

BURSA ROMANA DE MARFURI
ROMANIAN COMMODITIES EXCHANGE

BRM Highlights



The purpose of the Romanian Commodities Exchange is to provide commodities trading practical solutions in a transparent, efficient and professional manner. BRM is an institution which is constantly growing, constantly adapting to new technologies, and introducing new products to meet commercial and financial risk management demands.

▶ BRM has both private as well as public clients, with a portfolio of more than 1.500 clients and a ROE of minimum 50% and a turnover of 2.8 mil Euro in 2019.

▶ **The main benefits of the Retail Market Trading:**

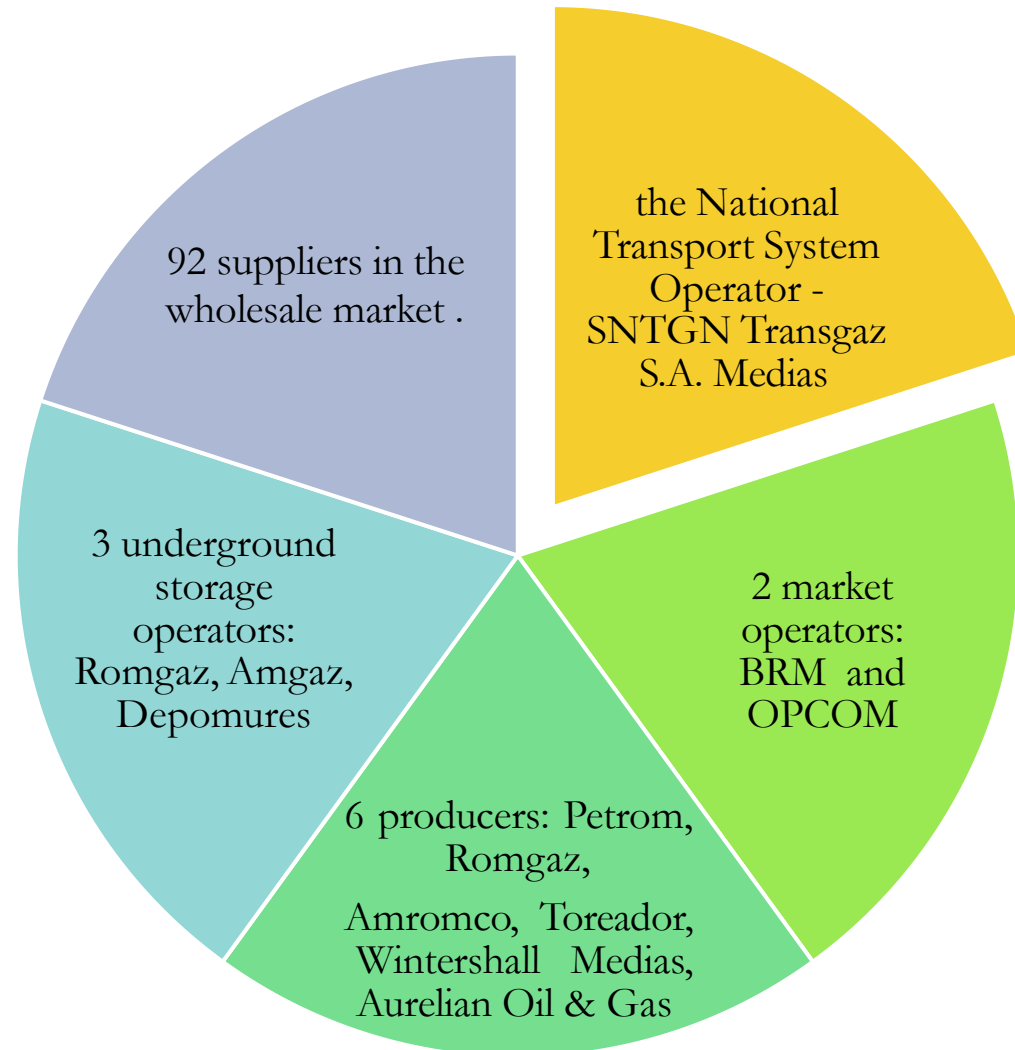
- Electronically or open price negotiation
- Electronic invoicing and direct debit transfers
- Transparency and competitiveness
- Quotations and reference prices
- High liquidity
- Efficient System of guarantees
- Reduced timeframe procedures

BRM's Energy Markets :

