



December 2011

# MARKET REPORT

## Highlights physical 2011:

### POWER:

- N2EX posted in 2011 a record volume of 45.6 TWh, up from 19.6 TWh the year before. The auction market gained 624.4 per cent from 2010 to 2011 and the prompt and spot market 58.5 per cent.
- In the Nordic/Baltic day-ahead auction Elspot, volumes reached 294.4 TWh compared to 305.2 TWh in 2010. The power consumption in the Nordic region reached 379 TWh 2011 compared to 398 TWh in 2010.
- The total Nordic preliminary consumption for December was 36.4 TWh compared to 33.1 TWh in November.
- Volumes traded in the day-ahead and intraday markets were 29.9 TWh in December compared to 26.6 TWh in November 2011.
- The average Elspot system price for December was 33.74 EUR/MWh compared to 41.18 EUR/MWh in November 2011.
- The value of turnover in the day-ahead and intraday markets for December was EUR 1.03 billion. Nord Pool Spot has experienced growth in the intraday market in 2011. The volumes were 2.7 TWh compared to 2.2 TWh in 2010.

### MEMBERS:

- Nord Pool Spot: 338 memberships in total.

## Highlights financial 2011:

### POWER:

- The total turnover of traded and cleared contracts on international power in 2011 was 23.3 TWh compared to 17.8 TWh the year before. 3.3 TWh was traded in UK futures in 2011. 1 723.3 TWh was traded and cleared in Nordic contracts in 2011 (2 089.8 TWh in 2010).
- NASDAQ OMX Commodities Europe reached a volume of traded contracts of 78.6 TWh in December, compared to 107.0 TWh in November 2011 (including international contracts).
- NASDAQ OMX Commodities reached a volume of traded and cleared contracts of 150.0 TWh in December, compared to 191.1 TWh in November 2011 (including international contracts).
- Exchange traded market share for Nordic power was to 52.4 percent in December, down 3.6 percentage points from November 2011.

### CARBON:

- The total volume of traded and cleared EUAs and CERs in 2011 (1 tonne CO<sub>2</sub>=1 EUA=1 CER) was 61.6 million tonnes compared to 31.5 million tonnes in 2010. The total volume of traded and cleared EUAs and CERs in December was 8.1 million tonnes as compared to 11.6 million tonnes in November 2011.

### MEMBERS:

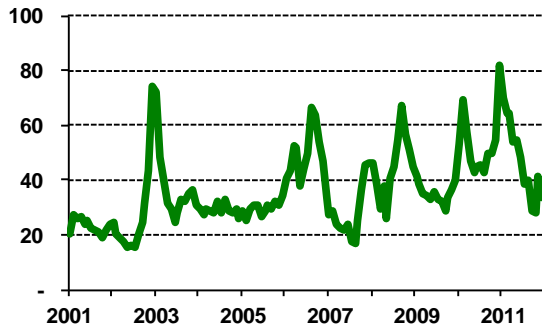
- NASDAQ OMX Commodities: 356 memberships in total.

For detailed information about the December figures, please see enclosed tables.

Physical markets

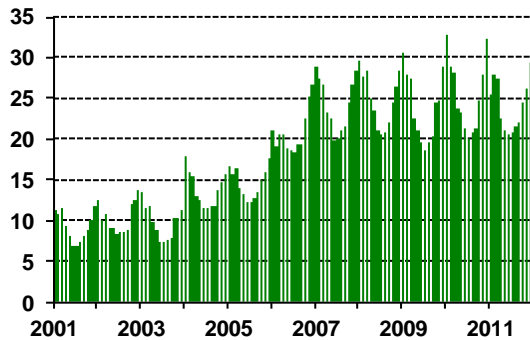
- Turnover in the day-ahead and intraday markets in November was 29.9 TWh (1 TWh = 1 billion KWh). In November, the turnover was 26.6 TWh.

EUR/MWh Average system price/month



- Based on preliminary figures total Nordic consumption for Jan-Dec 2011 was 379.2 TWh compared to 398.2 TWh for Jan-Dec 2010. This represents a decrease of 4.8 percentage points.

