Hungarian Power Exchange:

intensively increasing markets on HUPX

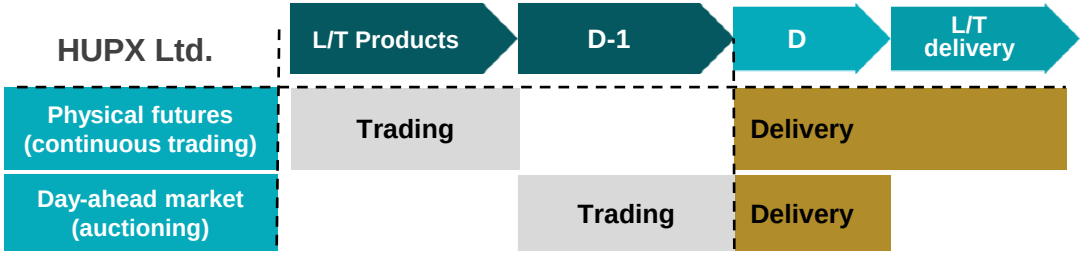
energy
business
motion

hupx
HUNGARIAN POWER EXCHANGE

The HUPX Group

Current markets

Milestones		
20 July 2010	-	HUPX started DAM operation
19 July 2011	-	Launch of Physical Futures market
9 August 2011	-	HUPX block products
11 September 2012	-	CZ-SK-HU MC going live
02 Januar 2013	-	Gas market launch (CEEGEX)
06 June 2013	-	Introduction of weekly products



About markets

Products and methodologies

Day-ahead Market (DAM)

- Daily auctions through the year
- Order book opens 45 days preceding delivery day
- Hourly and block products
- Gate closure time at 11:00 am
- Market coupling with Slovakia and Czech Republic
- ECC ensures financial security for all transactions by acting as a central counterparty between buyer and seller and setting up guarantee mechanisms

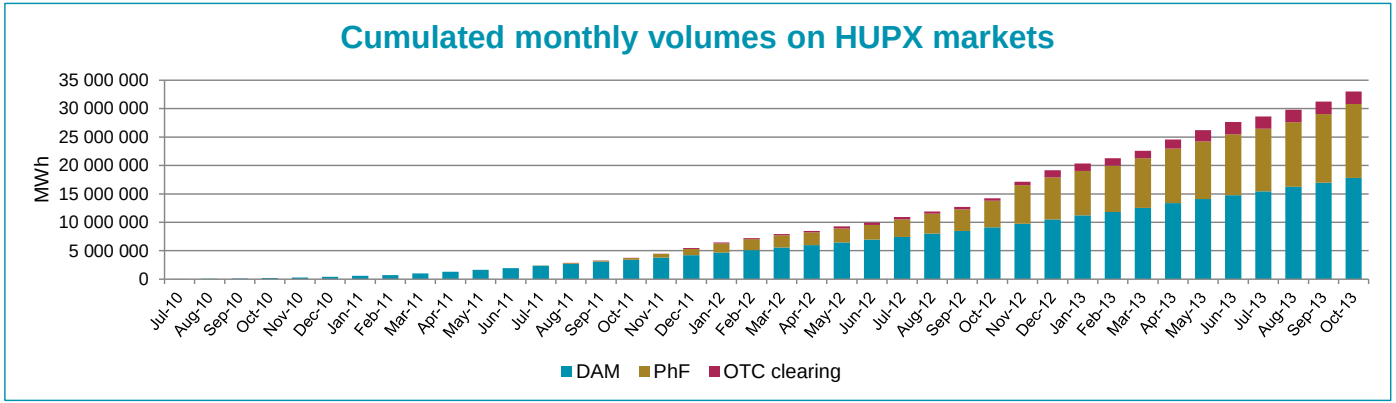
Physical Futures (PhF)

