



SPIMEX CEO Aleksei Rybnikov Spoke at the Third International Conference-webinar ‘Risk Management in Energy-2020’

On 28 May 2020, Aleksei Rybnikov, CEO of the Saint Petersburg International Mercantile Exchange (SPIMEX), made a presentation at the Third International Conference-webinar ‘Risk Management in Energy-2020’.

Also present were: Anatoly Yanovsky, Deputy Minister of Energy of Russia; Zhecho Stanov, Deputy Minister of Energy of Bulgaria; Alparslan Bayraktar, Deputy Minister of Energy and Natural Resources of Turkey; Alexei Lobanov, Head of banking regulations department of the Bank of Russia; Christian Baer, Secretary General of the Association of European Energy Exchanges (Europex); Francesco La Camera, Director-General of the International Renewable Energy Agency (IRENA); James Watson, Secretary General of Eurogas and Ahmet Türkoğlu, General Manager the Energy Exchange Istanbul (EPIAŞ).

Aleksei Rybnikov started his presentation with overview of the core business activities of SPIMEX: refined products market, natural gas market and the relevant representative price indices. Special attention was paid to new prospective markets: timber, mineral fertilizers and coal.

SPIMEX CEO pointed out that the Covid-19 pandemic and the global fight against it has changed the way of thinking in such an important sphere as commodity pricing. This is true both for the world as a whole and for Russia in particular. Transactions which result in physical delivery will inevitably grow in prominence among numerous instruments currently used for pricing key commodities. This, however, will not invalidate financial instruments, especially as risk management tools. The role of e-trading platforms and commodity exchanges will rise due to their ability to ensure anonymity of trades and transparency of prices.

Then, Aleksei Rybnikov elaborated on the opportunities offered in this sphere by the SPIMEX Derivatives Market. The speaker underlined that today the most popular in the Russian commodity market are physically-settled SPIMEX refined products futures contracts with pricing on a base point and cash-settled futures on SPIMEX refined products regional price indices.

The Exchange pays much attention to forming representative price indicators for strategic commodities exported by Russia.

We see active market for SPIMEX ULSD Futures (fob, Primorsk) launched in November 2019. The interest of trading participants to this new derivative is purely pragmatic: three cargoes are to be delivered in June is settlement of the contact.

SPIMEX is actively promoting electronic auctions and tenders for Russian exported crude oil that can be instrumental in setting a single price quotation for Russian cargoes.

Aleksei Rybnikov also announced the launch by the year end of the SPIMEX Natural Gas futures. This derivative contact will provide wide risk management opportunities to the trading participants and will boost competitiveness in this market segment. The Exchange is also working on the contracts on Russian exported natural gas.

In conclusion, Aleksei Rybnikov stressed that the key task for SPIMEX is further development of efficient and easily accessible channel for purchase and sale of commodities at delivery points designated for domestic market and located all over Russia as well as at delivery points designated for export deliveries. He also noted that recent switch of many businesses to remote working resulted in a higher role of on-exchange trading.

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.