First LNG Futures Contract Traded Against the S&P Global Platts West India Marker

- The deal paves the way for hedging based on the supply and demand dynamics of the Indian and Middle East Markets
- Glencore and Total are the counterparties in a trade arranged by Tullett Prebon

SINGAPORE, Dec. 10, 2020 /PRNewswire/ -- S&P Global Platts ("Platts"), the leading independent provider of information and benchmark prices for the commodities and energy markets, announced today that its West India Marker (WIM) price assessment has been used as the settlement price for the first ever futures contract trade reported for LNG sold into the Indian market. The financially settled derivative contract was traded between Glencore and Total and brokered by Tullett Prebon.

Dominic Gallagher, Head of LNG Broking, Tullett Prebon, said:"We are proud to be involved in the first WIM futures contract trade, which has been settled against the Platts price. As the LNG market continues towards commoditisation, products such as the WIM futures contract should aid in the provision of transparency, tradability and price discovery. Tullett Prebon continues to invest in the developing global gas market, where we see significant growth opportunities, and this product forms part of the LNG market's evolution."

The derivatives trade is dollar-denominated and will be financially settled against the February average of S&P Global Platts' WIM LNG price assessment for spot physical cargoes of LNG delivered ex-ship (DES) into ports in India and the Middle East region. The trade was executed as a spread against the futures contract that financially settles against the Platts JKM price assessment; the predominant LNG benchmark derivative product. Platts WIM reflects cargoes of 1,000-1,150 Btu/scf calorific value, of 3.2 million MMBtu volume, of vessel size range of 135,000-175,000m3 for delivery into India, Dubai and Kuwait.

The fast commoditization of LNG has resulted in the establishment of LNG benchmarks across different regions. The rapid development of WIM reflects a significant growth in transparency, standardization and liquidity of the LNG cargo trade in the Middle East and India region. LNG is forecast to become a key component ofIndia's gas consumption as the government increases its share of the energy mix. The Platts WIM provides the link between the global LNG market and the value of gas further downstream in India, as well as the anchor for the trading of spot LNG cargoes in South andWest Asia.

Vera Blei, Head of Oil and LNG Market Pricing, S&P Global Platts, said:"This deal is a significant step towards the emergence of a new regional derivatives market for LNG delivered into the India and Middle East region. In spite of its size, this major trading region does not have a dedicated derivatives market reflecting its own supply and demand dynamics meaning physical market participants wishing to hedge can be exposed to significant basis risk."

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About Glencore
Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 commodities. The Group's operations comprise around 150 mining and metallurgical sites and oil production assets.

With a strong footprint in over 35 countries in both established and emerging regions for natural resources, Glencore's industrial activities are supported by its global marketing network.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil sectors. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 160,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

About Total
Total is a broad energy company that produces and markets fuels, natural gas and electricity. Our 100,000 employees are committed to better energy that is more affordable, more reliable, cleaner and accessible to as many people as possible. Active in more than 130 countries, our ambition is to become the responsible energy major.

About TP ICAP
TP ICAP is a global firm of professional intermediaries that plays a pivotal role in the world's financial, energy and commodities markets. Operating through our core businesses, Tullett Prebon, ICAP, PVM, Coex Partners, Tullett Prebon Information, ICAP Information Services and PVM Data Services, we create strong networks in person and through technology. We provide comprehensive analysis and insight into market conditions and long-term trends. We combine data, knowledge and intelligence into contextual insight and commercial guidance. By engaging with our clients, and providing innovative products and services, we enable our clients to transact with confidence, facilitating the flow of capital and commodities around the world, enhancing investment and contributing to economic growth. Our values of honesty, integrity, respect and excellence underpin everything we do.

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