

Launch of PEGAS JKM LNG cash-settled contracts

November 29, 2018

Dear members,

PEGAS plans to introduce cash-settled futures based on the Platts assessment for the Japan/Korea Marker (JKM[®]), available via STP trade registration (Trayport Clearing Link and EQUIAS eXRP) at Powernext and subsequent clearing by ECC.

The launch of the LNG Futures is planned for **19th February 2019**.

The LNG contracts will be listed within the PEGAS Regulated Market rulebook of Powernext Derivatives.

Product specifications

PEGAS JKM LNG Month Futures	
Description	Cash-settled futures based on the Platts assessment for the Japan/Korea Marker (JKM®)
Contract size	10,000 MMBtu/month
Currency	US\$ and cents
Price tick	US\$ 0.001 per MMBtu
Delivery periods	<p>The next 34 months*</p> <p>* Quarter, season and calendar contracts will be stripped automatically into the corresponding monthly maturities of the same quantity and the same price when registered at Powernext.</p>
Last trading day	The 15th day or, if a UK or a Singapore holiday, the business day preceding the 15th day of the month prior to the settlement month
Settlement prices	<p>The <i>floating price</i> is the price used for daily settlement.</p> <p><i>Front Month settlement period:</i> The one month period that starts on, and includes, the 16th calendar day of the month that is two months prior to the contract month and ends on (including) the 15th calendar day of the month prior to the contract month.</p> <p>Example: for the June contract, the Settlement period is 16th April-15th May</p> <p>During the settlement period, the floating price of the front month is equal to the average of the prices published in the Platts JKM® assessment over the corresponding available days.</p> <p><i>Final settlement price</i> (last trading day of the front month):</p> <ul style="list-style-type: none"> - Determined on the last Platts JKM® publication day during the settlement period - Calculated as the arithmetic average of the Platts JKM® assessment published every day over the settlement period (e.g. over the period 16th April-15th May for contract month June)
Trading hours	8:00-18:00 CET on business days

Clearing

The LNG trades will be cleared by ECC.

Fees

Fee	Value
Membership fee	Included in standard membership package, equivalent to a new country
Trade Registration fee	7 US\$ per lot*
Clearing fee	7 US\$ per lot*
Cash settlement fee	0.875 US\$ per lot*

* [Lot = 10 000 MMBtu]

Admission process

PEGAS members can request to be setup for registration of LNG products at Powernext by sending an E-Mail to ECC (memberreadiness@ecc.de, CC: membership@powernext.com). They will then receive the F04 form to register their LNG traders at Powernext.

Non PEGAS members will have to fill-in the standard admission package, available upon request to Powernext Membership (membership@powernext.com).

To be setup for go live, all requests must be sent by **19/12/2018**.

Technical setup

- *STP with Trayport Clearing Link*
 - 1) If you are not yet setup for STP on PEGAS, you must request Trayport to open the Clearing Link between you, your broker and ECC
 - 2) Your broker has to map PEGAS JKM LNG Futures products
 - 3) If you are not a Trayport Gold member, you will have to map the PEGAS JKM LNG Futures product manually
 - 4) Your broker has to map your company to the PEGAS JKM LNG Futures instruments with your ECC account
 - 5) PEGAS JKM LNG Futures stripping requires the **Automatic confirmation** of trades: if you have not chosen this setup, you can request it by sending ECC's TP08 form to Powernext's or to ECC's Membership, or by asking your broker to add you on the ECC's White list.

- *STP with Equias eXRP*
 - 1) If you are not yet setup for STP on PEGAS, you must request Equias to build the link between you, your broker and ECC
 - 2) Your broker has to configure PEGAS JKM LNG Futures products in the eXRP interface
 - 3) PEGAS JKM LNG Futures stripping requires the **Automatic confirmation** of trades: if this is not your setup for Powernext and ECC, you can request it by sending ECC's TP08 form to Powernext's or to ECC's Membership or by asking your broker to add you on the ECC's White list.

Please do not hesitate to contact PEGAS Market Operations team, PEGAS Membership team or your Key Account Manager if you have any further questions.

Yours sincerely,

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