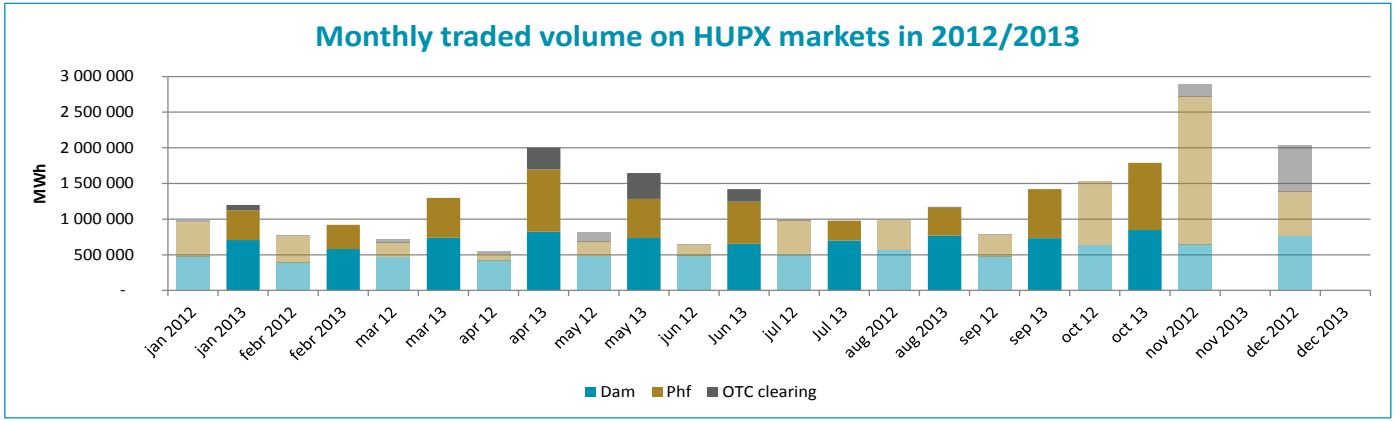
- Continuous trading session on working days from 8:50 – 16:15
- Baseload and peakload contracts :
  - Front 3 month
  - Front 4 quarter
  - Front 3 year
- Baseload contracts :
  - Front 4 week
- Providing continuous bid-ask prices by market makers
- OTC clearing registration
- ECC ensures financial security for all transactions

One of our main objectives is to ensure a transparent and reliable reference price formation mechanism and to stimulate electricity trading by increasing market efficiency