- *Retail Electricity Market
- *Wholesale Natural Gas Market
- *Retail Natural Gas Market

Romanian GAS Market

The current structure of the Romanian natural gas market includes:



Wholesale Gas market

BRM administrates the following gas markets:

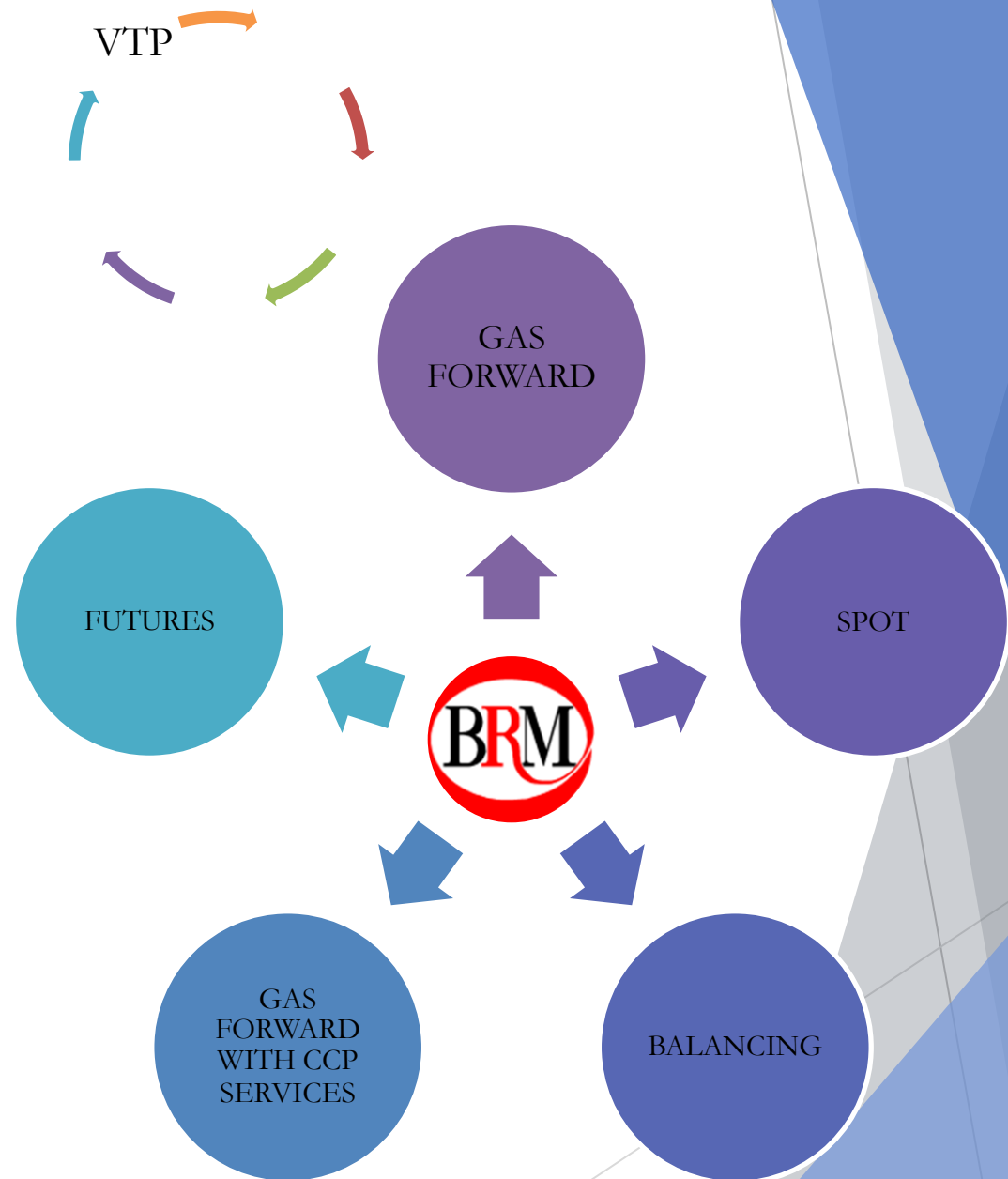
Gas Forward market, where suppliers and traders initiate orders and conclude transactions with natural gas for medium and long term products.

Spot market, where providers and suppliers initiate orders and conclude transactions with natural gas for the same day or the next day.

