

EEX Japanese Power Futures Updates

Nov 2020

Agenda



Introduction of EEX Group



EEX Japanese power futures overview



How to start trading



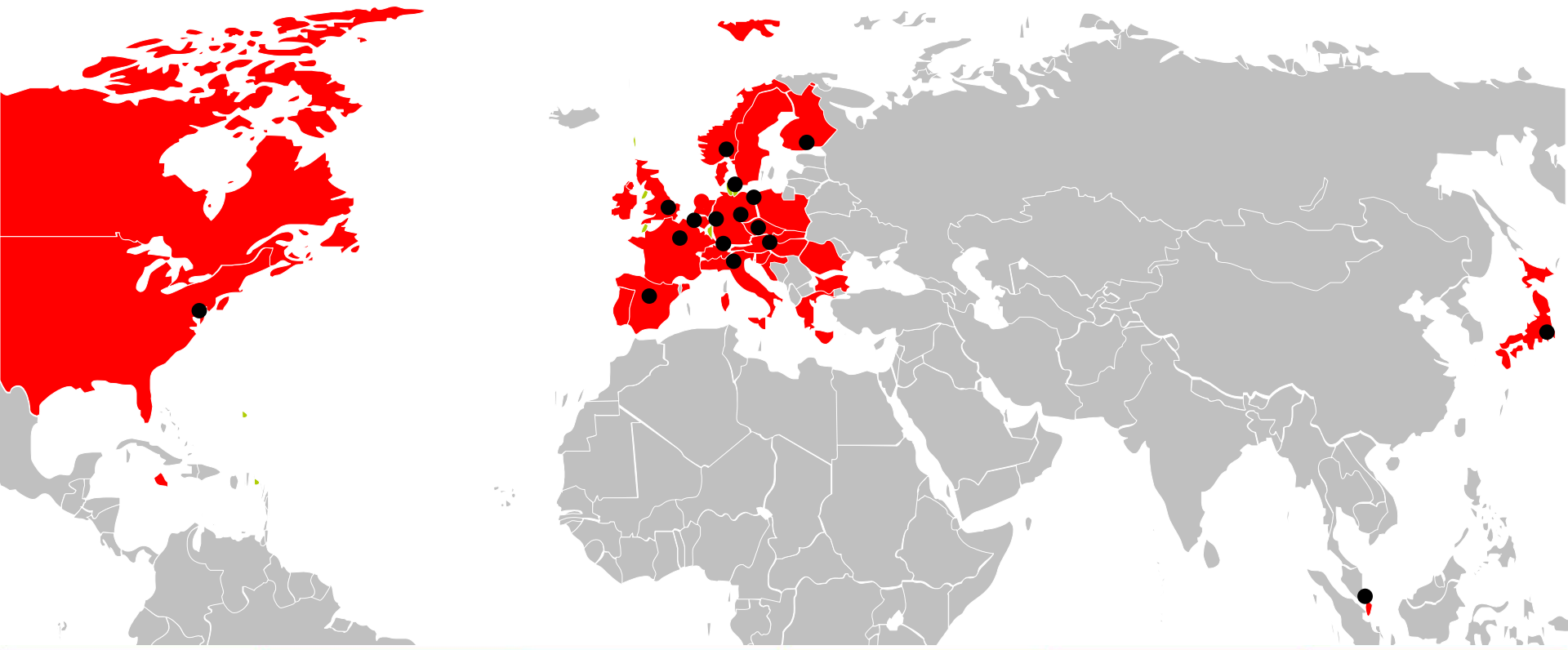
Initiatives to further develop liquidity



