

Global & Regional Market Analysis

Natural Gas

January 2019

01/02/2019

Summary and global outlook

Record volumes were traded in January not just on CEEGEX, but also on PEGAS TTF and CEGH VTP, while trading activity decreased to zero on FGSZ Trading Platform

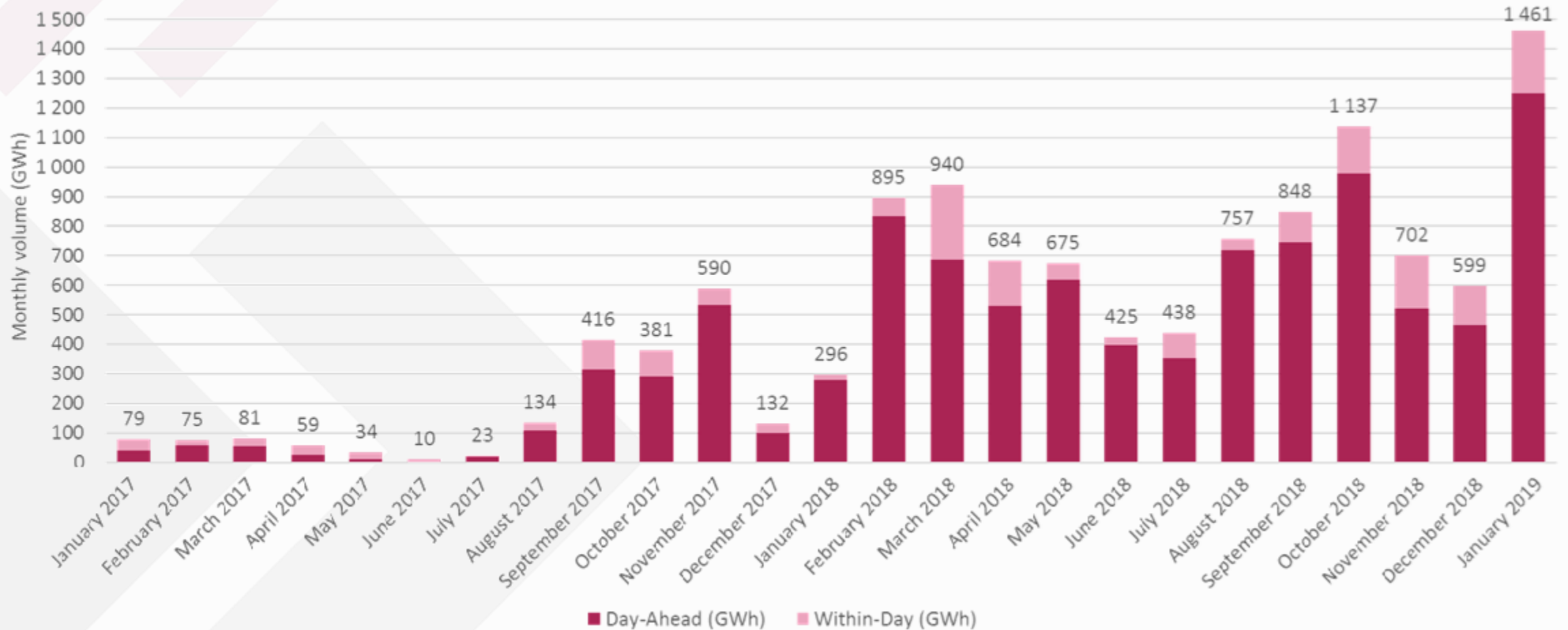
The mild weather in East-Asia and the high European LNG import resulted bearish Western European gas prices, while the TTF-CEEGEX and CEGH-CEEGEX spread climb higher. The latter correlates with the record outflow to Romania

In Western Europe the gas storage level is high due to the mild weather, however withdrawal volumes were significant in Hungary during these months

On the HUDEX natural gas segment the traders were more active than in the months before, while the raising HUDEX-CEGH spread shows that CEGH-CEEGEX spread remains high in the next months