Balancing market, where the providers initiate orders and conclude transactions with natural gas. Orders for sale and purchase are launched for the gas day D-1, only in the direction and within the limit of the daily imbalances communicated by the TSO, namely selling in the case of surplus and purchasing in the case of deficit.

Gas Forward with Counterparty Services, in which the suppliers and traders initiate orders and conclude transactions with natural gas, similar to the Gas Forward platform, with Counterparty services offered by BRM.

Futures market, in which BRM organizes trading sessions for futures contracts, concerning both the trading point (VTP) as well as the duration of deliveries.



Products included in the wholesale gas markets:

In the following slides we will present to you all the products on each gas market administrated by BRM.



SPOT market:



WITHIN-DAY
DAY AHEAD

Balancing market:



PE_IMB

Products included in the wholesale gas markets:



Central Counterparty Gas Forward market:

The products administrated by BRM on Central Counterparty Gas Forward market are the same as on the Gas Forward market.

Gas Forward market:

WEEK
MONTH
QUARTER
SEMESTER
COLD SEASON
WARM SEASON
GAS YEAR
CALENDAR YEAR

FUTURES market:

MONTH
QUARTER
COLD SEASON
WARM SEASON
CALENDAR YEAR

Key facts concerning the natural gas market in Romania



- The annual natural gas consumption of 2019 was 115 TWh.

- Natural gas volumes traded on BRM in the last 3 years: 2017 – 67.7 TWh, 2018 – 71 TWh, 2019 – 35,5 TWh, 2020- 53 TWh by end of 2020

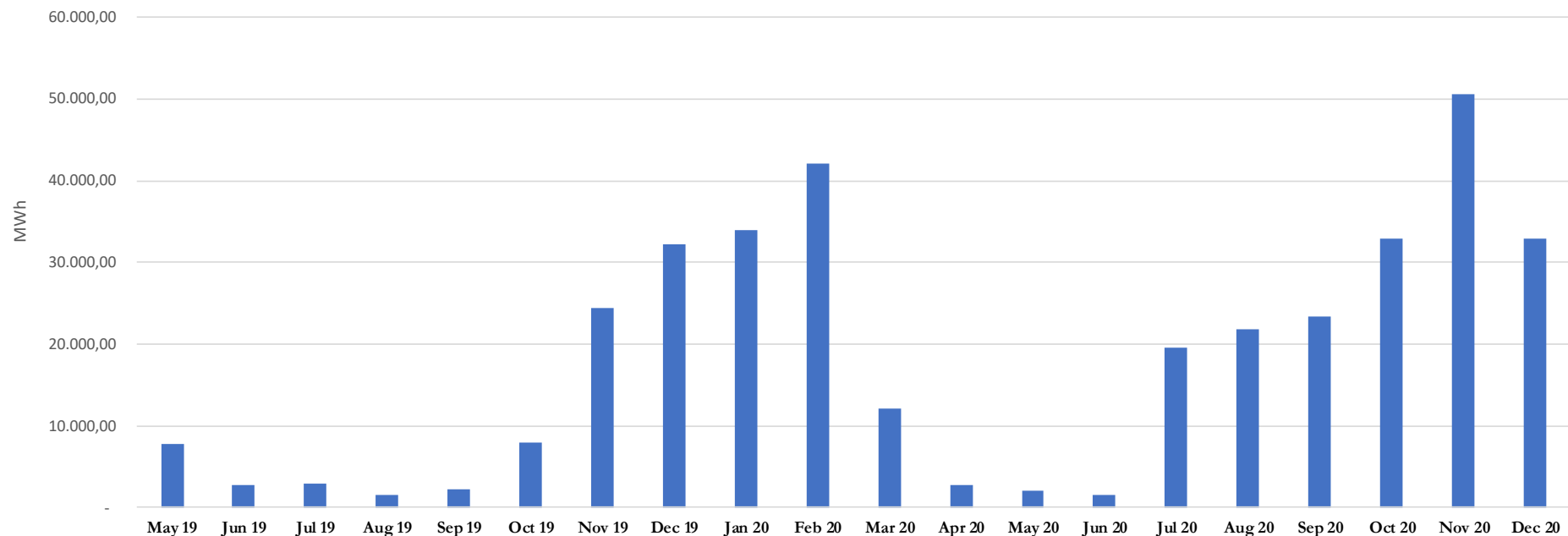


BRM Wholesale Gas market key elements by 2020

July 2013	ANRE issues BRM the license for the centralized natural gas market
October 2013	First wholesale natural gas transaction on BRM
Number of transactions	2.694 Gas Forward contracts and 37.698 Day-Ahead and Within-Day transactions(2016-2020)
Number of participants	96 - 4 producers, 92 suppliers