HUPXDAM&PhF

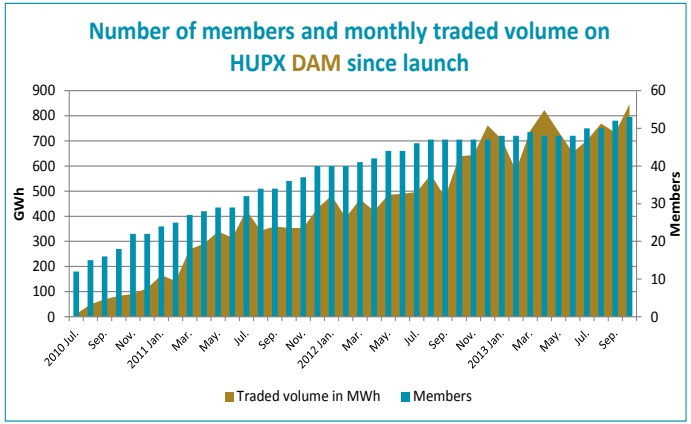
Results

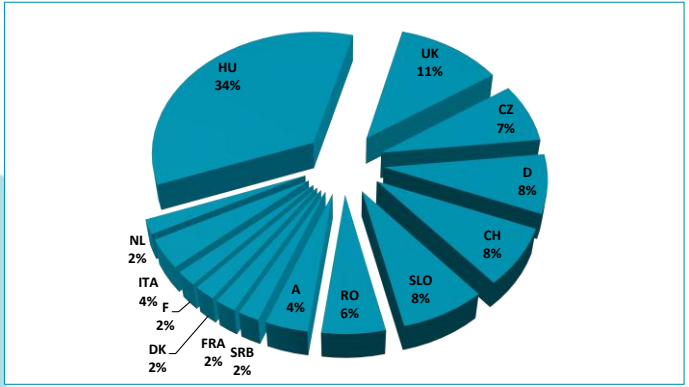




HUPXDAM

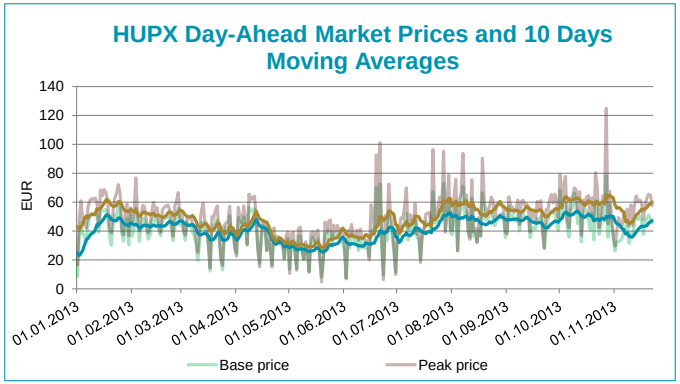
Members (53)