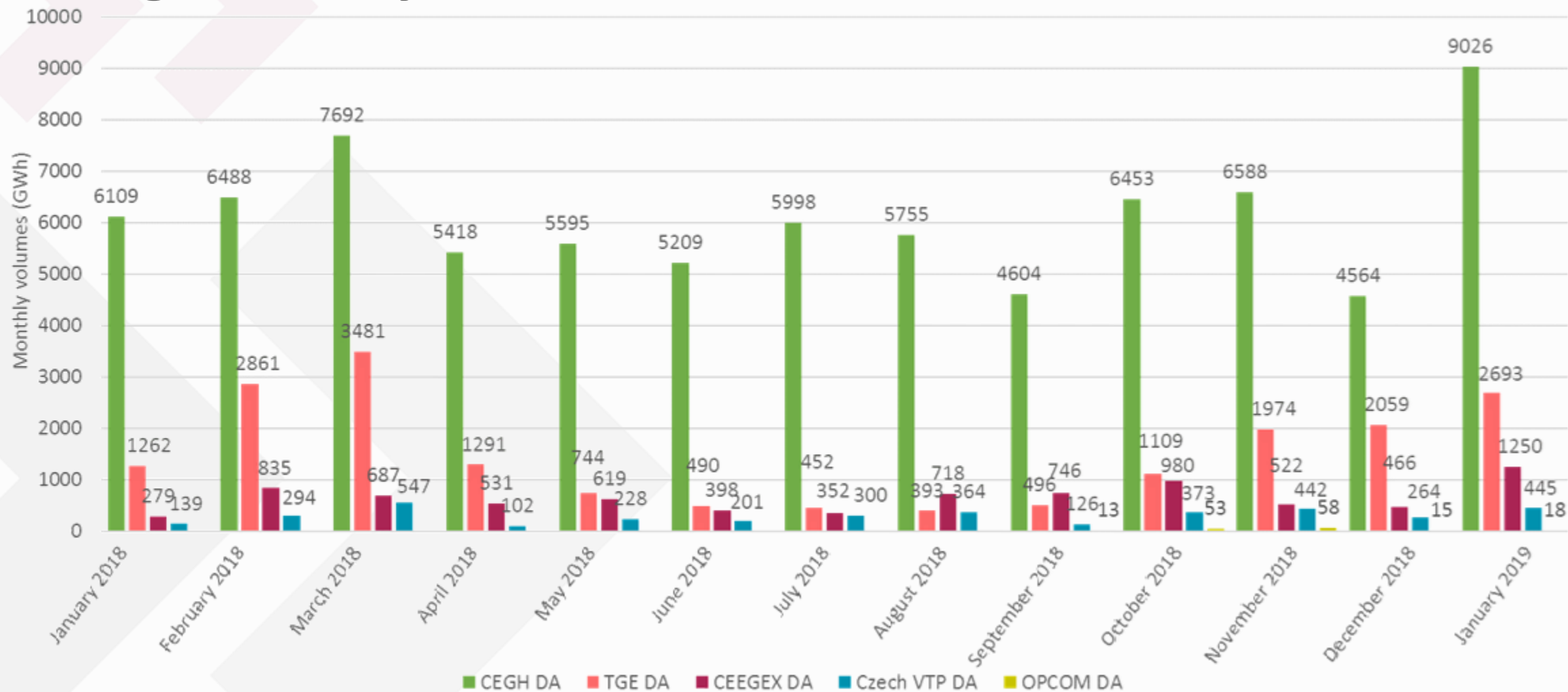


Monthly traded spot volumes



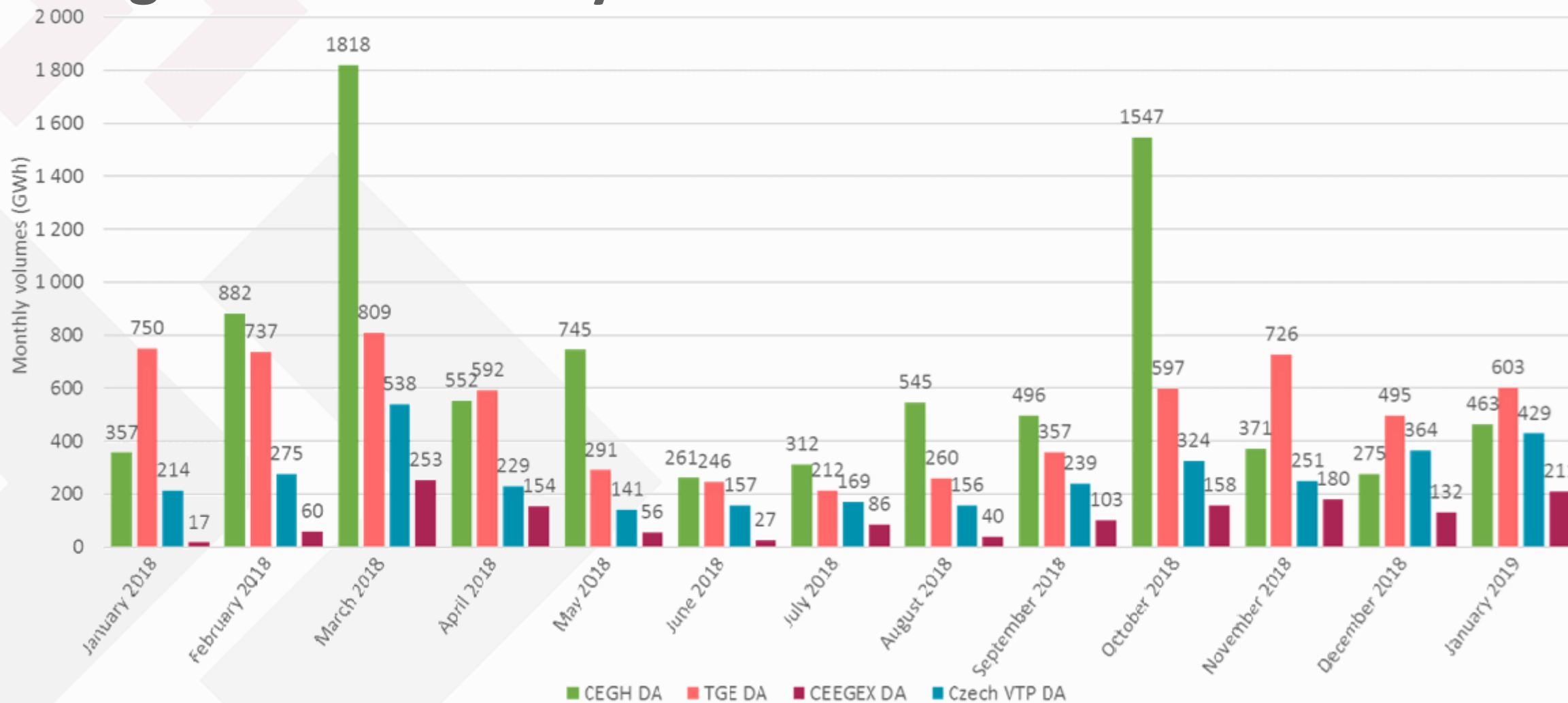
In January the CEEGEX monthly traded volume increased more than 100% compared to December, which resulted a record month

