

# TODAY MIBGAS LAUNCHES THE NEW LNG PRODUCTS ON THE VIRTUAL BALANCING TANK (TVB)

- MONTHLY FUTURES PRODUCTS (M+1, M+2 AND M+3) WITH PHYSICAL DELIVERY, TRADED AND SETTLED AT A FIXED PRICE, AND ARE AVAILABLE FOR TRADING IN AUCTION, CONTINUOUS MARKET AND OTC REGISTRATION.

*Madrid, October 24, 2023.-* Since this morning market participants can see and trade in the MIBGAS platform the new LNG products that MIBGAS Derivatives offers to all its agents for trading. These products will give them flexibility in their LNG supply options. The new products are monthly products with physical delivery on the virtual balancing tank (TVB)<sup>1</sup> and range from gas traded one day and delivered the rest of the month (balance of month) and the following months: M+1, M+2 and M+3. These products - physically delivered and non-financial - fall outside MiFID II regulation and can be traded in the daily opening auction, the continuous market and OTC registration<sup>2</sup>.

For the monthly TVB futures, the matching and clearing will take place at a fixed price, so MIBGAS Derivatives agents can ensure the purchase and sale of LNG at a fixed quantity and price in the virtual balancing tank.

The new products profile is similar to the existing natural gas futures at the virtual balancing point (PVB). Thus, these products complete the possibility of trading both liquefied natural gas and natural gas at each of the two virtual balancing points TVB and PVB.

Clearing will be made through the OMIClear clearing house.

These products join those recently launched, namely **PVB futures contracts indexed to TTF Day-Ahead**.

## CNMC RECOMMENDATION

On the other hand, the National Commission for Markets and Competition (CNMC) includes in its *"Report on the functioning of the wholesale gas market in 2022 and recommendations for increasing liquidity, transparency and the level of competition in the organized market"* the need for MIBGAS Derivatives to continue developing the futures market and, specifically, they refer to the "M+1 product in the Spanish virtual tank" (TVB) which from today is available on MIBGAS screen for all MIBGAS Derivatives agents.

Regarding the latter, to negotiate these products it is necessary to be registered in MIBGAS Derivatives. The access guide is available on the public website: [2023.07 Access to MIBGAS Derivatives.pdf](#)

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<sup>1</sup> Virtual balancing tank or TVB. MIBGAS was a pioneer in April 2020 by launching LNG spot products in the six regasification plants in service at that time in Spain. Thus, it was the first *exchange* or organized market to offer LNG products. With the launch of the TVB in April 2020, MIBGAS Derivatives agents buy and sell LNG regardless of the physical location of the LNG, which considerably increases the number of counterparties and the liquidity of this market.

<sup>2</sup> From today, the LNG daily products are also available for OTC registration (D+1, D+2 and D+3).

#### FUTURE LAUNCHES

On the other hand, MIBGAS Derivatives continues to work on the development of new contracts and trading formulas to offer its clients. Thus, in addition to the two already underway, **PVB futures indexed to MIBGAS Day-Ahead** will soon be added.

These products allow the purchase and sale of gas at the closing price of MIBGAS Day-Ahead to be hedged, without having to replicate the index on a daily basis. Therefore, they cover the needs of those agents exposed to prices correlated to MIBGAS Day-Ahead (CCGT, cogenerations, traders with indexed contracts, etc.).