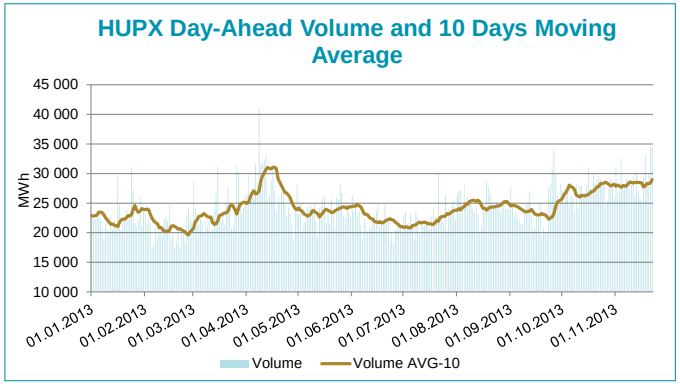


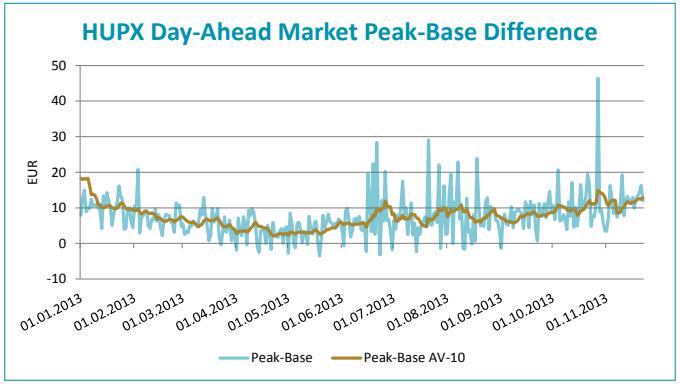


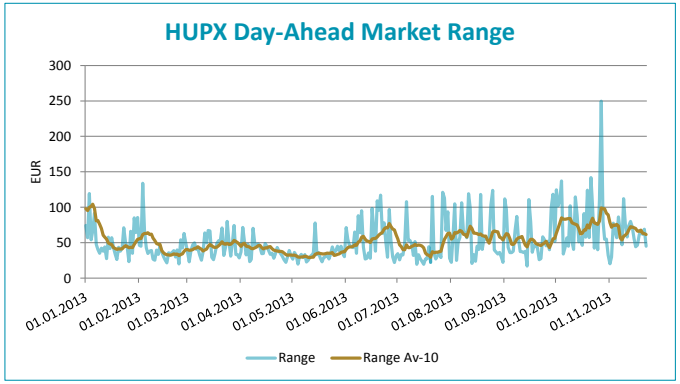
HUPXDAM

Trends



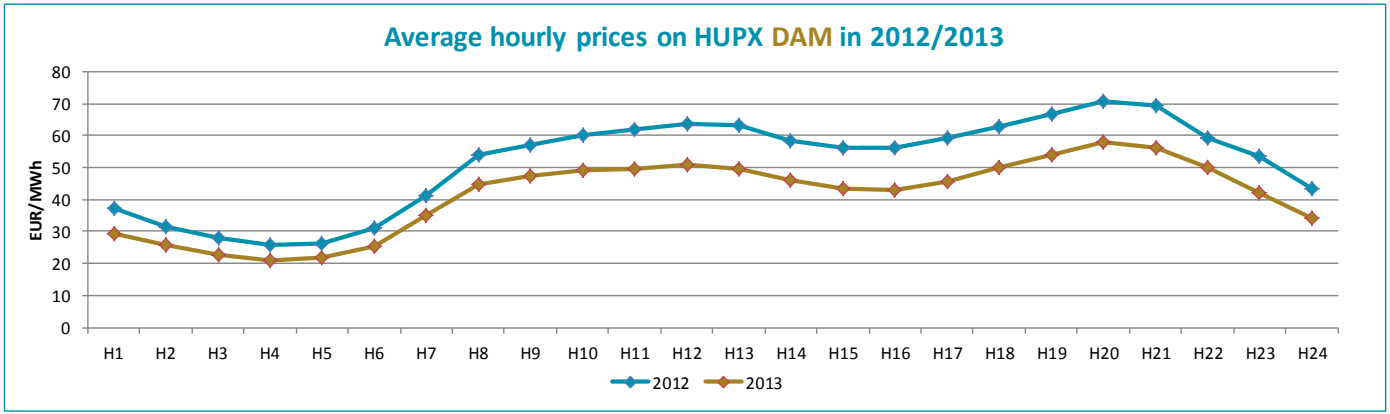


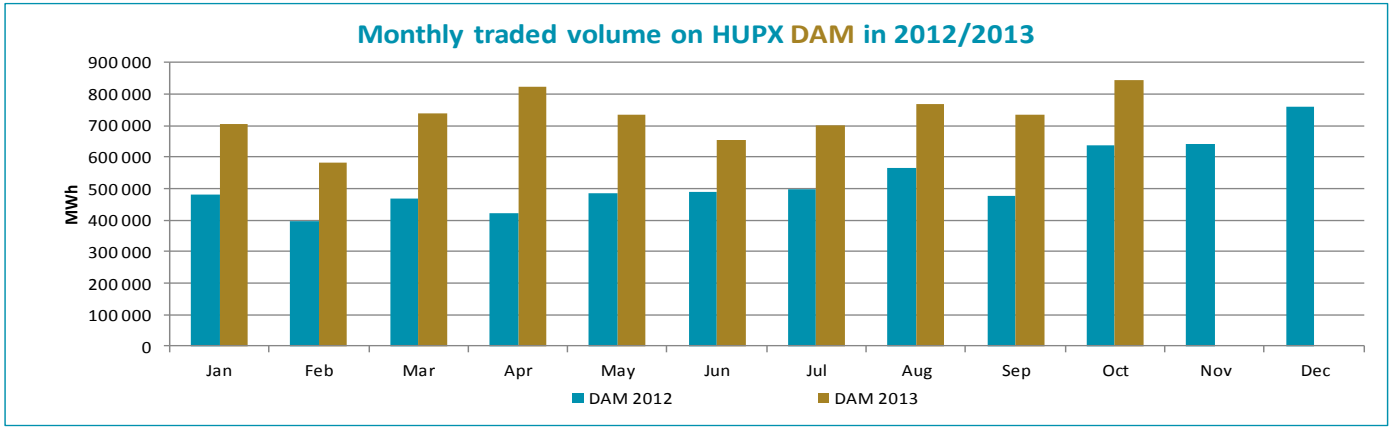




HUPXDAM

Trends





HUPXDAM

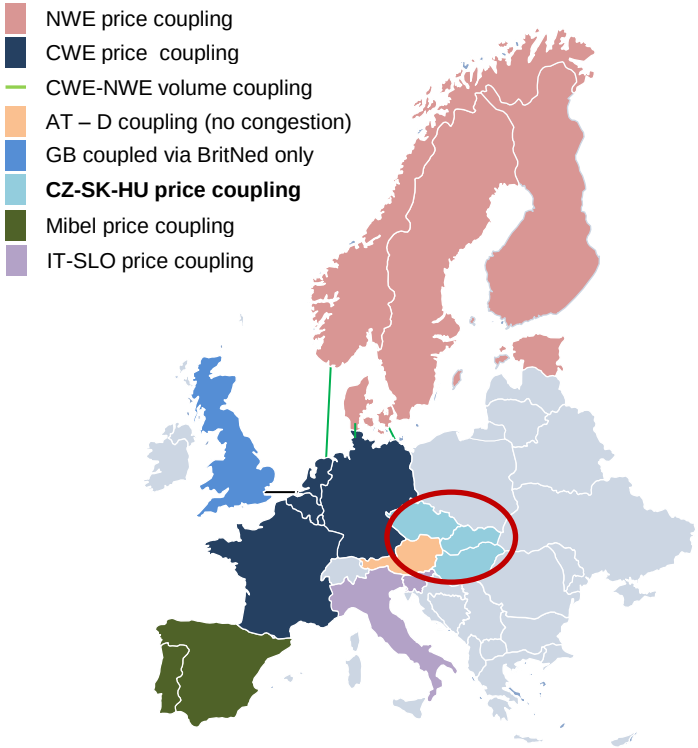
CZ-SK-HU Market Coupling

Coupling of Czech-Slovak-Hungarian day-ahead electricity markets