TWh Spot turnover monthly 2001-2011

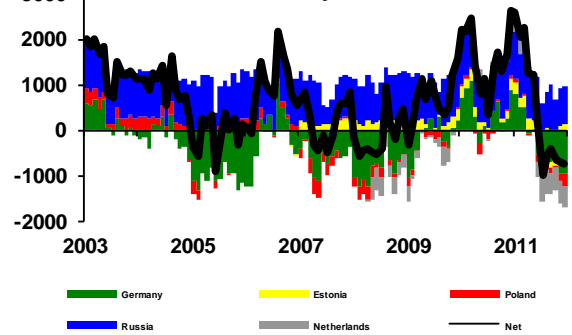


- The average Elspot system price in December was EUR 33.74 EUR/MWh, a decrease of 7.44 EUR/MWh, or 18.1 per cent, from the preceding month.

Power imports/exports Nordic market

- The figures for import/export between the Nordic countries and the rest of Europe show that the Nordic region exported 770 GWh in December.

GWh Exchange with Nordic area monthly 2003-2011

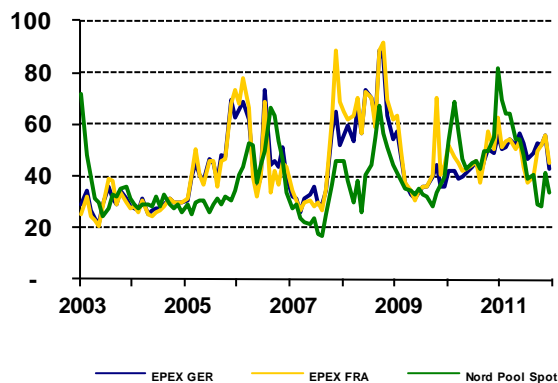


- In November 2011, 726 GWh were exported.

Development European power prices and volume

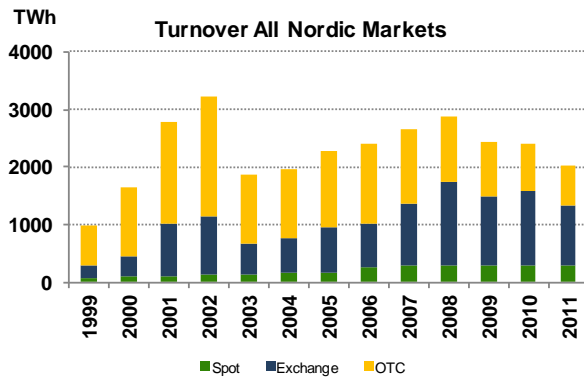
- Overview of spot prices for some of the exchanges in Europe since 2003: Nord Pool Spot (Nordics), and EPEX SPOT (Germany/Austria/France).

EUR/MWh NPS & EPEX spot prices



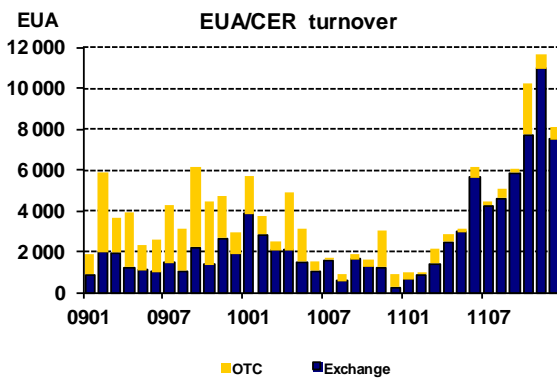
Financial market and clearing

- Turnover of traded and cleared contracts in December was 150.0 TWh against 191.1 TWh in November (incl. international contracts). In December 2010, the figure was 166.3 TWh. 2.5 TWh was traded and cleared Nordic power options against 9.2 TWh in November.
- Turnover on the exchange in December was 78.6 TWh against 107.0 TWh in November (including international contracts). The notional value of the turnover in December was EUR 3,026 million.
- Turnover of cleared bilateral market trades in December was 71.4 TWh against 84.1 TWh in November (including international contracts). In December 2010, the figure was 67.4 TWh.

