



SPIMEX, 04/2012

# CJSC SPIMEX, the leader on the Russian commodity market

## Current Sections

➤ **Petroleum products**



➤ **Crude oil**



➤ **Energy**



➤ **Grain**



➤ **Derivatives**



## Referral information and main achievements

CJSC Saint-Petersburg International Mercantile Exchange, license #153, date of issue 05.06.2008,  
registered capital – 428.5 mln rubles

SPIMEX is organized by following companies: Transneft, Transnefteproduct, Rosneft, Gazpromneft, Zarubezhneft, Surgutneftegaz, Sovcomflot, RZD etc.

Clearing service provided by SDCO (CJSC).  
Settlements through 7 authorized banks: Sberbank, VTB, GPB, Alfa-Bank, Russia, VBRR, Rosselkhozbank

The liquid petroleum products market with the volume of trades of 21 mln tones (467 bln rubles) and 979 trading participants

SPIMEX Petroleum Indexes of domestic market

Delivery futures market for petroleum products (domestic market)

# The Model of commodity market development (petroleum products market is used as an example)

**SPIMEX derivatives market** (hedging transactions, physical delivery of futures contracts) as the risk management for the physically deliverable OTC contracts with pricing based on SPIMEX Petroleum Indices

**Over-the-counter trades**

**(trading, arbitrage, swaps)**

OTC trades pricing is based on SPIMEX Petroleum Indexes

**Reporting of the OTC trades via Commodity Exchange**(85% of the market)

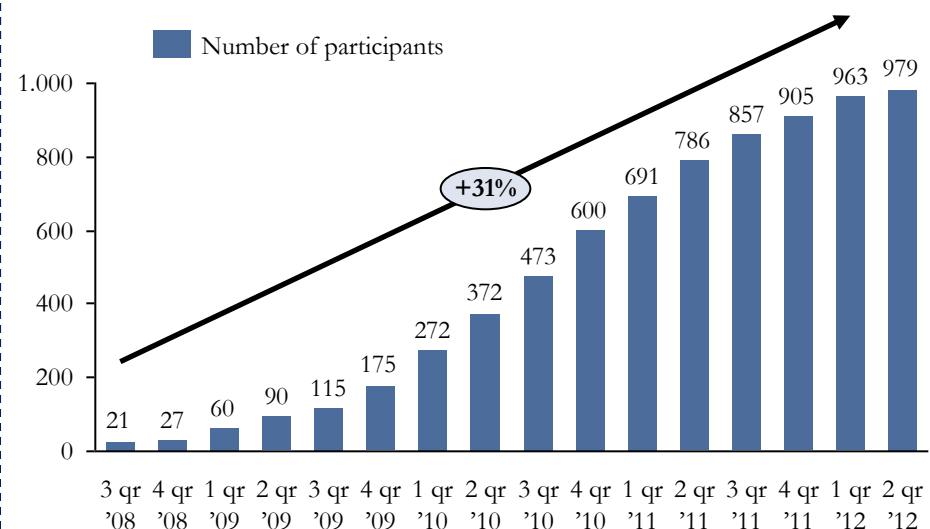