Traded Quantities - Balancing Market - 2019-2020



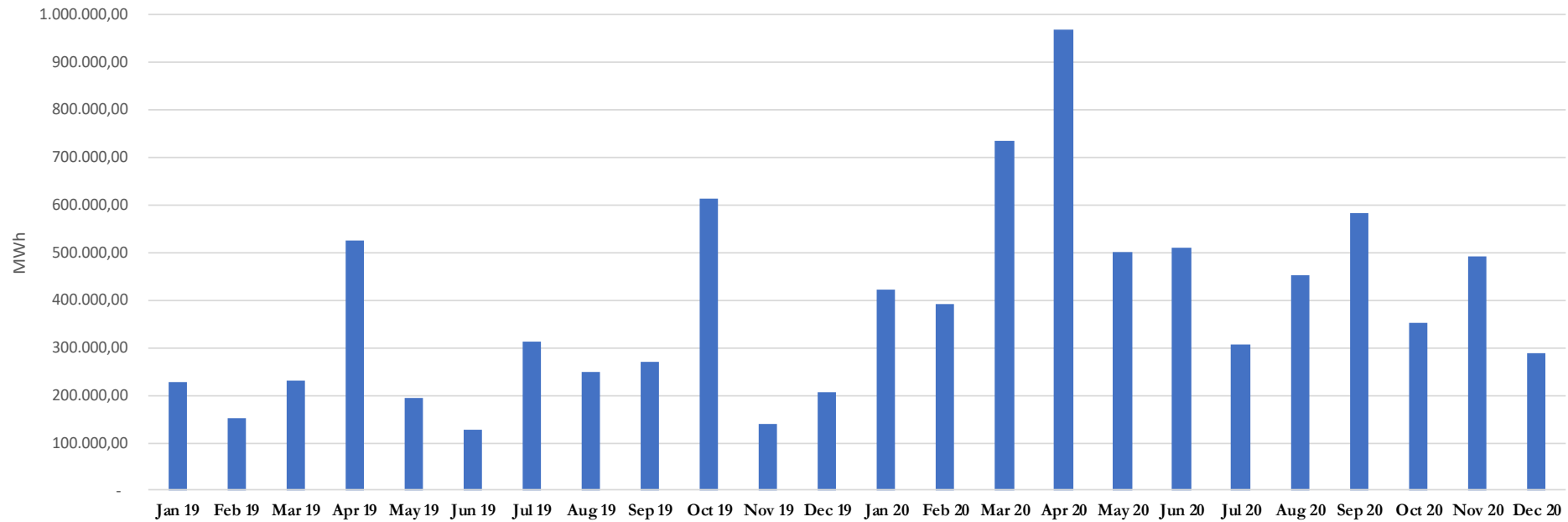
Anul 2019									TOTAL
Month	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	
Quantity MWh	7.857,07	2.766,82	2.898,76	1.623,75	2.323,89	7.968,56	24.411,71	32.133,71	81.984,27

Anul 2020												TOTAL	
Month	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	
Quantity MWh	33.963,58	42.053,05	12.049,41	2.809,65	2.026,41	1.529,69	19.632,58	21.782,16	23.315,51	32.950,27	50.569,56	32.970,87	275.652,74

- On the Balancing Market volumes amount relatively low quantities showing a current trend of participants balancing their volumes on intra-day and day-ahead market



Traded Quantities - SPOT Market - 2019-2020



Year 2019													
Month	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	TOTAL
Quantity MWh	222.272,39	152.436,04	230.798,23	526.260,89	193.359,34	128.199,62	312.060,31	250.344,09	271.166,59	614.221,04	138.346,92	205.497,80	3.249.963,25