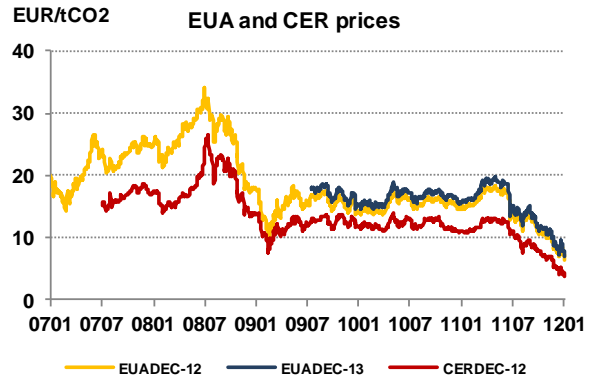


- Turnover of traded and cleared contracts on international power in December was 1.4 TWh against 2.4 TWh in November.
- Turnover on international power contracts on the exchange in December was 0.8 TWh against 1.2 TWh in November.

Carbon market

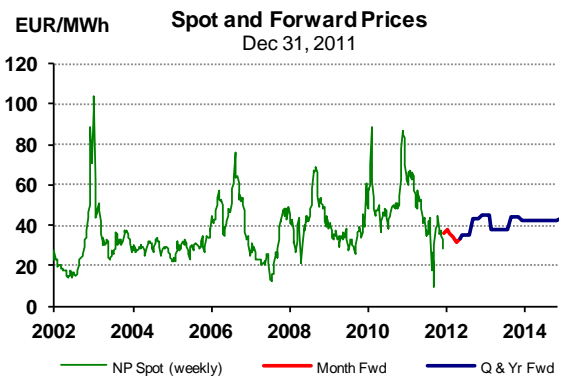


- In December, 8.1 million tCO<sub>2</sub> were traded and cleared, against 11.6 million tonnes in November (1 tCO<sub>2</sub>=1 EUA=1 CER).
- Trading and clearing of carbon futures amounted to 7.6 million tCO<sub>2</sub> in December, against 9.9 million tCO<sub>2</sub> in November



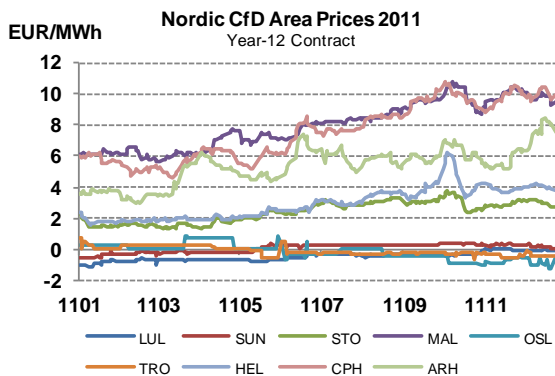
Future power prices

- These prices indicate the market's expectations of future power prices in the wholesale market.
- Trading in the financial market (the future power market) indicates a price for the forward contract for Q1 2012 of EUR/MWh 36.50, down from EUR/MWh 43.45 in November.



- In December, the price for the Q2 2012 contract also decreased from EUR/MWh 39.15 to 33.70.

Contracts for Difference (CfDs)



- The total turnover of traded and cleared Contracts for Difference (CfDs) was in December 20.7 TWh, against 18.6 TWh in November.

See enclosed tables for more information.