Regional Day-Ahead market volumes



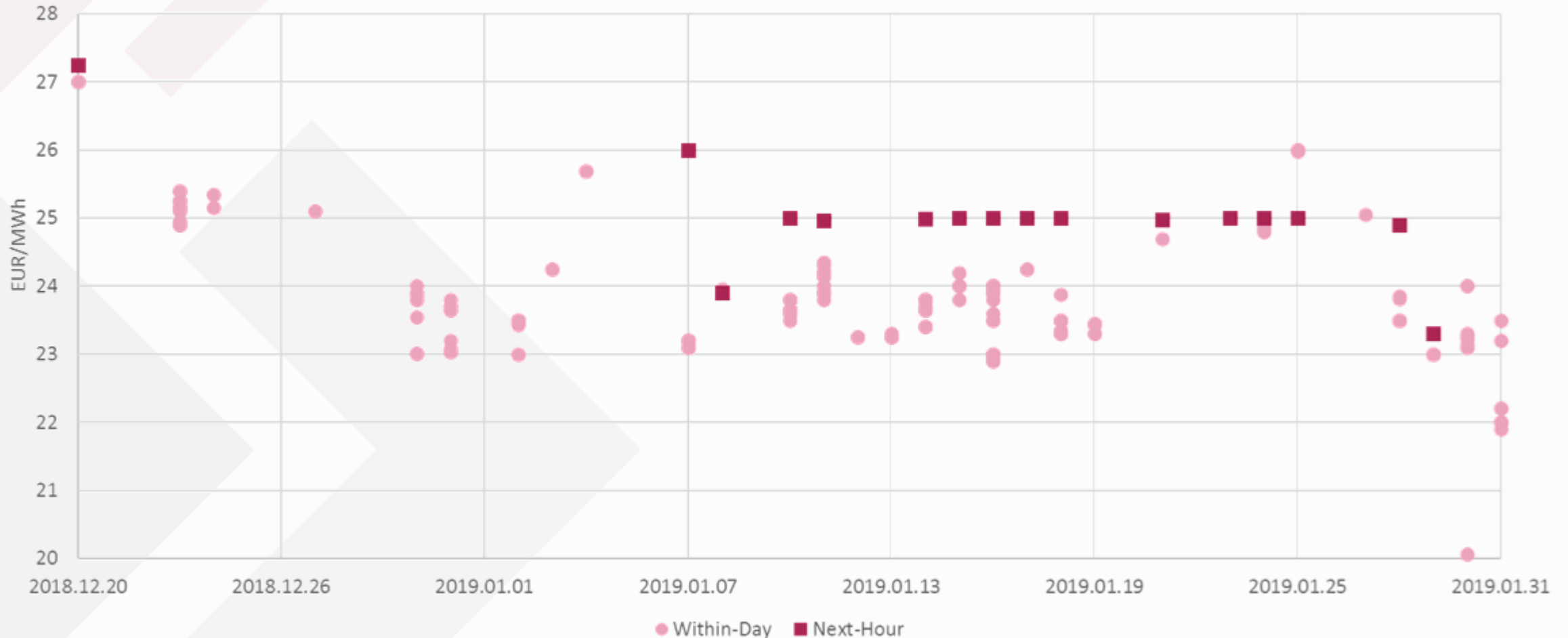
The Austrian and Czech markets grew with the CEEGEX's growing rates in January, while the Polish liquidity increased only minimally. CEEGEX has become the second-third biggest gas exchange in the region by 2018