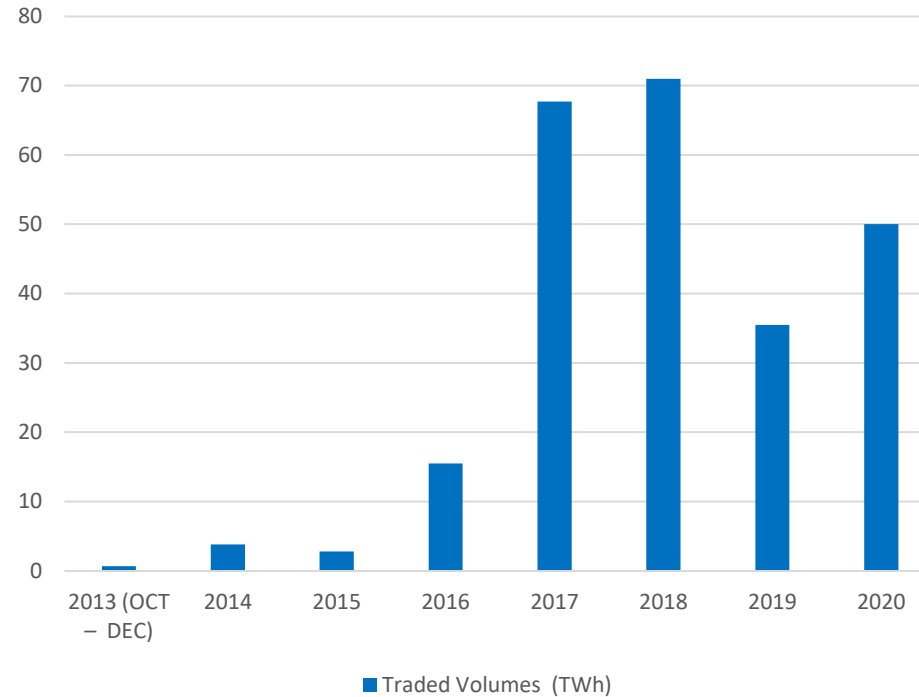
Year 2020													
Month	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	TOTAL
Quantity MWh	423.192,92	391.184,18	733.745,57	969.541,42	501.442,29	511.279,88	308.024,76	452.297,40	582.467,80	350.988,15	490.484,00	289.654,00	6.004.302,35

BRM Natural Gas market evolution



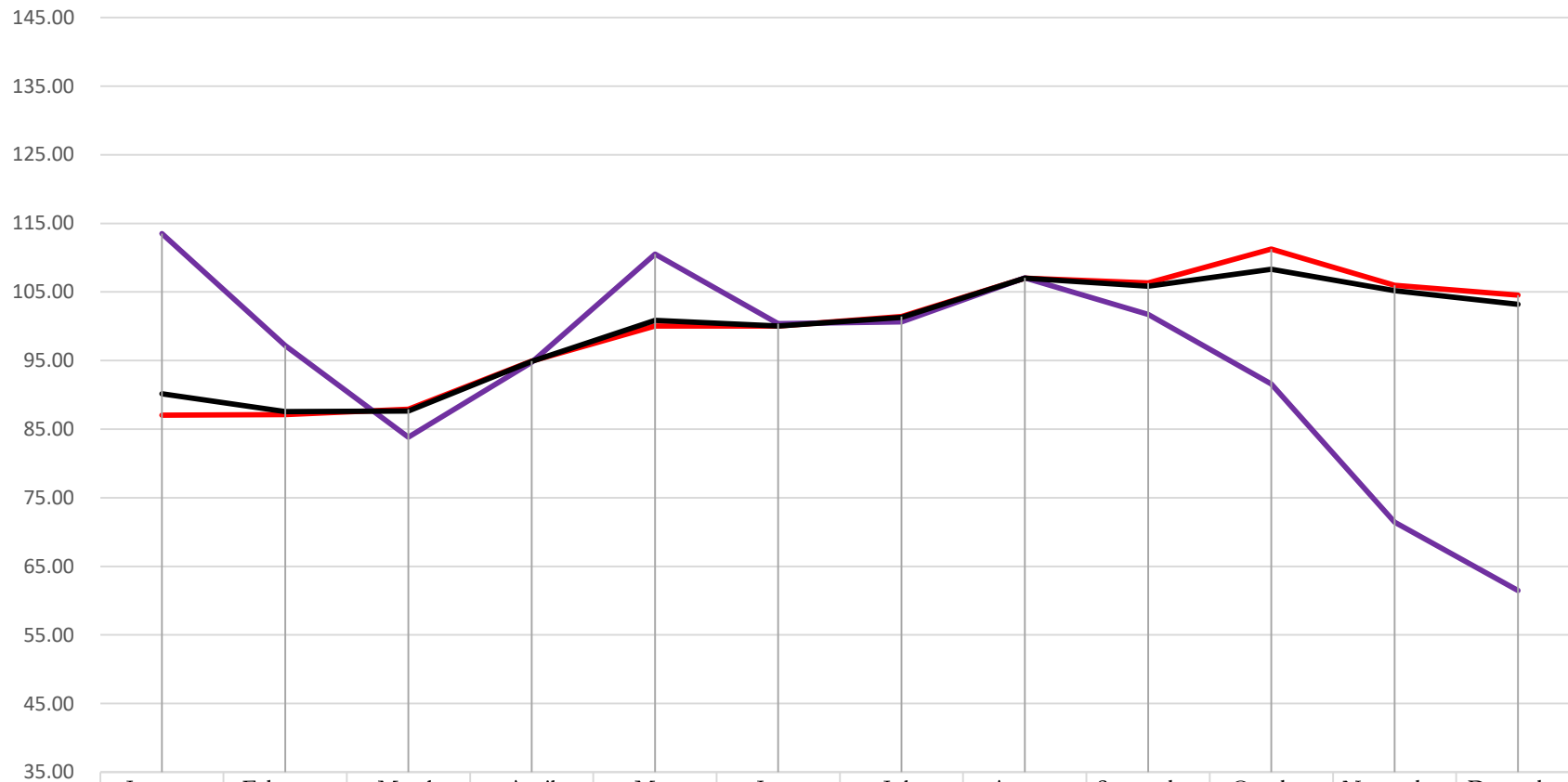
Year	Number of trading sessions	Traded Volumes (TWh)
2013 (OCT – DEC)	16	0.69
2014	140	3.8
2015	368	2.8
2016	390	15.5
2017	923	67.7
2018	1020	71
2019	677	35.5
2020	449	53