## Monthly Report – December 2011

### Physical markets, Nord Pool Spot

<b>Elspot prices (EUR/MWh)</b>	<b>Dec 2011</b>	<b>Nov 2011</b>	<b>Dec 2010</b>	<b>Jan-Dec 2011</b>	<b>Jan-Dec 2010</b>
Systempris	33.74	41.18	81.65	47.05	53.06
Århus	33.97	45.45	60.50	47.95	46.49
Köpenhamn	34.61	50.00	91.64	49.40	56.94
Finland	33.34	42.03	91.34	49.29	56.64
Oslo	34.21	40.51	82.83	46.41	54.25
Kristiansand	34.21	40.51	72.56	46.09	50.82
Bergen	34.21	40.14	82.50	45.85	51.79
Trondheim	33.23	40.28	91.86	47.49	58.04
Tromsø	33.21	39.04	91.86	47.48	57.33
SE1	33.21	41.60	-	-	-
SE2	33.21	41.60	-	-	-
SE3	33.22	43.52	-	-	-
SE4	34.45	49.88	-	-	-
SE	-	-	91.86	-	56.82
Estonia	32.61	41.12	52.77	43.35	
<b>Turnover, Spot</b>					
TWh	29.4	26.3	32.2	294.4	305.2
mEUR	1 012.1	1 157.2	2 871.7	14 335.0	17 970.0
GWh/day	949.6	876.8	1 038.9	806.6	836.0
mEUR/day	32.65	38.57	92.64	39.27	49.23
<b>Turnover, Elbas</b>					
GWh	419.4	281.5	136.4	2 667.0	2 173.9
mEUR	16.9	14.3	12.6	131.5	118.2
GWh/day	13.53	9.38	4.40	7.93	5.96
mEUR/day	0.54	0.48	0.41	0.36	0.32
<b>Physical electricity flows net GWh*</b>					
(- export / + import)					
Denmark	-212	350	-596	3 384	-756
Finland	2 514	2 458	658	27 688	10 511
Norway	-908	-4 036	780	-6 304	7 342
Sweden	-2 934	-224	1 785	-14 110	2 026
The Nordic region	-770	-726	2 627	10 658	19 123
<b>Physical consumption GWh*</b>					
Denmark	3 164	3 012	3 598	34 977	35 455
Finland	7 220	7 036	7 036	81 909	85 116
Norway	12 489	11 015	14 883	123 130	131 133
Sweden	13 485	12 075	16 217	139 203	146 523
The Nordic region	36 358	33 137	41 734	379 220	398 226

\*Preliminary figures

**Financial market, NASDAQ OMX Commodities Europe**
**Financial power contracts**

<b>Closing prices, Nordic forward contracts</b>	<b>Dec 2011</b>	<b>Nov 2011</b>	<b>Dec 2010</b>	<b>Jan-Dec 2011</b>	<b>Jan-Dec 2010</b>
1st quarter 2012	36.50	43.45	58.15		
2nd quarter 2012	33.70	39.15	49.40		
Year 2013	41.50	43.45	47.34		
Year 2014	42.50	43.45	46.90		

**Turnover on the exchange**

TWh Nordic	77.8	105.7	97.7	1 028.2	1 286.7
TWh International	0.8	1.2	1.2	19.6	17.0
TWh Total	78.6	107.0	98.9	1 047.8	1 303.8
mEUR	3 026	4 667	5 746	50 062	61 277
Number of transactions	8 142	11 446	14 141	131 269	167 222
GWh/day	3 745	4 862	4 709	4 142	5 174
mEUR/day	144.1	212.1	273.6	197.9	243.2
No. transactions/day	387.7	520.3	673.4	518.8	663.6

**Clearing turnover**

TWh Nordic	148.5	188.7	164.9	1 723.3	2 089.8
TWh International	1.4	2.4	1.4	23.3	17.8
TWh Total	150.0	191.1	166.3	1 746.6	2 107.5
mEUR	5 121	7 319	8 446	73 352	86 515
Number of transactions	10 905	14 752	16 976	161 589	199 587
GWh/day	7 142	8 687	7 918	6 903	8 363
mEUR/day	243.9	332.7	402.2	289.9	343.3
No. transactions/day	519.3	670.5	808.4	638.7	792.0

**Trading in carbon contracts**
**Closing prices, carbon contracts**

EUADEC12	7.17	8.71	14.62
EUADEC13	7.82	9.36	15.60
CERDEC12	4.15	5.47	11.10

**Turnover on the exchange**

Volume (1,000 EUA)	5 831	10 166	176	45 670	18 458
Volume (1,000 CER)	1 642	804	90	9 165	1 421
Total Volume	7 473	10 970	266	54 835	19 879
mEUR	53.0	103.6	3.6	625.0	277.6
Number of transactions	392	583	31	3 369	1 753
Volume (1,000 EUA)/day	356	499	13	217	79
mEUR/day	2.53	4.71	0.17	2.47	1.10
No. transactions/day	18.7	26.5	1.5	13.3	7.0

