951	29,537,723	-1.90%		229,856,637	
Other Power	46,508,554	49,725,375	6.92%	1,319,070,795	438,432,488	5.89%
Total Power	632,913,170	858,601,640	35.66%	6,469,056,973	6,539,203,804	1.08%
Coal (MT)						
API 2 Rotterdam	100,770,000	254,101,000	152.16%	1,274,871,100	1,582,484,950	24.13%
API 4 Richards Bay	25,250,000	71,859,500	184.59%	251,095,250	310,026,000	23.47%
Other Coal	25,127,500	43,831,000	74.43%	186,243,250	305,972,000	64.29%
Total Coal	151,147,500	369,791,500	144.66%	1,712,209,600	2,198,482,950	28.40%
Emissions (MT)						
EUA	237,676,000	49,988,000	-78.97%	1,700,788,000	1,475,004,126	-13.28%
CER	91,611,284	18,126,000	-80.21%	623,269,497	206,714,901	-66.83%
Other Emissions	14,009,000	13,465,000	-3.88%	82,609,150	83,034,248	0.51%
Total Emissions	343,296,284	81,579,000	-76.24%	2,406,666,647	1,764,753,275	-26.67%

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NOTES TO EDITORS:

1. LEBA, the London Energy Brokers' Association, is the industry association representing the FSA regulated wholesale market brokers in the over the counter (OTC) and the exchange traded UK and liberalised European energy markets. These brokers intermediate and facilitate bilateral contracts to be concluded between banks, trading houses, commercial enterprises, public utilities and integrated energy businesses, providing liquidity and price discovery to these markets as well as contributing significant liquidity to European exchange traded markets. The major products that they deal in include crude oil and refined petroleum products, gas, electricity and emissions.

2. The LEBA member firms that currently operate in the European gas, power, coal and emissions markets are:

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www.evomarkets.com

GFI Brokers

www.GFIgroup.com

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Marex Spectron

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