VOLUMES



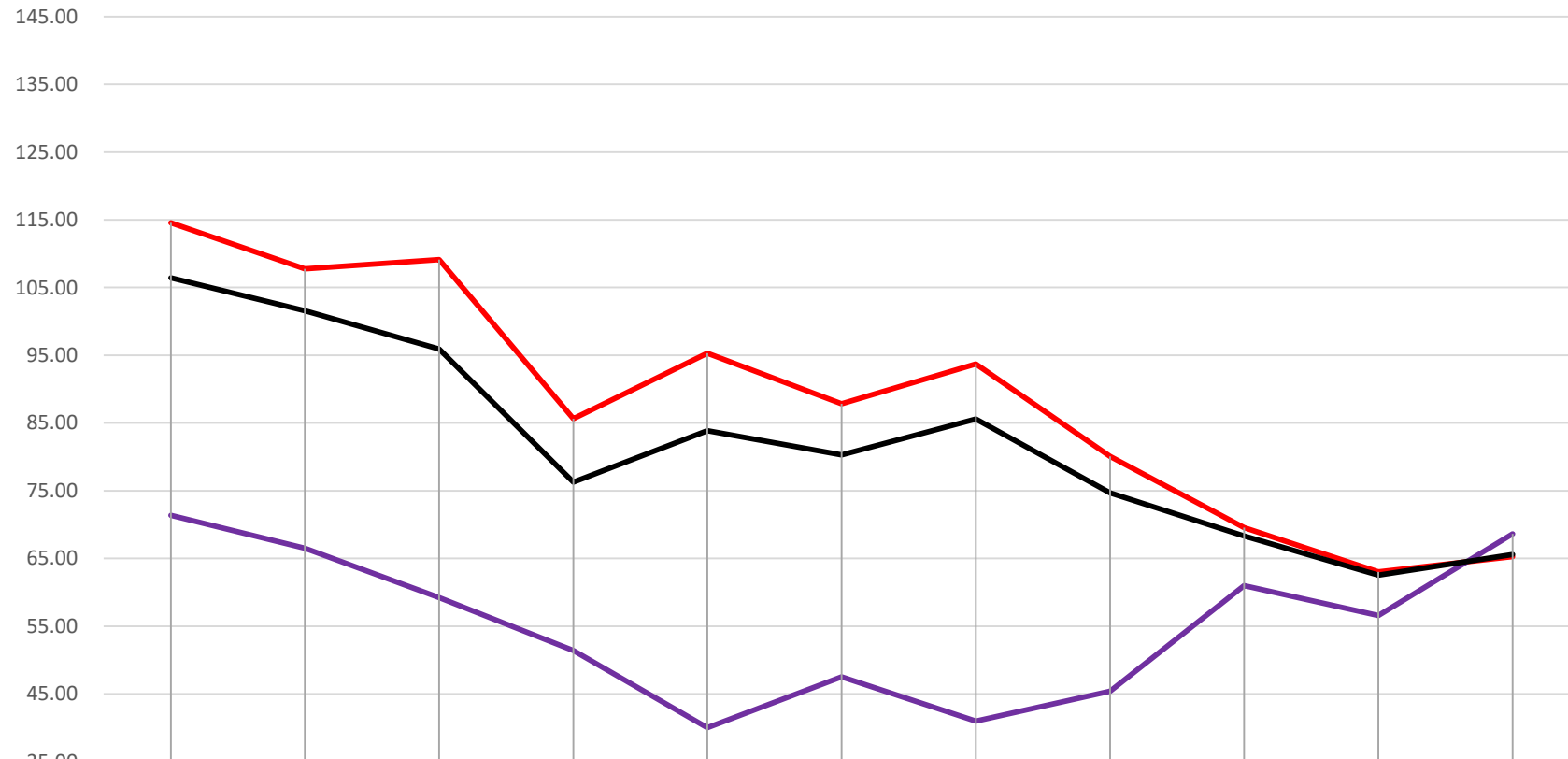
Note: The end of the year 2020 forecasts a total traded volume of 53 TWh, amounting in a 30% increase compared to the end of 2019.

