



Mondo Visione. Larger Volumes of Refined Products and Natural Gas were Traded on SPIMEX In June 2020 against the Background of Growing Economic Activity in Russia

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Volume of refined products traded on the Saint Petersburg International Mercantile Exchange (SPIMEX) in June 2020 amounted to 1.749 million tonnes and grew 9.5% year-on-year (+19.9% as compared to May 2020).

Volume of natural gas traded on SPIMEX in June 2020 amounted to 1.221 bcm and grew 49.6% year-on-year (by 0.405 bcm). Month-ahead trading volume grew by 0.455 bcm up to 1.078 bcm (a 72.8% growth y-o-y) while Day-ahead trading volume fell by 0.05 bcm down to 0.143 bcm (a 26% fall y-o-y). As compared to May 2020, volume of natural gas traded in June 2020 grew by 0.305 bcm (+33.4 m-o-m) including a rise in Month-ahead trades by 0.237 bcm (+28.1%) and in Day-ahead trades by 0.069 bcm (+92.9%).

Average daily volume of natural gas traded on SPIMEX in June 2020 amounted to 58.1 million cubic meters (mcm) and was 35.4% higher than in June 2019 and 8% higher than in May 2020.

As in May 2020, it was independent Russian producers who sold the bulk of natural gas on SPIMEX in June 2020: they accounted for 58.3% of all natgas sold in June and for 65.6% of the volume sold in May while the share of Gazprom in the total volume traded on the exchange was equal to 41.7% in June and to 34.4% in May.

Average daily volume of refined products traded on SPIMEX in June 2020 amounted to 87,425 mt (metric tonnes) and was 4% higher than in June 2019 and 1.9% higher than in May 2020.

In particular, average daily volume of gasoline traded on SPIMEX in June 2020 amounted to 30,791 mt and was 8% lower than in June 2019 and 11.1% higher than in May 2020. Average daily volume of diesel traded on SPIMEX in June 2020 amounted to 32,063 mt and was 21.4% higher than in June 2019 and 5.4% higher than in May 2020. Average daily volume of jet fuel traded on SPIMEX in June 2020 amounted to 8,676 mt and was 11.8% higher than in June 2019 and 29.7% lower than in May 2020. Average daily volume of LPG traded on SPIMEX in June 2020 amounted to 3,957 mt and was 3.1% higher than in June 2019 and 11.7% lower than in May 2020.

Volume traded on SPIMEX in June 2020 of some particular classes of refined products is as follows: summer diesel - 641,266 mt (+27.8% y-o-y); jet fuel - 173,522 mt

(+17.7% y-o-y); gasoline – 615,820 mt (-3.2% y-o-y and +30.7% as compared to May 2020).

Volume of LPG traded on SPIMEX in June 2020 amounted to 79,146 mt (+8.5% y-o-y) while volume of residual fuel oil traded on the exchange was equal to 66,470 mt (-41.4% y-o-y).

In May 2020, no other trading participant sold a higher share of its gasoline production on SPIMEX than Socar Energoresours: 24.2% (or 10,440 mt in physical terms). In the diesel segment of the SPIMEX Refined Products Section the same is true for trading participants that are members of the Gazprom Group (Gazprom Neftekhim Salavat, Gazprom GPN Holding and Gazprom GNP Sales): they sold 98,925 mt (or 39.3% of all their diesel production) on the exchange. TAIF-NK had the highest share of on-exchange sales in its relevant monthly production among all sellers in the jet fuel segment of the SPIMEX Refined Products Section: 76.1% (or 9,815 mt in physical terms).

After lifting of coronavirus lockdown in Russia, SPIMEX retained its position of a stable channel used by sellers and buyers of fuel – a strategically important commodity – thus, contributing to the proper functioning of the Russian domestic market by preventing any failures to deliver refined products to the end users. Current economic recovery also resulted in a rise in on-exchange sales of natural gas to Russian industrial enterprises and utilities.

Record-high turnover was registered in the SPIMEX Derivatives Market that offers products that allow to hedge price risks and to plan future fuel purchases.

The amount physically delivered in June 2020 to domestic buyers under a number of SPIMEX refined products futures contracts with pricing on a base point was more than 21,000 mt and exceeded relevant previous monthly figures.

The amount of ultra low-sulphur diesel exported in June under the physically-settled SPIMEX ULSD Futures contract (fob Primorsk) expired in May 2020 amounted to 90,000 mt (i.e. three 30k-tankers) is the highest volume ever delivered over a month since the launch of the futures in November 2019.

In June 2020, total volume traded in commodity futures on SPIMEX was 4.8 times higher than in June 2019 and amounted to 56,962 mt while the number of futures contracts traded was equal to 2,111 and grew 8.6 fold y-o-y.

The figures show that against the background of coronavirus lockdown and volatility in energy markets the interest of trading participants (both inside and outside Russia) to hedges based on derivatives traded on SPIMEX has grown.

The Saint Petersburg International Mercantile Exchange (SPIMEX) is Russia's largest commodity exchange offering a wide range of products traded both in its Commodities Section (refined oil products, crude oil, natural gas, LPG, timber and construction materials, fertilizers) and in its Derivatives Section. The Exchange's key task

is to operate a transparent, fair and efficient price formation mechanism for Russian commodities. SPIMEX was founded in 2008.

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