Regional Within-Day market volumes



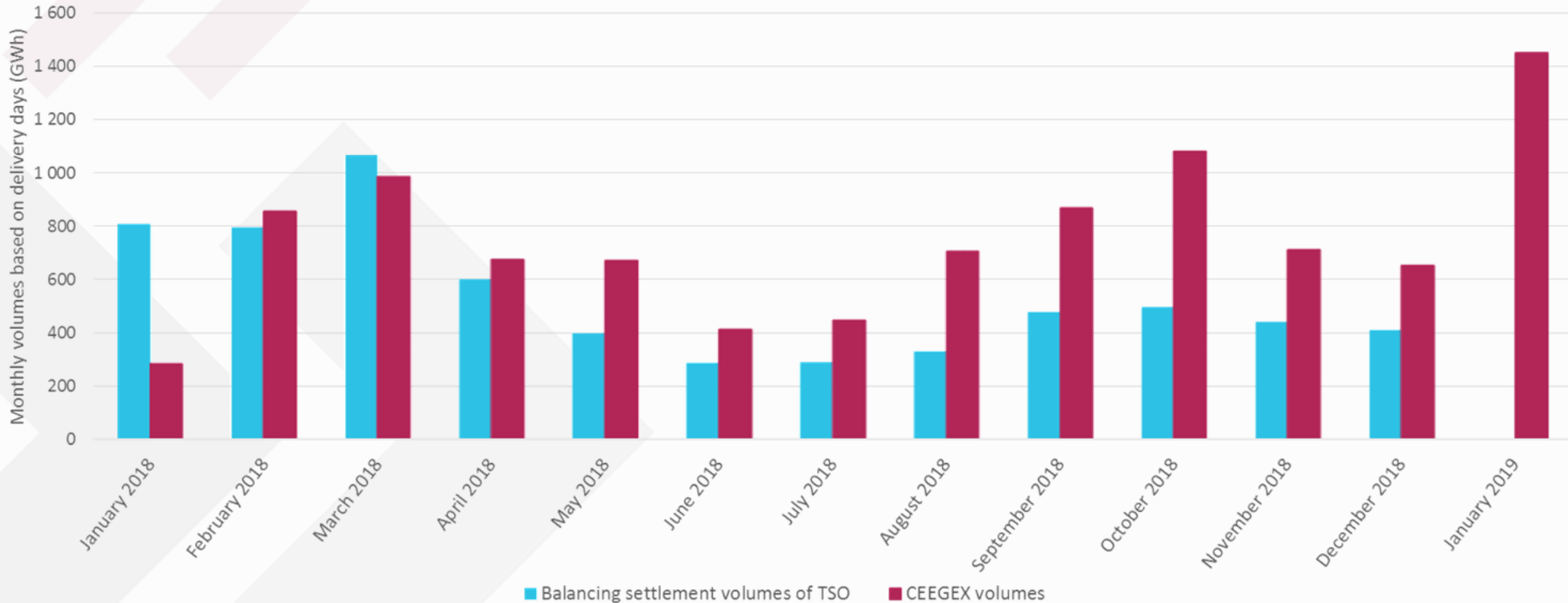
There isn't any significant change on the Within-Day markets of the CEE region. The Within-Day liquidity of CEEGEX remains lower than the regional average