Weighted average monthly prices of “completed” and “delivered” in 2019 transactions



	January	February	March	April	May	June	July	August	September	October	November	December
GasForward	87.02	87.14	87.91	94.92	100.02	100.03	101.43	107.00	106.33	111.26	105.98	104.53
SPOT	113.53	97.18	83.82	94.75	110.54	100.40	100.62	107.04	101.71	91.57	71.43	61.49
Weighted Average Price (GasForward, SPOT)	90.16	87.58	87.65	94.90	100.84	100.05	101.31	107.01	105.85	108.29	105.21	103.21

Weighted average monthly prices of “completed” and “delivered” transactions and “in delivery” in 2020



	January	February	March	April	May	June	July	August	September	October	November
GasForward	114.55	107.78	109.14	85.65	95.31	87.83	93.73	80.09	69.55	63.04	65.27
SPOT	71.35	66.53	59.23	51.41	40.02	47.53	40.98	45.38	60.97	56.58	68.63
Weighted Average Price (GasForward, SPOT)	106.44	101.57	95.92	76.27	83.88	80.28	85.59	74.69	68.34	62.52	65.60

Traded volumes in a gas year				
TOTAL	2018 - 2019		2019 - 2020	
	Forward	SPOT	Forward	SPOT
October	8.196.037,40	549,62	3.555.023,42	614.221,04
November	7.327.539,00	39.885,53	3.981.486,00	134.148,52
December	5.983.837,00	119.903,66	503.959,00	203.209,20
January	134.432,00	227.272,39	400.626,00	428.887,92
February	181.565,00	152.436,04	226.124,00	387.265,18
March	113.266,00	230.798,23	8.050.511,00	707.385,57
April	477.297,98	526.260,89	1.129.922,00	994.465,42
May	27.171,00	193.609,34	723.932,00	498.567,29
June	2.760.742,00	128.199,62	2.918.719,00	514.824,88
July	1.173.087,73	312.060,31	3.217.001,00	312.022,76
August	12.280.549,00	250.344,09	9.376.352,00	448.025,40
September	5.138.697,00	271.166,59	7.192.810,00	586.288,80
TOTAL	46.246.707,42		47.105.777,39	

No. of participants in a gas year	
2018 - 2019	2019 - 2020
64	76



Note 1: Due to legal considerations of the 2018 enacted Government Emergency Ordinance no. 114/2018 on the establishment of measures in the field of public investments and fiscal-budgetary measures, which artificially limited the price of natural gas from the current market levels to RON 68.00/MWh for both producers and suppliers, which took effect starting with January 2019, the period January - March 2019 saw a 100% regulated regime implementation. Starting with the 1st of April 2019 until December 2019, the market functioned in a 55% regulated regime.

Note 2: The same ordinance functioned during January - June 2020.