- Market coupling (MC) is the method chosen to integrate European wholesale electricity markets
- MC enables an efficient European wide price formation mechanism and an optimized use of the transmission grid

- **On 11th September 2012** (trading day) **market coupling was successfully launched** to handle the implicit allocation of the daily cross-border electricity and transmission capacities in and between the Czech, Slovak and Hungarian market areas

After the launch of CZ-SK-HU Market Coupling the price differences between the relevant PXs have decreased significantly



HUPXDAM

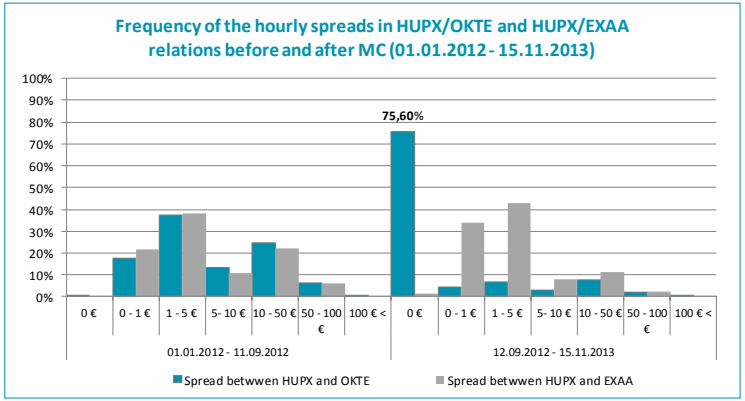
Benefits from MC

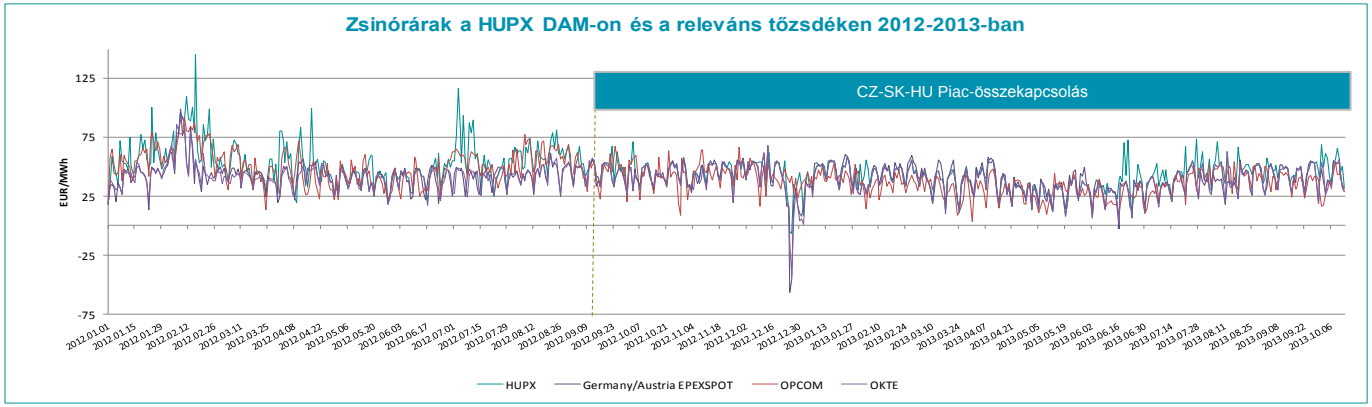
Productive and smooth operation characterize the CZ-SK-HU MC from the launch. Thanks to the MC effect HUPX could further integrate into the European markets.