Within-Day and Next-Hour deal prices



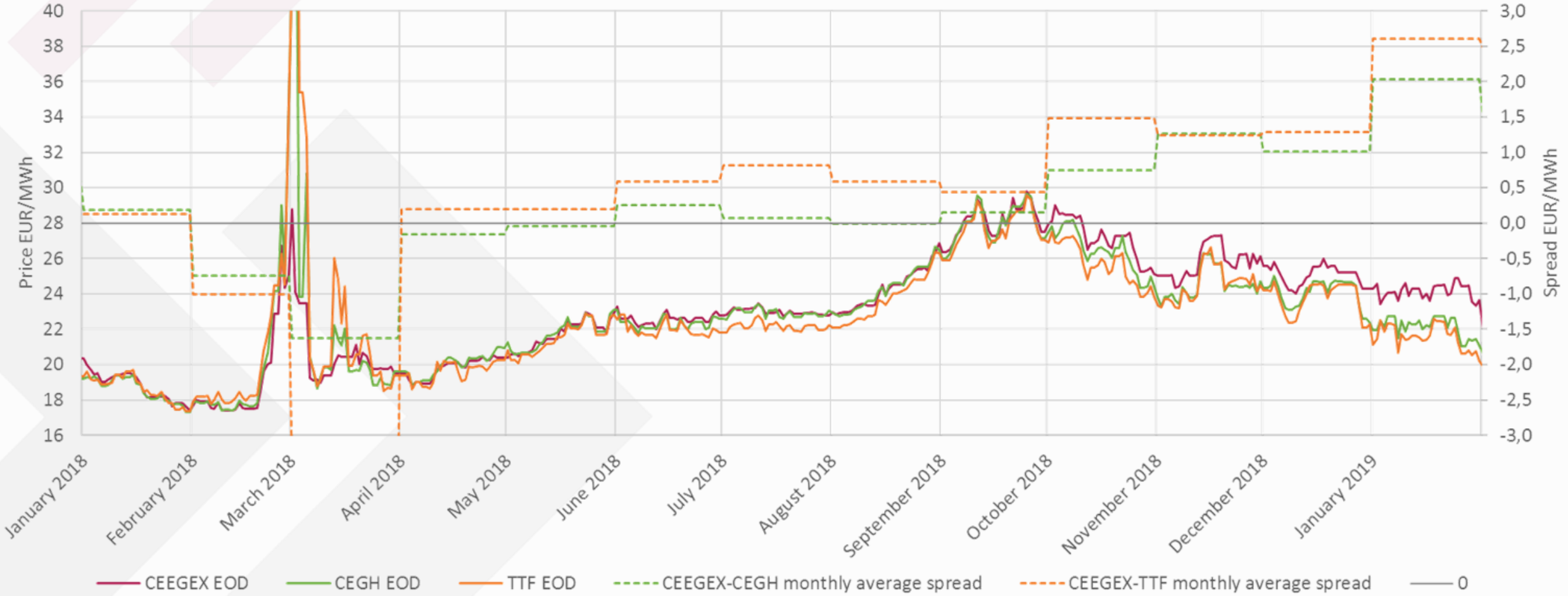
The first trade has been concluded on 20th December on the Next-Hour segment of CEEGEX. In January the 32 NH trades resulted 105 MWh, which is a monthly record volume on this segment. The intraday arbitrage between WD and NH products was 0.3-3 EUR

Balancing volumes



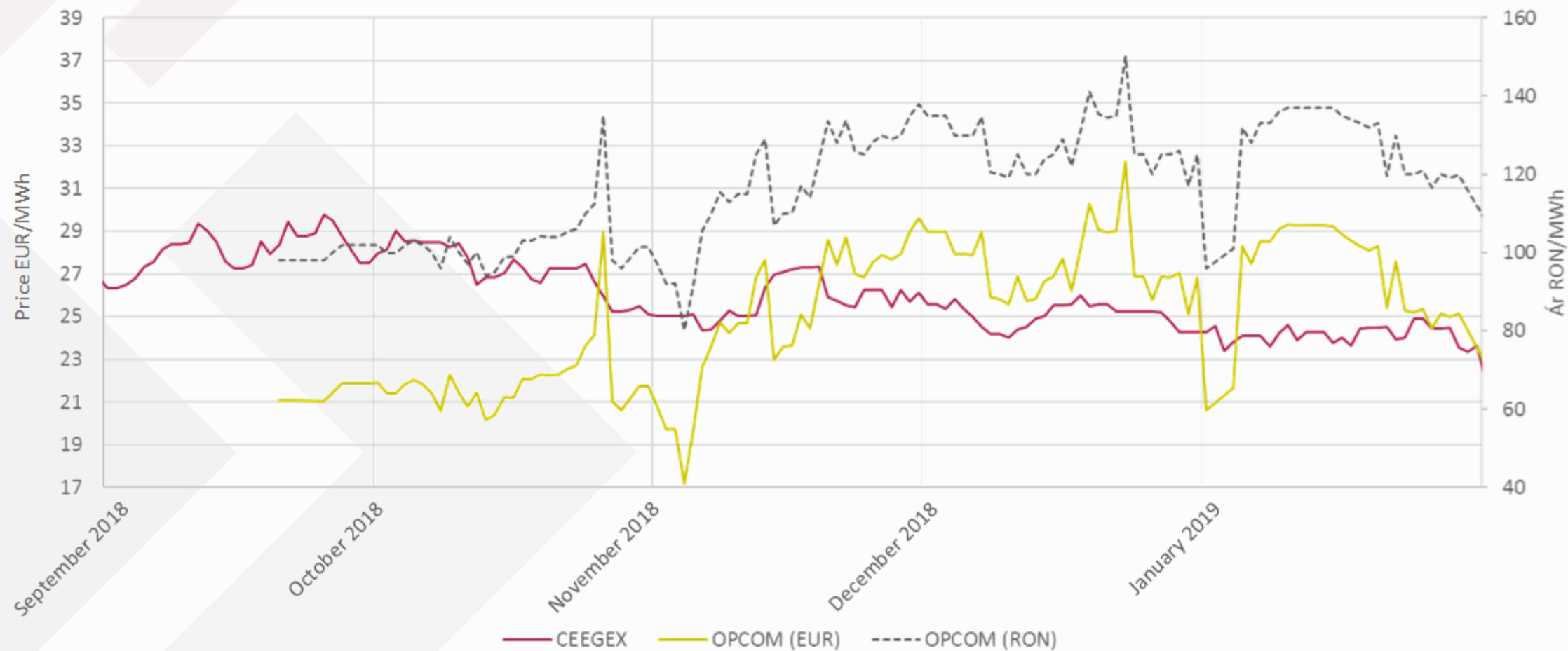
The TSO's balancing settlement volumes didn't decrease in the recent months, which explains the low activity of the CEEGEX Within-Day market. In the meantime the traded volumes of the FGSZ Trading Platform sank to zero. TSO's data is not available for January