Contacts

EEX Group – Global position

The home of power trading worldwide



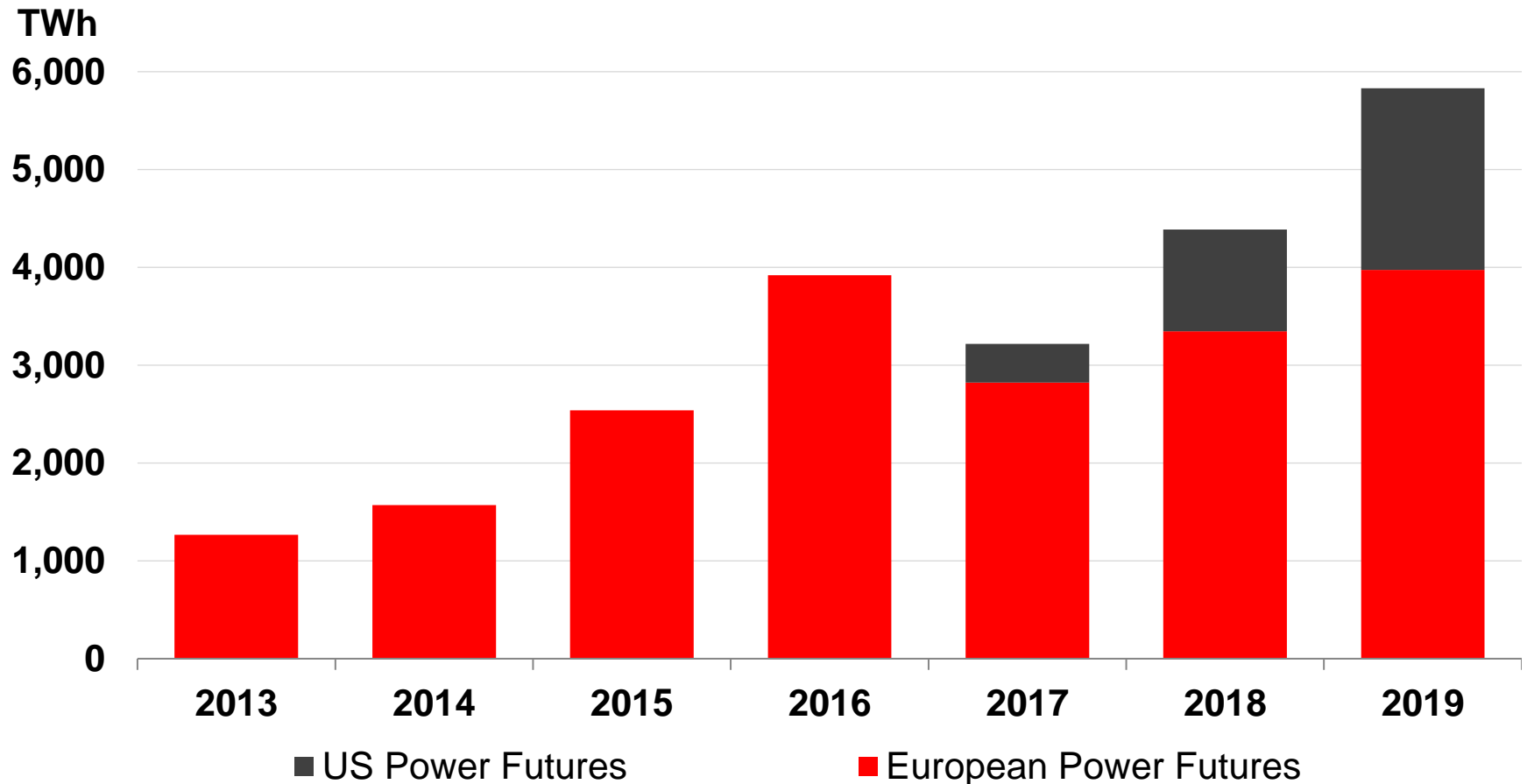
#1
in Power
Trading Worldwide

#1
in Dry Freight Trading
Worldwide

#2
in Emissions Trading
Worldwide

EEX Power Derivatives continue to grow

Expertise in developing power markets



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Japan's spot power market leapfrogs Germany's