The prices on HUPX decreased while the convergence with western markets increased.

Average Prices (MWh)			
	CZ	SK	HU
BL	**38,01**	**38,46**	**42,47**
PL	**44,23**	**44,85**	**50,62**

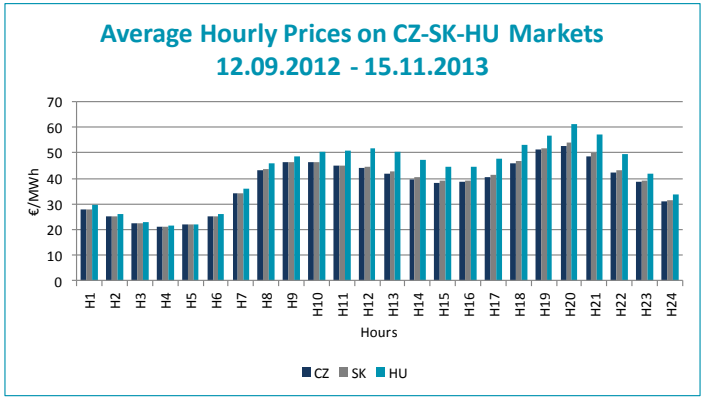
*12.09.2012 - 15.11.2013.

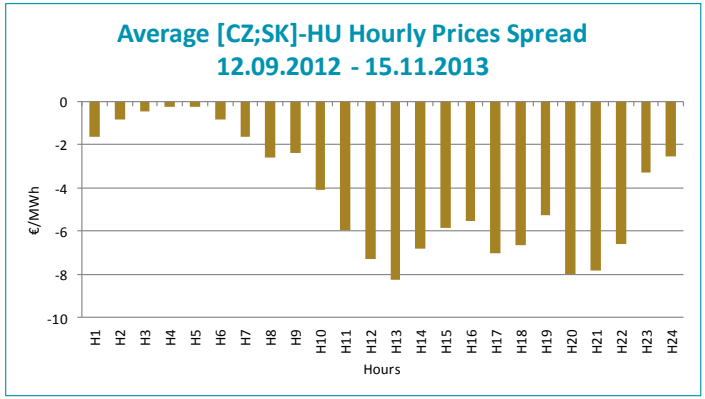


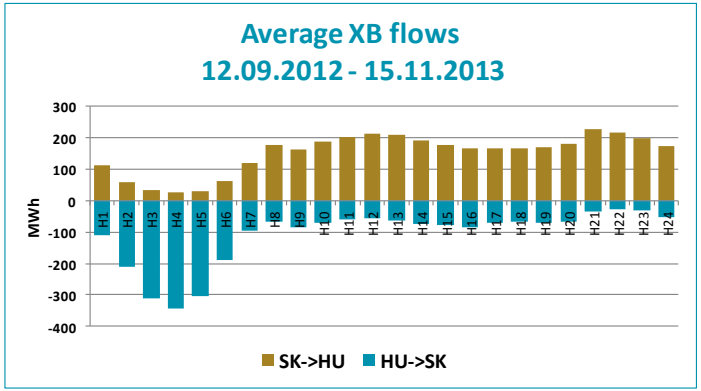


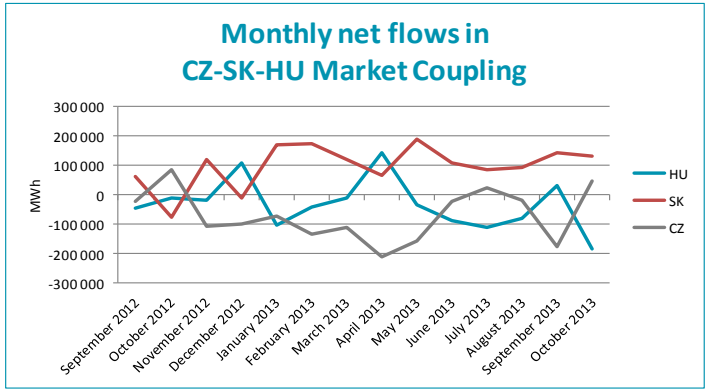
HUPXDAM

Benefits from MC



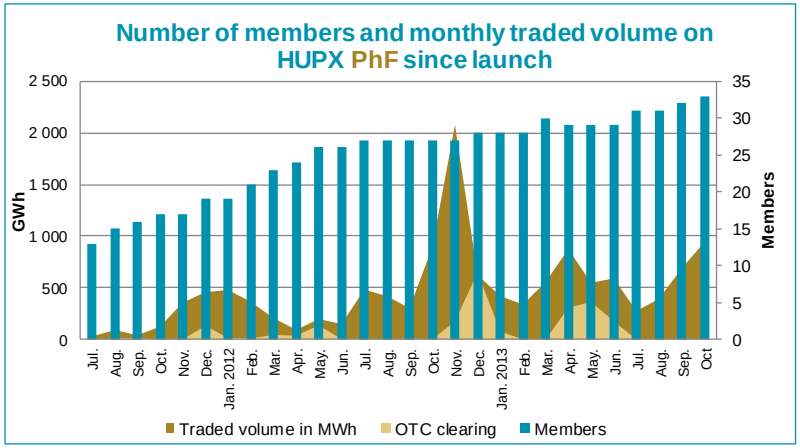


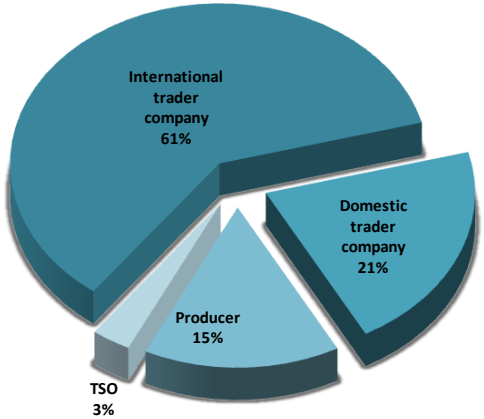




HUPXPhF

Members (33) and Broker partners (2)