CEEGEX and CEGH reference prices



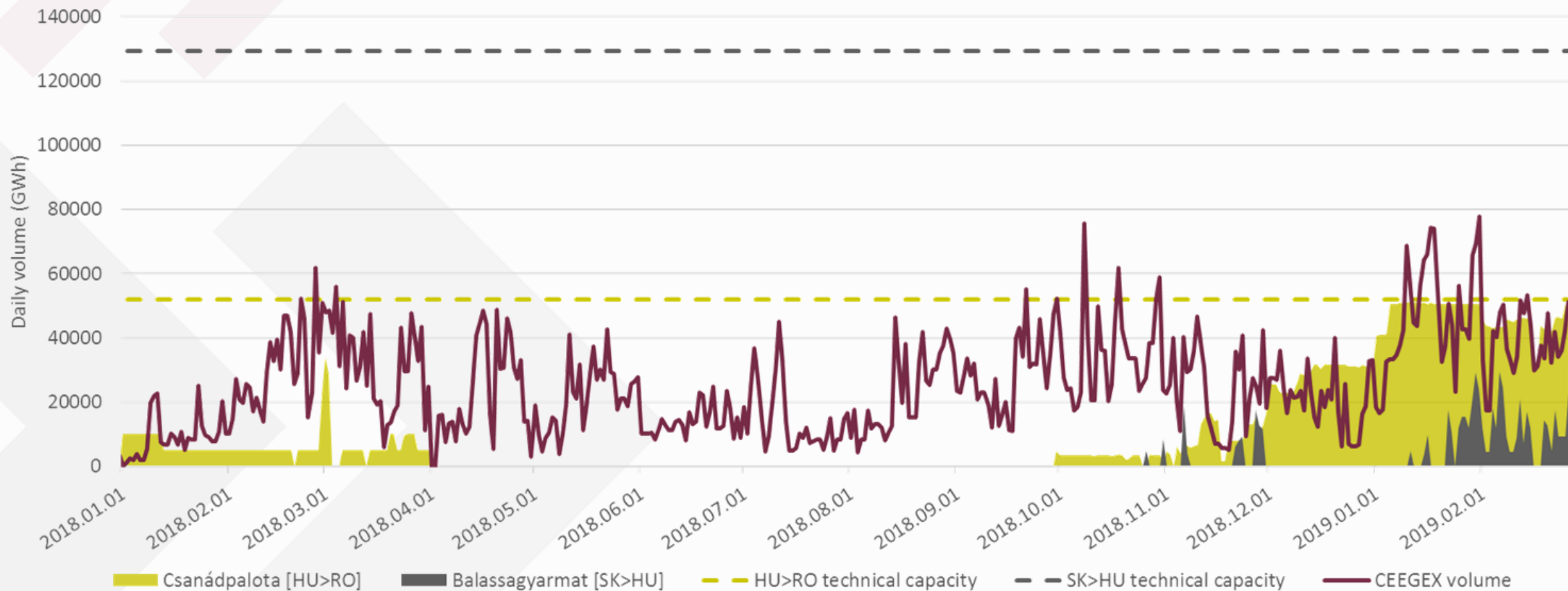
In January the CEEGEX-CEGH spread climbed to 2 EUR due to the high withdrawal and the increased export volumes to Romania