The need for a hedging tool is expanding

Sky-High Trading

Daily physical power traded on exchange crosses 1 terawatt-hour



The first 6 months of EEX Japanese Power Futures

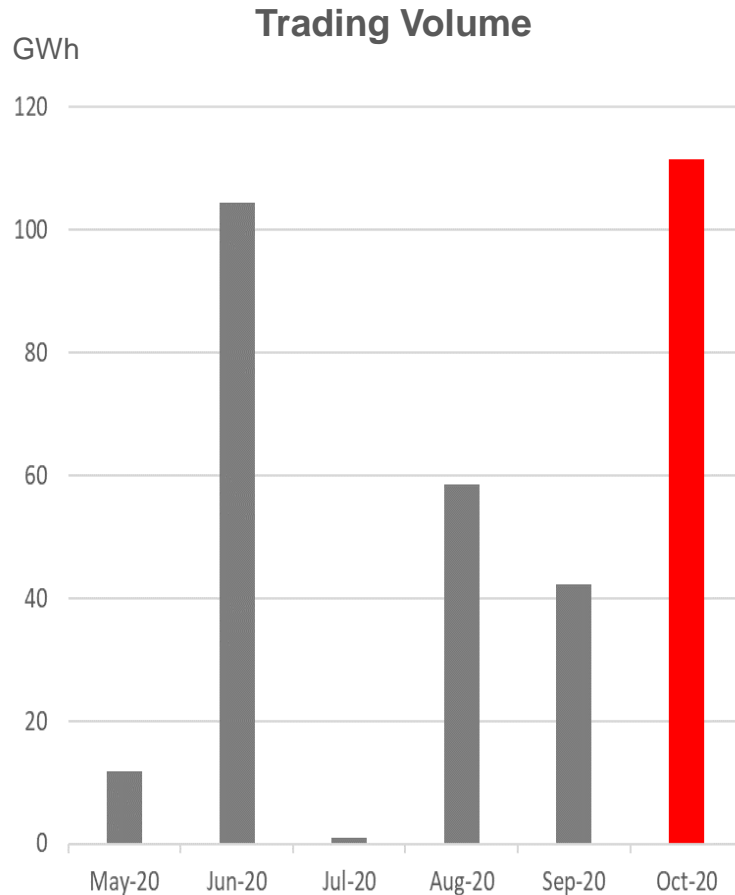
A successful start to a new era

- EEX successfully launched their clearing service for Japanese Power Futures on 18th May 2020
- Despite the challenges caused by the global COVID-19 crisis, a number of market participants from both Japan and overseas were ready on Day 1 and first trades were cleared
- **On behalf of the entire EEX team, we would like to thank all market participants for their support in the 18 months prior to the launch of the Japanese market**
- **This launch would not have been possible without the support and constructive feedback from across the entire value chain**



The first 6 months of EEX Japanese Power Futures

Trade volumes are growing



- Over the six months since our launch in May 2020, traded volumes have reached 329 GWh
 - May: 11.8 GWh
 - Jun: 104.5 GWh
 - Jul: 0.04 GWh
 - Aug: 58.5 GWh
 - Sep: 42.3 GWh
 - Oct: 111.5 GWh
- October saw our highest monthly volume so far
- Trades registered along the entire curve; Weeks, Months, Quarters, Seasons and Years for Tokyo Area Baseload
- As Winter demand season approaches, we expect market activity to increase and more participants to join

Readiness Status

Trading participants, Brokers, Clearing banks

Trading participants

- **Ready: 15 Trading firms**, from both Japan and overseas, ready and active in the market
- **Getting ready:** 10 additional firms, from Japan and overseas, expected to start within the next 4-6 weeks
- **Pipeline:** 70+ additional potential firms

Brokers

- **Ready: 12 Brokerage firms**
- Amerex Energy, Arraco Global Markets, enechain Corporation, GFI Brokers, Ginga Global Markets, ICAP Energy, Marex Spectron Europe, Nissan Securities, SSY Futures, TFS Derivatives, Tradition Singapore, Tullet Prebon Energy Singapore

Clearing banks

- **Ready: 7 Clearing banks**
- ABN Amro, Banco Santander, BNP Paribas, ED&F Man, Macquarie, Mizuho Securities, Société Generale
- **Getting ready:** Marex Financial