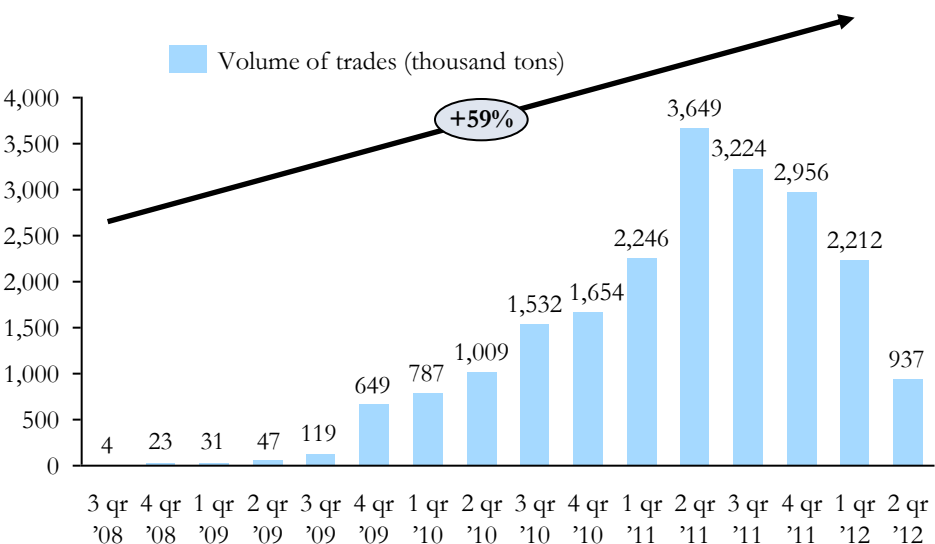
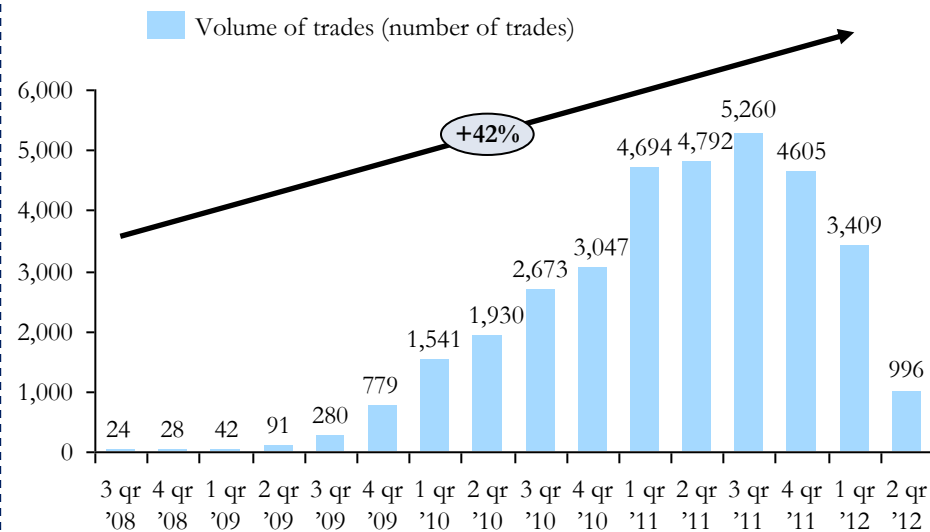
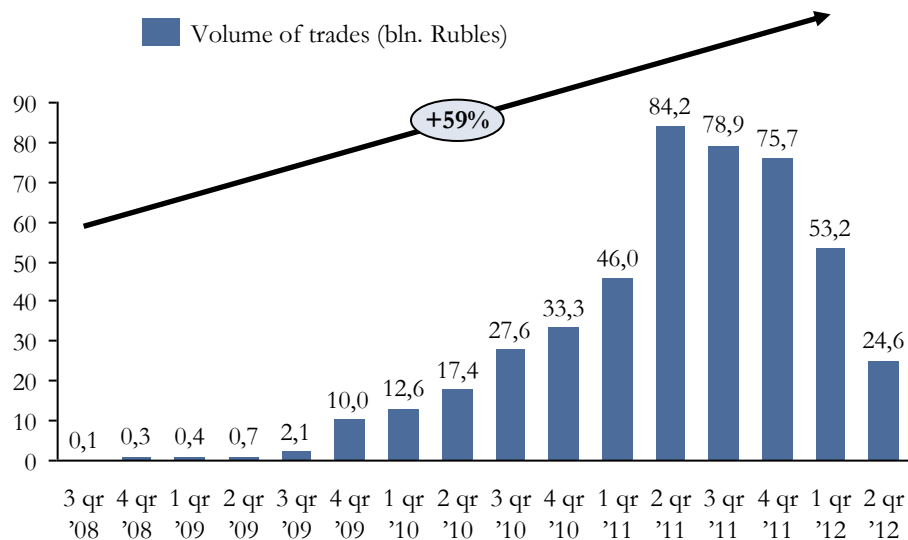
The SPIMEX Petroleum Indexes pricing is fixed or based on the OTC trades

**Exchange spot market**

The Pricing is fixed by exchange trades (15% of the petroleum products production volume)

**Calculation of the SPIMEX Petroleum Indexes**

# Indicators of trading activity on SPIMEX (all sections, quarterly\*)



\*-CQGR (Compound Quarterly Growth Rate).  
As of date 30/04/2012

## The OTC trades registration - first results

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As of April 30<sup>th</sup>, 2012 registered at SPIMEX:



The OTC trades are registered by following companies: Gazprom Neft, Surgutneftegaz, TNK-BP, Alliance Oil, Gazprom neftekhim Salavat, Taif-NK, Bashneft, Rosneft, Lukoil

# SPIMEX PETROLEUM INDEXES - SPI

## Reliable price indexes are a necessary condition for the development of the derivatives market

- The developed spot and derivatives market creates both prerequisite and demand for the **exchange index**.

Since Feb 7<sup>th</sup>, 2011 SPIMEX performs a daily calculation of the petroleum products price indexes. **(SPIMEX Petroleum Indexes)**.

- Historical values of indexes are calculated for the period from the beginning of the exchange trade with petroleum products at SPIMEX, i.e. since September 2008.