CEEGEX and OPCOM DA prices



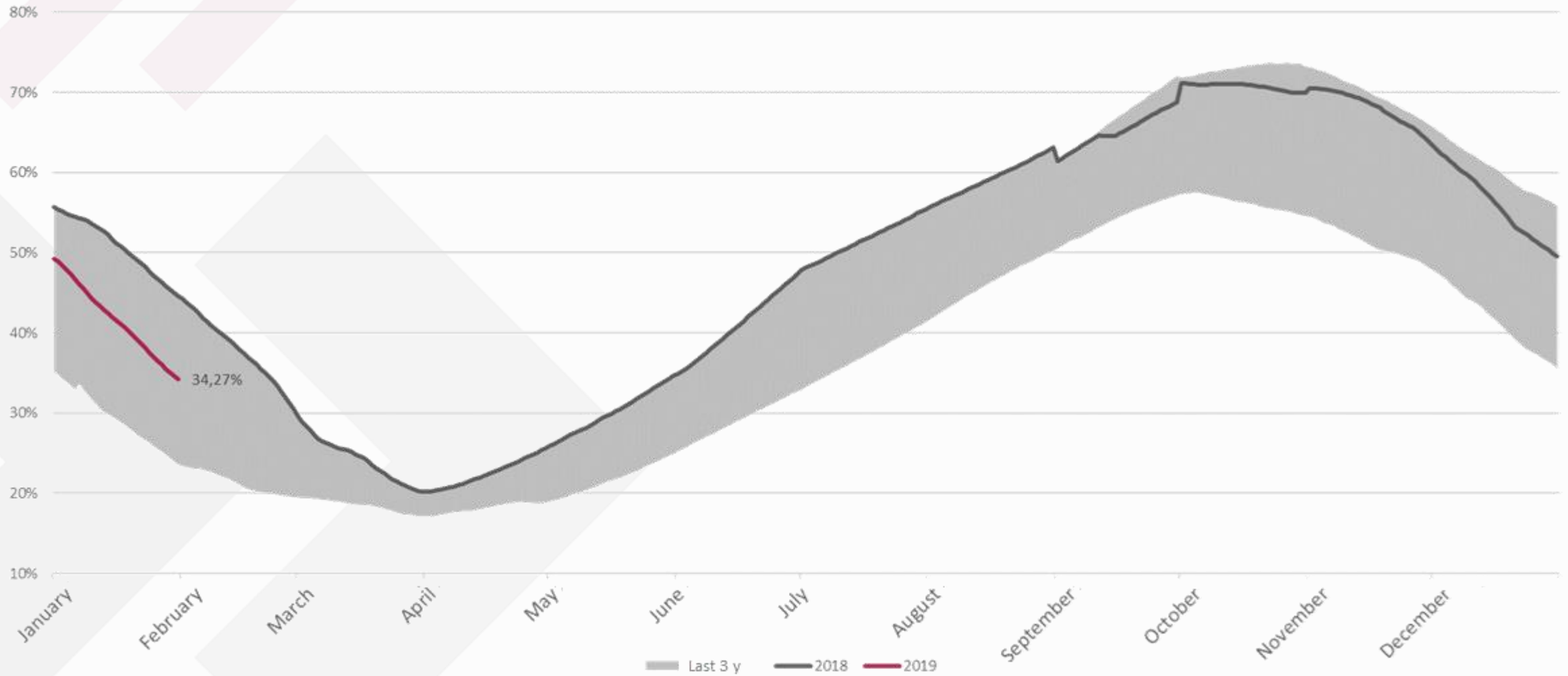
The OPCOM Day-Ahead market has started in September. Since then the Romanian prices increased significantly, however liquidity remains poor, thus the OPCOM DA market's price is still volatile

CEEGEX and interconnector volumes correlation



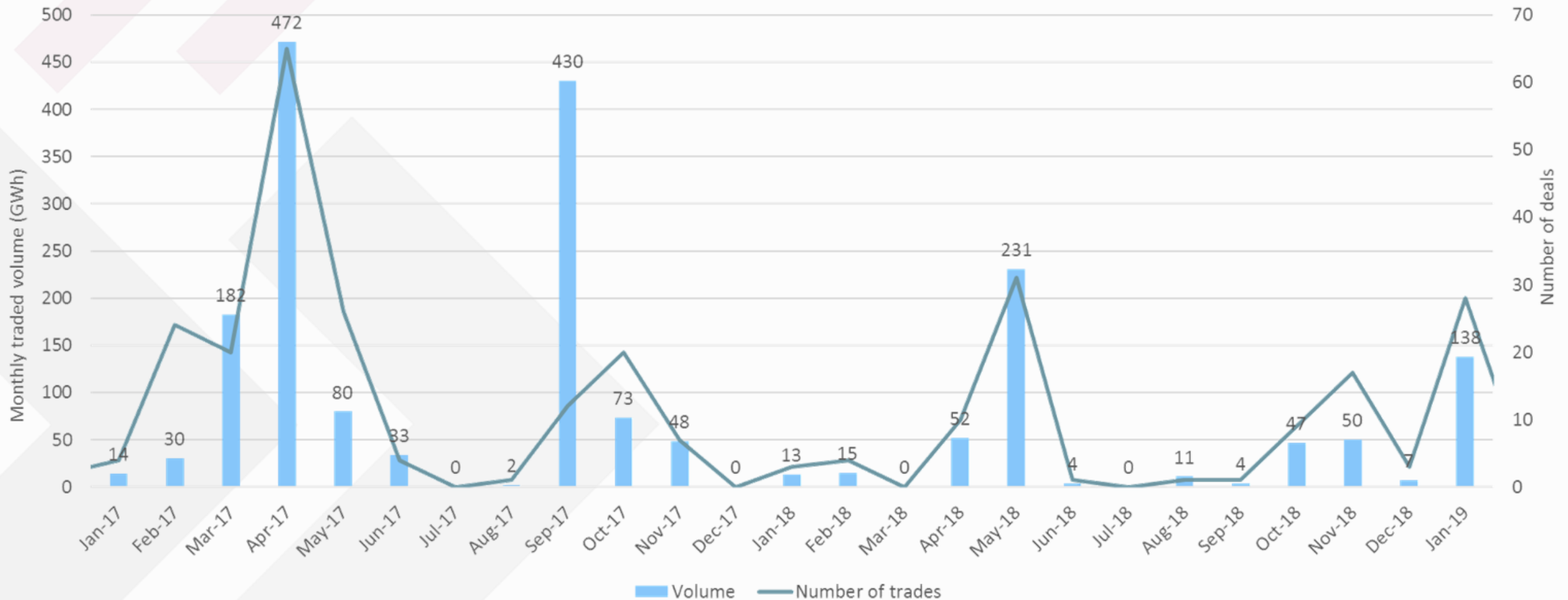
Since the mid of January the HU>RO interconnector volumes hit historic high, which was used at almost maximum capacity. This with the SK>HU flows supported the high CEEGEX volume