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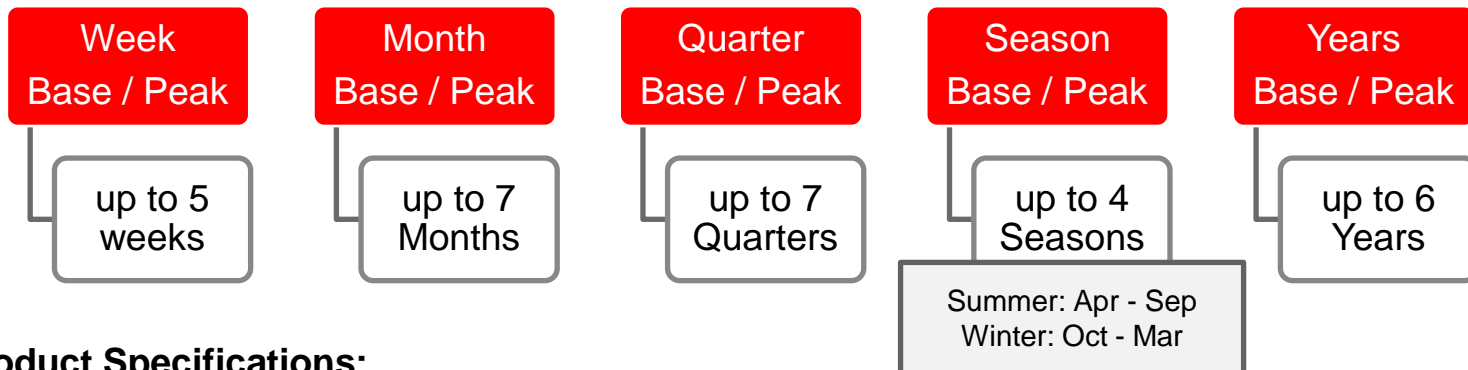
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Product Specifications

Japanese Power Futures

Kansai Area

Tokyo Area



Product Specifications:

Currency:	Japanese Yen
Pricing:	in Yen/kWh
Underlying	Average price of JEPX Day Ahead Kansai/Tokyo during the full delivery period
Minimum price fluctuation:	Yen 0.01 per kWh
Contract Size:	1 MW (1,000kW) x number of hours in delivery period
Minimum lot size:	1 contract

- Peak definition: Monday-Friday 08:00am-08:00pm (**excluding Japanese holidays**)

Peak Delivery Calendar

For all EEX Japanese Power Peak Futures

Delivery days are all weekdays (Monday to Friday) which are not included in this list of Japanese national or bank holidays:

Japanese Holidays

New Year's Day
January 2 Bank Holiday
January 3 Bank Holiday
Coming of Age Day
National Foundation Day
Emperor's Birthday
Spring Equinox
Shōwa Day
Constitution Memorial Day
Greenery Day
Children's Day
Sea Day
Mountain Day
Respect for the Aged Day
Autumn Equinox
Health and Sports Day
Culture Day
Labor Thanksgiving Day
December 31 Bank Holiday

Peak Delivery Calendar

Relevant Japanese Holidays in 2020

01.01.2020	New Year's Day	National holiday
02.01.2020	January 2 Bank Holiday	Bank Holiday
03.01.2020	January 3 Bank Holiday	Bank Holiday
13.01.2020	Coming of Age Day	National holiday
11.02.2020	National Foundation Day	National holiday
24.02.2020	Emperor's Birthday observed	National holiday
20.03.2020	Spring Equinox	National holiday
29.04.2020	Shōwa Day	National holiday
04.05.2020	Greenery Day	National holiday
05.05.2020	Children's Day	National holiday
06.05.2020	Constitution Memorial Day observed	National holiday
23.07.2020	Sea Day	National holiday
24.07.2020	Health and Sports Day	National holiday
10.08.2020	Mountain Day	National holiday
21.09.2020	Respect for the Aged Day	National holiday
22.09.2020	Autumn Equinox	National holiday
03.11.2020	Culture Day	National holiday
23.11.2020	Labor Thanksgiving Day	National holiday
31.12.2020	December 31 Bank Holiday	Bank Holiday

Trading and Clearing hours

CEST	2:00	3:00	4:00	5:00	6:00	7:00	<u>8:00</u>	9:00	10:00	11:00	12:00
CET	1:00	2:00	3:00	4:00	5:00	6:00	7:00	<u>8:00</u>	9:00	10:00	11:00
JST	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00
Trading hours	<div><div></div><div>JST 9:00 – 19:00</div><div></div></div>										
Clearing hours							<div><div></div><div>(CEST) JST 15:00 – 19:00</div><div></div></div>				
							<div><div></div><div>(CET) JST 16:00 – 19:00</div><div></div></div>				

Note:

- Transactions entered into the EEX Japanese Power Portal before clearing hours begin, will be guaranteed to be cleared if within pre-funded trading limits
- Pre-funded trading limits will be maintained and collateralised by the Clearing Members
- Position transfers and give-ups will be possible between members and accounts after trading hours
- Daily settlement prices will be available after 7pm JST during Summer or 8pm JST during Winter

EEX Holiday Calendar

On which days can transactions be registered?