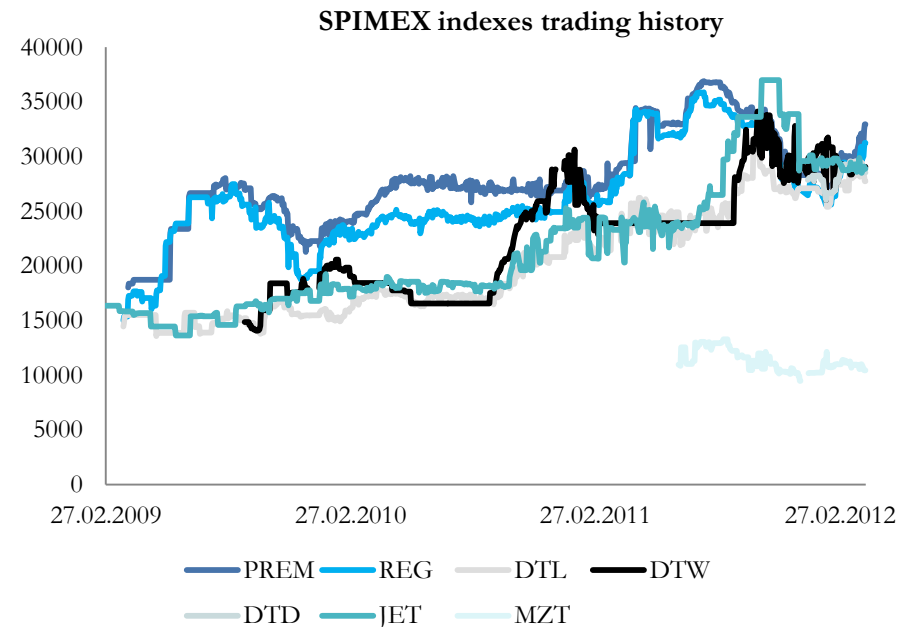
- **Indexes are available at the Exchange's web-site, as well as through Thomson Reuters, Bloomberg etc.**



# SPIMEX PETROLEUM INDEXES - SPI

## SPIMEX Indexes for the petroleum products market

petroleum products type	Index title
Summer gasoil	SPIMEX Petroleum Index - DTL
Winter gasoil	SPIMEX Petroleum Index - DTW
Interseasonal gasoil	SPIMEX Petroleum Index - DTD
Petrol Reg-92	SPIMEX Petroleum Index - REG
Petrol PREM-95	SPIMEX Petroleum Index - PREM
Jet fuel	SPIMEX Petroleum Index - JET
Fuel oil	SPIMEX Petroleum Index - MZT



### The source of information for the indexes' calculation

- The source of information for the indexes' calculation is SPIMEX spot-market trades prices
- The developed SPIMEX petroleum products spot-market gives a condition for the creation of a reliable, recognized price index.

# SPIDEX PETROLEUM INDEXES - SPI

## Indexes calculation basis

- SPIMEX indexes are calculated on the common geographical basis: Vladimir railway station in Central Russia region. It is also a pricing basis for futures contracts as the average weighted price for all standard petroleum products exchange trades.
- For the indexes' calculation the trades on the main and additional delivery bases are considered.
- The main delivery bases are those equally distanced from Vladimir railway station and located in Moscow, Yaroslavl, Nizhny Novgorod and Ryazan.
- The additional delivery bases are those whose trades prices' interconnection to the prices on the main bases is statistically proven.
- Trades made on the main delivery bases are given at the prices of Vladimir hub with the differential of the transportation rate. The trades made on the additional bases are calculated considering the factor which is based on the value history.



## Building the market by creating benchmarks

- Creation of universally accepted Russian benchmarks gives the petroleum products market participants a possibility to plan the selling and purchasing the goods far ahead based on the variable pricing system which is bound to market indicators' value in concrete periods of time.

# SPIMEX derivatives market - current view

SPIMEX futures contracts on summer gasoil as the first successful delivery futures market for petroleum products in Russia

Volume of trades for the period from 2010/12/17 to 2012/04/30

Delivery date	Contracts	Number of trades	Volume (contracts)	Volume (rubles)
March 2011	FDDTS2VLI31	1 692	95 455	2 164 880 020
June 2011	FDDTS2VLI61	1 964	144 088	3 440 375 290
July 2011	FDDTS2VLI71	310	23 230	542 563 450
August 2011	FDDTS2VLI81	196	14 240	344 213 410
September 2011	FDDTS2VLI91	1 709	152 694	3 682 365 360
December 2011	FDDTS2VLIC1	1 163	84 810	2 256 816 290
March 2012	FDDTS2VLI32	506	39 875	1 138 949 960
June 2012	FDDTS2VLI62	145	14 726	433 012 450
		7 685	569 118	14 004 022 230

## SPIMEX derivatives market today

✓ The derivatives market has a stable base in form of a developed spot market

✓ The derivatives market has a reliable technical and organizational base

✓ The derivatives market successfully operates and has a great growth potential

•SPIMEX has nearly 90% of the exchange-traded petroleum products domestic market turnover.

