

17 June 2020

Time-swaps are back for gas

A set of time-swaps for gas were traded on the exchange last Friday. This is the first time we have seen swaps of this nature since October last year.

- 4 July 2020: 24 TJ/day, \$7.70/GJ
- 22 June – 3 July 2020 (12 days): 2 TJ/day, \$7.70/GJ

What is a time-swap?

Time-swaps occur when two participants swap a fixed quantity of gas for a period against an equal quantity for another period. Although the total quantity must sum to the same total amount, the period and daily quantities can be different. There may also be a price differential between the two sides of the trade.

Price differentials

If there is a price differential between the two sides of a time-swap trade, the price of the trade may not reflect the market price.

In such a situation, the trade is likely to have been driven by the differential between the two prices, rather than the price of one period.

A new product listing?

For this reason, emsTradePoint has previously discussed with market participants whether to simply highlight time-swaps or create a new time-swap product listing. This is so any distortionary effect on market prices can be accounted for by participants on the exchange, and not be included in our price indices.

Following these discussions, emsTradePoint is assessing the frequency of time-swaps before deciding on whether to highlight them or assign a new product type.

Interested in finding out more?

Previously, time-swaps on the emsTradePoint exchange were brokered, however last weeks' time-swap trade was an unbrokered, off-market trade between two parties. There was no price differential in the trades on Friday. If you are interested in engineering a time-swap trade you can contact one of our [accredited brokers](#).

If you would like to share your view regarding a new product listing for time-swap trades, please [contact us](#).

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