Transactions can be registered Mondays to Fridays, except on European bank holidays (2020 dates below), when EEX power markets are closed

New Year's Day – 1st January

Good Friday – 10th April

Easter Monday – 13th April

Labour Day – 1st May

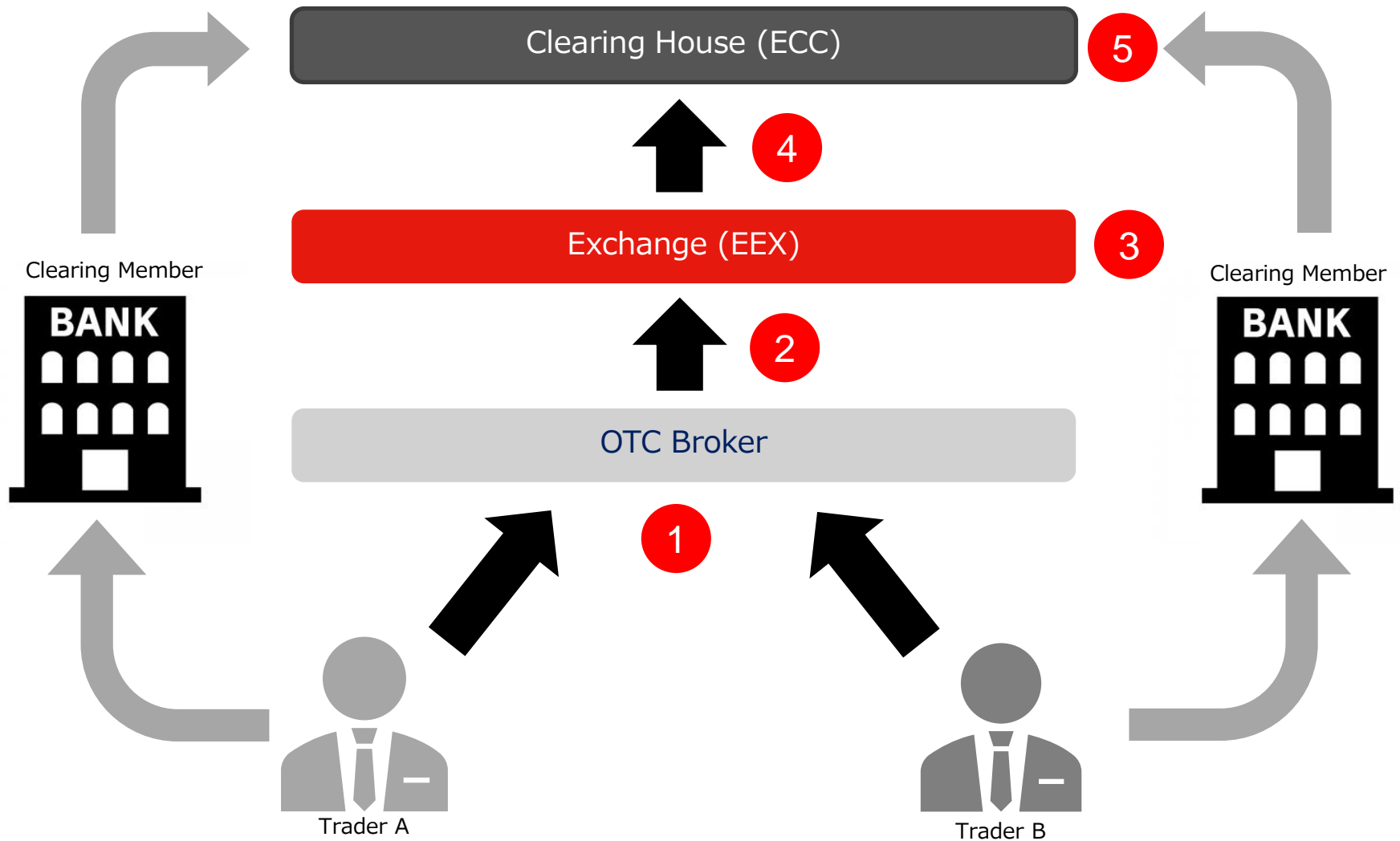
Christmas Eve – 24th December

Christmas Day – 25th December

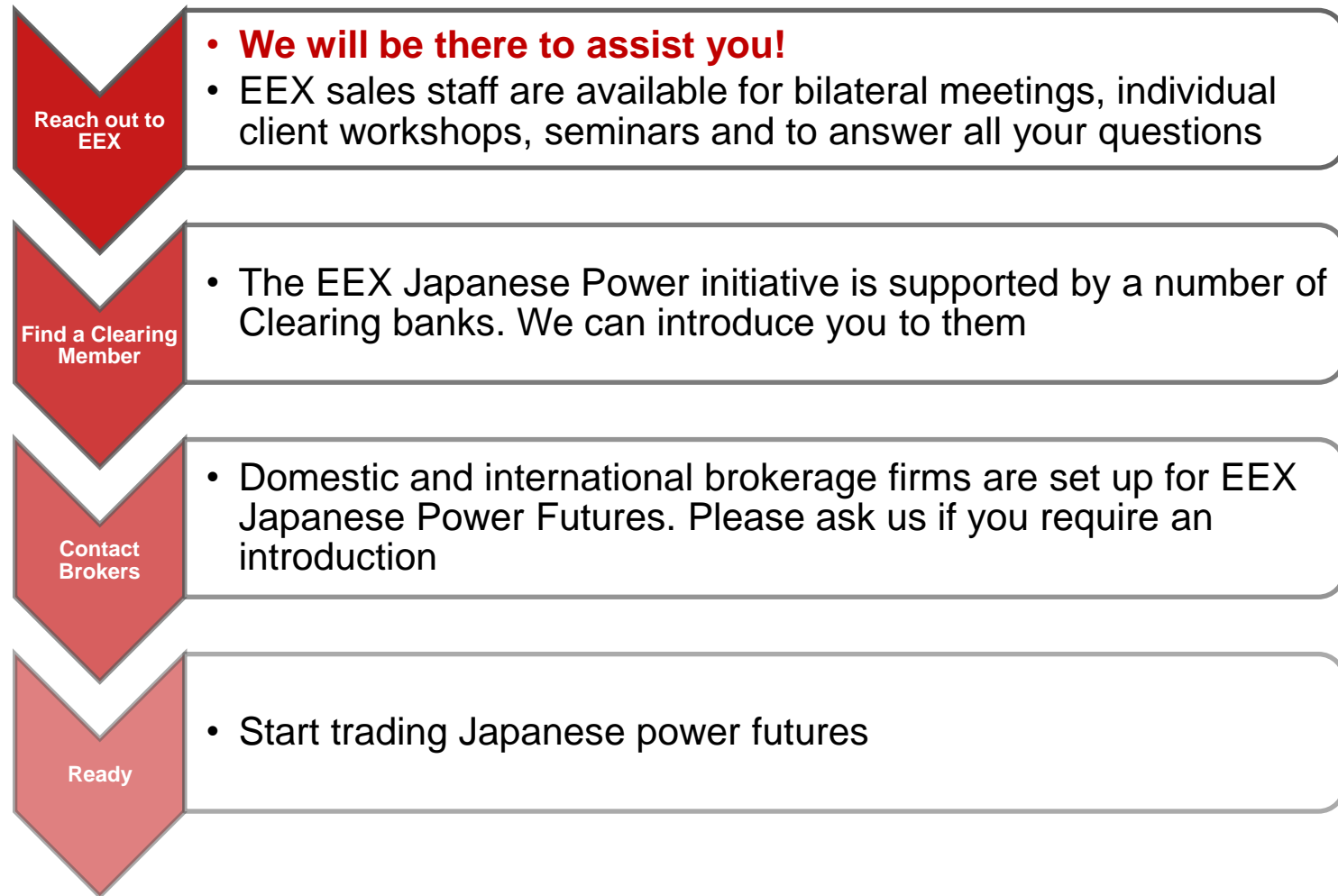
Boxing Day – 26th December

New Year's Eve – 31st December

Trade Registration Flow



Next steps to start trading



List of key Clearing banks for Japanese power

Clearing bank	Contact name	Email address
ABN Amro Clearing Bank NV	Emile GOULMY	emile.goulmy@abnamroclearing.com
Banco Santander SpA	Jean Loup MALLARD	jlmrmallard@gruposantander.com
BNP Paribas SA	Yuan Yuan MA	yuanyuan.ma@asia.bnpparibas.com
	Kojin HOSHIBA	kojin.hoshiba@japan.bnpparibas.com
ED&F Man Capital Markets Limited	Ian ANDERSON	ianderson@edfmancapital.com
Macquarie Bank International Limited	Mark FITZPATRICK	mark.fitzpatrick@macquarie.com
	Christian MARINAS	christian.marinas@macquarie.com
Mizuho Securities USA LLC	Jeffrey OLLADA	jeffrey.ollada@mizuhogroup.com
Societe Generale International Limited	Ken HASEGAWA	ken.hasegawa@sgcib.com