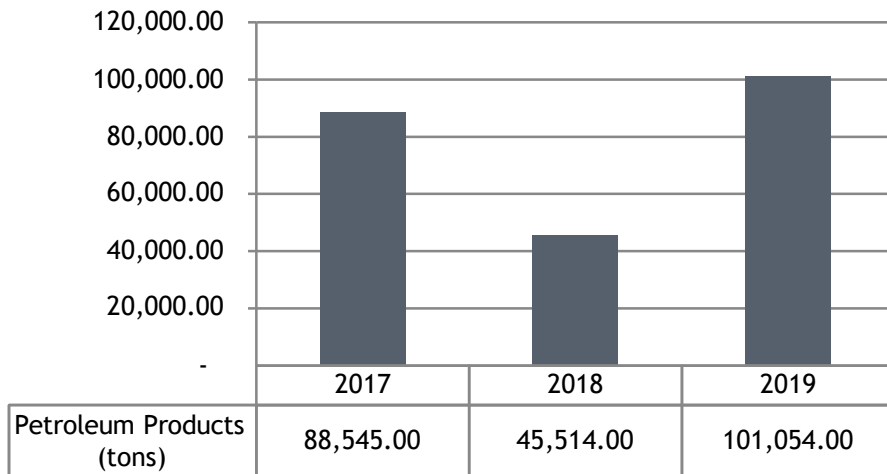
The impact of GEO 114/2018 was felt in the traded volumes which amounted 68.226.128,38 MWh in 2018 and 33.426.976,84 MWh in 2019.



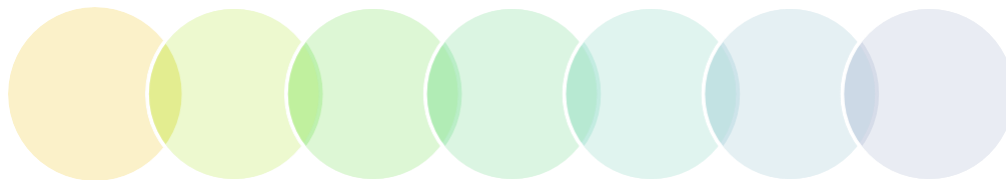
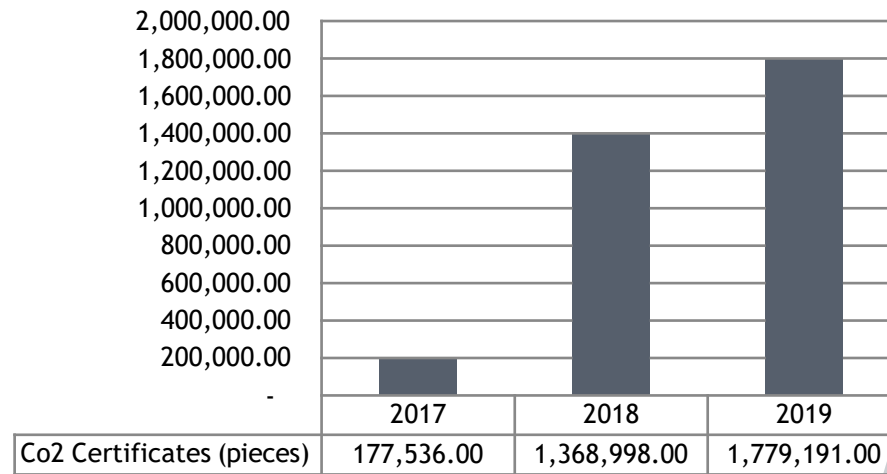
BRM's Commodities market

On the BRM market are being traded SPOT and FORWARD contracts with physical delivery on a large variety of fungible commodities. The fungible commodities traded on the Cash Market are commodities with a high degree of standardization.

Petroleum Products: 2017 - 2019



Co2 Certificates 2017 - 2019



BRM Retail Electricity Market- Traded Volumes



- ▶ BRM has access only on retail electricity market, but starting 2020 plans on making progress in order to gain the wholesale electricity market, currently a state monopoly and not limiting itself to retail trading.

- ▶ **Retail customers:**

Companies subordinated or under the authority of state institutions

Private companies

Local and central public administrations

Private persons

Year	No. of auction	VOLUMES (TWh)
2010	30	0.181
2011	64	0.23
2012	49	0.17
2013	102	0.37
2014	204	0.96
2015	267	1.23
2016	250	1.60
2017	365	2,67
2018	383	2,63
2019	384	2,71
2020	385	2,36