Brokers: ICAP TFS

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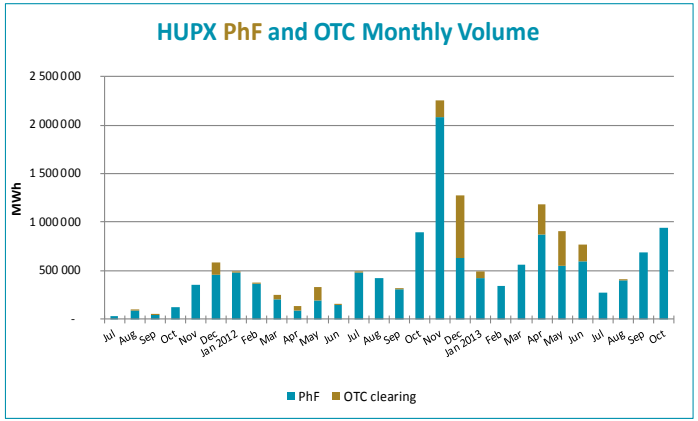
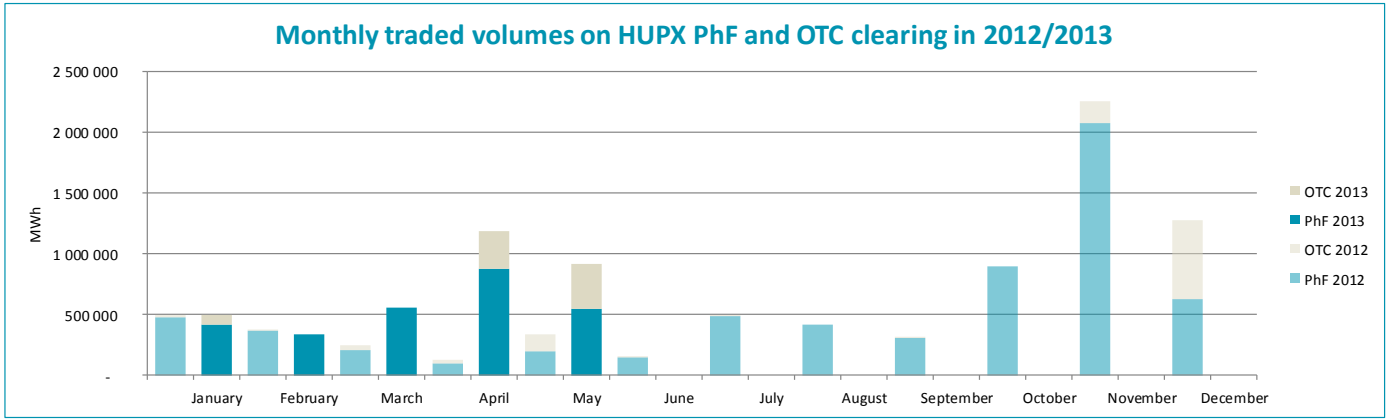
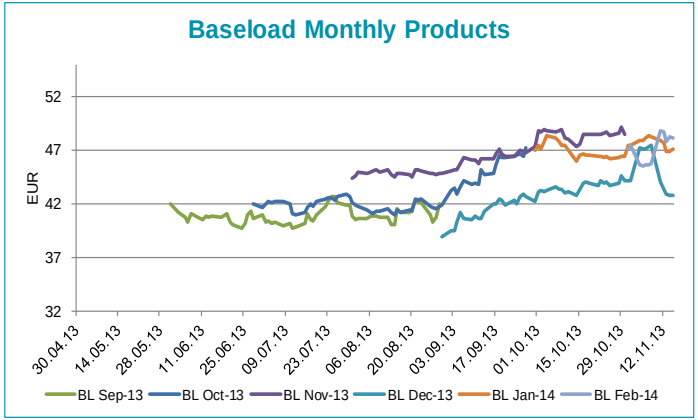
Volumes

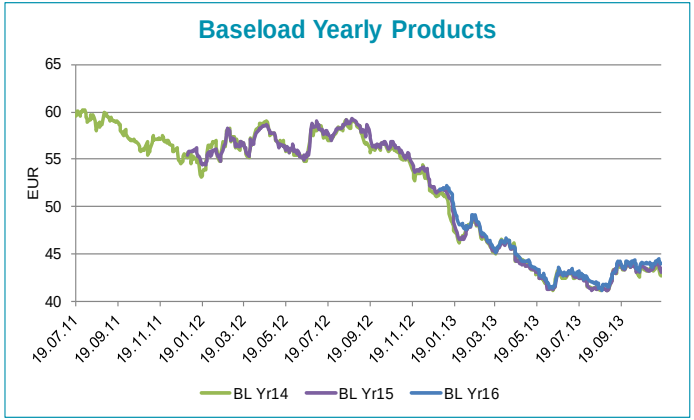


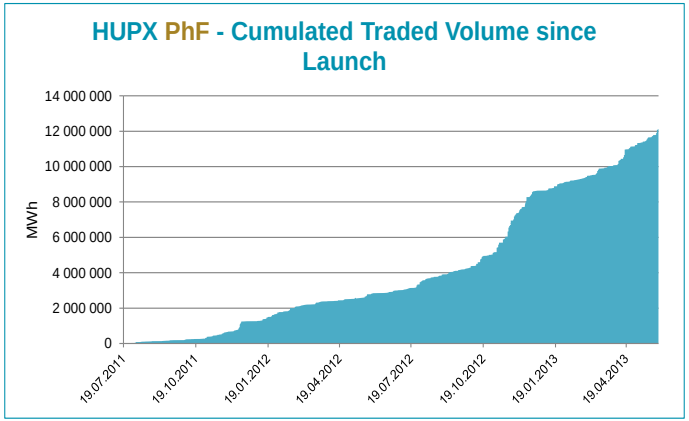


HUPXPhF

Prices and Volumes







Thank you for your attention!