Hungarian natural gas storages' stock level



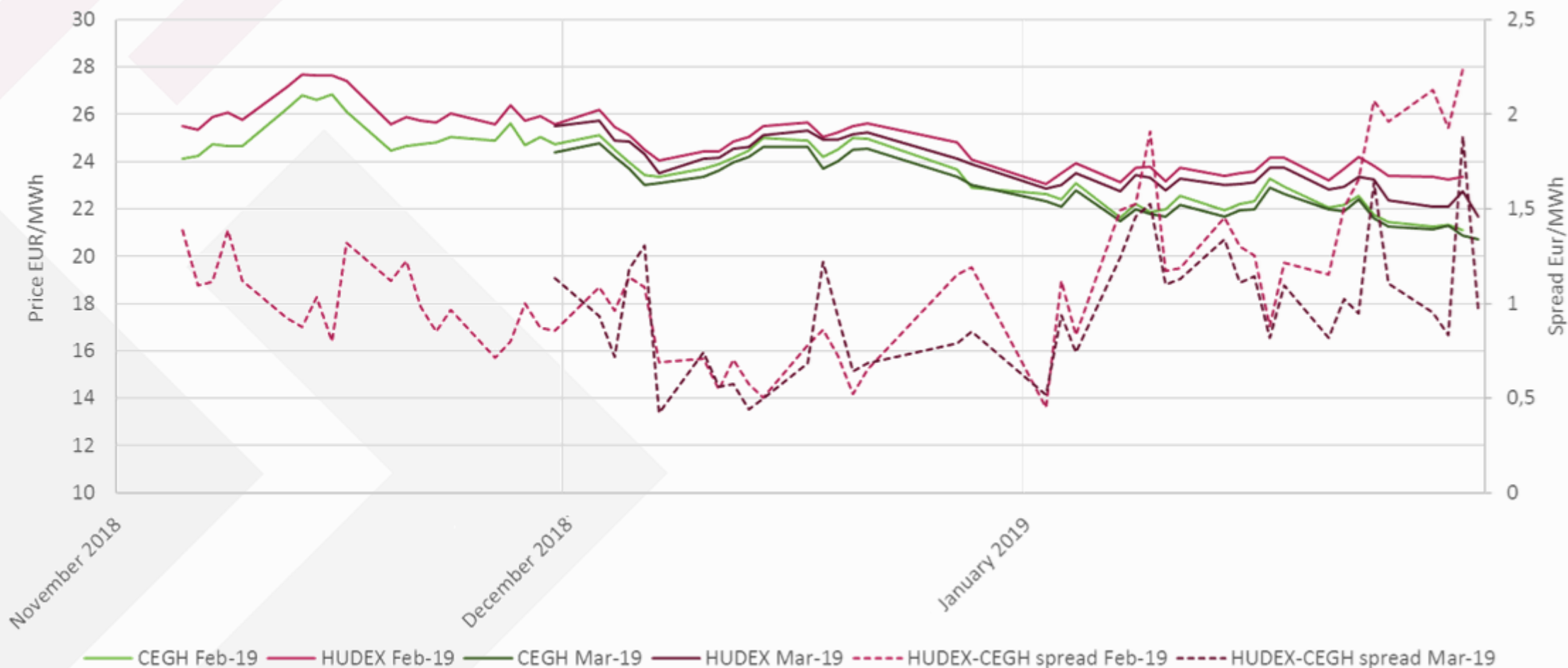
After the high injections in summer, since the mid of December withdrawal volumes remains high. Compared to the last three years the security of supply is decent, however the lower stock levels can raise spot prices later

HUDEX Natural Gas segment



The trading activity is growing on the HUDEX natural gas market segment thanks to the two market maker company. Liquidity was the second highest in January in the recent 12 months

Futures prices



Until mid of December the market participants expected bearish spread, the CEGH and HUDEX prices diverged in January, thus high Romanian export is expected in the next two month