• The market unites majority of producers and a considerable amount of petroleum product consumers.

•A highly-efficient and reliable trading system.

•Gateway connection is provided.

•Compatibility with the third party brokerage systems.

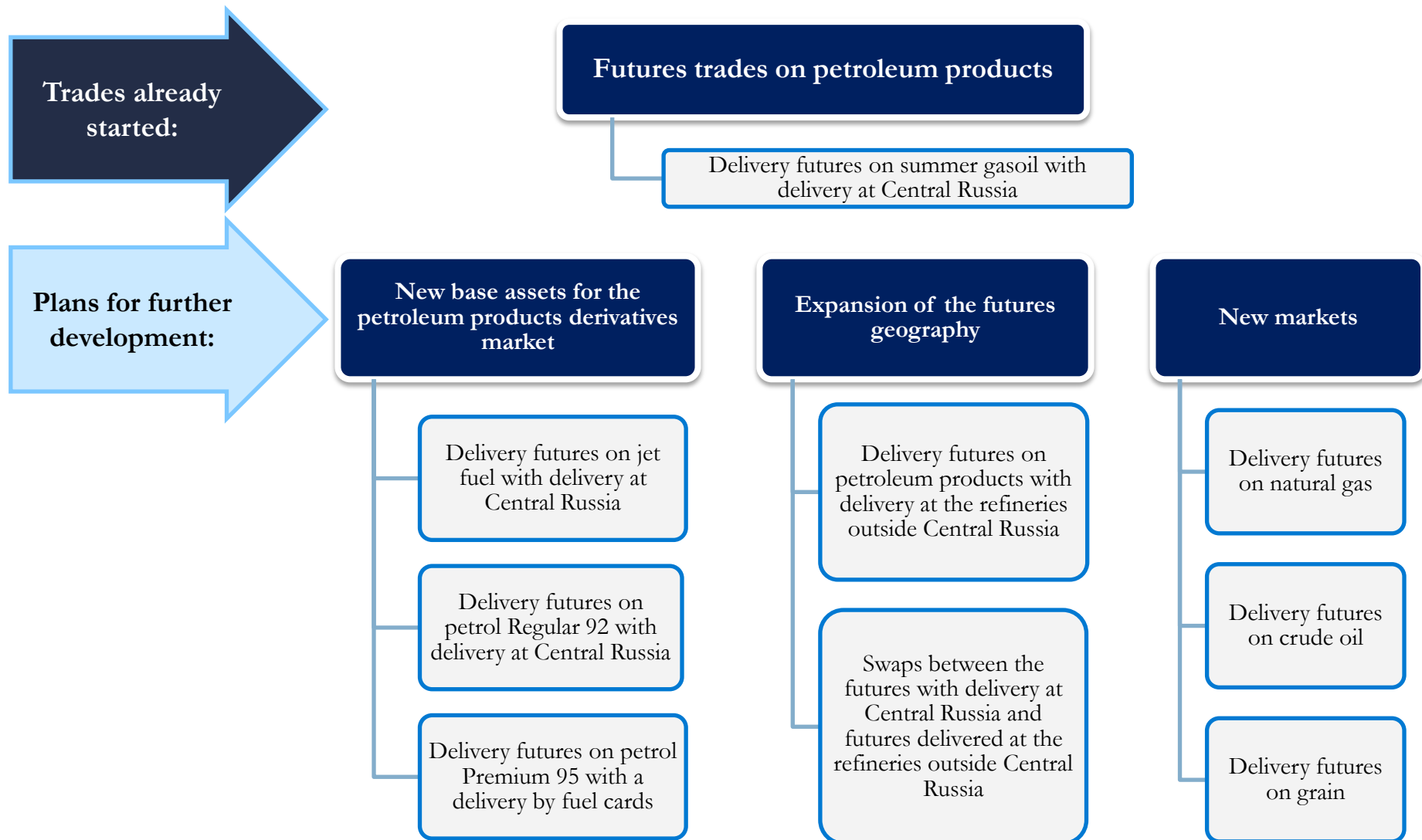
•Market makers provide market liquidity.

•Successful physical delivery for futures contracts from March '11 to April '12 was carried out.

•Wide development plans include the expanding geography of contracts and introducing new base assets.

•A large client base of petroleum products producers and consumers - spot traders and financial participants.

# The development of the derivatives market is the priority of SPIMEX



## Contact information

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