	Yusuke SETA	yusuke.seta@sgcib.com

To see all our Clearing banks: <https://www.ecc.de/ecc-en/about-ecc/partners-products/clearing-members>

List of OTC Brokers

Broker	Contact name	Email address
Amerex Energy Com, Inc.	Shuichiro ISHII (JP)	ishii@amerex.co.jp
Arraco Global Markets Ltd	Tom ROBERTS (UK)	Tom@arraco.co.uk
enechain Corporation	Ryo NOZAWA (JP)	broking-desk@enechain.co.jp
GFI Brokers Limited	Jan ZAJACKOWSKI (UK)	Jan.Zajackowski@GFIgroup.co.uk
Ginga Global Markets Pte Ltd.	Laren TAN (SG)	Laren.Tan@ginga.com.sg
ICAP Energy Limited	Andrew HEALEY (SG)	andrew.healey@tpicap.com
Marex Spectron Europe Limited	Mika YAMAJI (SG)	MYamaji@marexspectron.com
	Matt O'REILLY (UK)	moreilly@marexspectron.com
SSY Futures Ltd	James WHISTLER (SG)	jwhistler@ssysingapore.com
TFS Derivatives Ltd.	Steve CLARK (UK)	Steve.clark@tradition.com
Tradition Singapore Pte Ltd	Chris HALLIWELL (AU)	chris.halliwell@traditionasia.com
Tullett Prebon Energy (Singapore) Pte. Ltd.	Risa SUZUKI (JP)	rsuzuki@tullettprebon.co.jp
	Tobias DAVIS (SG)	TJDavis@tullettprebon.com.sg


To see all our registered OTC brokers: <https://www.eex.com/en/trading/brokers>

EEX Japanese Power Website



- Available in English and Japanese
<https://www.eexasia.com/japanpower>
- Product specifications, presentations, lists of brokers and clearing members, etc

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Zero fees until 30th April 2021

- To support the development of initial liquidity, EEX have extended the trading and clearing fees waiver for Japanese power contracts until 30th April 2021, after which

EEX trade registration fee	0.002 JPY/kWh = 2.00 JPY/MWh
ECC clearing fee	0.001 JPY/kWh = 1.00 JPY/MWh

Note:

- Brokerage (“matching”) fees are payable directly to brokers by the end clients, according to their individual service agreements with them
- Trading and clearing fees will be collected by EEX and ECC through the respective Clearing Members, who will recoup the fees from their clients

Initiatives to further develop liquidity

Continuous communication with all stakeholders

Online meetings and
webinars

Monthly newsletter with
updates on volumes and
liquidity

EEX Japan Power Online Conference
28th January 2021

Series of podcasts (on
Spotify and Apple)

Frequent meetings with
regulators in Japan and
Germany

EEX Japanese Power Futures

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