**Clearing turnover**

Volume (1,000 EUA)	6 396	10 763	777	50 039	26 590
Volume (1,000 CER)	1 682	841	122	11 530	4 910
Total Volume	8 078	11 604	899	61 569	31 500
mEUR	57.3	109.4	12.9	698.5	439.4
Number of transactions	399	592	58	3 505	2 178
Volume (1,000 EUA)/day	404	527	43	243	125
mEUR/day	2.86	4.97	0.61	2.76	1.74
No. transactions/day	20.0	26.9	2.8	13.9	8.6

<b>Trading days in period</b>	21	22	21	253	252
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**Nord Pool Spot AS** operates the largest physical marketplace for electrical energy in the world, offering both day-ahead and intraday markets to its participants. Nord Pool Spot AS is owned by the Nordic transmission system operators and is authorized as a marketplace for energy under the Norwegian Energy Act.

**NASDAQ OMX Commodities** is the brand name for the NASDAQ OMX Group's worldwide suite of commodity related products and services. The NASDAQ OMX Commodities offerings include power, natural gas and carbon emission markets and clearing services. NASDAQ OMX Commodities is a trademark of the NASDAQ OMX Group, Inc.

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NASDAQ OMX Commodities Europe is the world's largest power derivatives exchange and one of Europe's leading carbon markets.

All trades with NASDAQ OMX Commodities Europe are subject to clearing with NASDAQ OMX Stockholm AB, which is authorized and supervised as a multi-asset clearinghouse by the Swedish Financial Supervisory Authority in Sweden as well as authorized to conduct clearing operation in Norway by the Norwegian Ministry of Finance.

N2EX is the name of the UK power market offering from NASDAQ OMX Commodities and Nord Pool Spot. NASDAQ OMX Stockholm AB is the authorized clearinghouse.

**Members**

NASDAQ OMX Commodities have 356 members. Nord Pool Spot AS has 328 members in Elspot and 103 in Elbas. The memberships include energy producers, energy-intensive industries, large consumers, Distributors, funds, investment companies, banks, brokers, utility companies and financial institutions.

**Services and markets**

**The day-ahead and intraday markets**

The day-ahead market is the basis for all electricity trading in the Nordic market. Nord Pool Spot organises the marketplace which comprises the Elspot and Elbas products. Elspot is the common Nordic and Estonian market for trading physical electricity contracts with next-day supply. Elbas is a physical intra-day implicit continuous market for Sweden, Finland, Norway, Denmark, Germany and Estonia.

The gas exchange Nord Pool Gas AS organises physical trade of natural gas. The products offered are day contracts and a following-month contract. Nord Pool

Gas AS is owned by Energinet.dk and Nord Pool Spot with a share of fifty per cent each.

**The financial market**

NASDAQ OMX Commodities Europe holds the exchange license and maintains the responsibility for operating the exchange traded products.

The exchange members can trade Nordic and international power derivative contracts. The spot price forms the basis for the financial market.

Market participants use financial contracts to manage price risk when trading power. NASDAQ OMX Commodities Europe offers contracts of up to six years' duration covering days, weeks, months, quarters, seasons and years. On the carbon side, the exchange offers daily quarterly and yearly forward and futures carbon contracts, European Union allowances (EUAs) and global certified emission reductions (CERs).

**Clearing**

NASDAQ OMX Stockholm AB provides clearing by entering into financial derivatives contracts as a central clearing counterparty, thereby reducing the risk and margin requirements for buyers and sellers.

The clearinghouse provides clearing of financial, standardised power contracts in the Nordic market, financially-settled German and Dutch power contracts, UK power futures and carbon contracts (EUAs and CERs) traded on and off the exchange.

**For further information about the statistics or the slides material, please contact:**

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