

Nodal

Nodal Exchange is a derivatives exchange providing price, credit and liquidity risk management solutions to participants in the North American energy markets. Nodal Exchange is a leader in innovation, having introduced the world's largest set of electric power locational (nodal) futures contracts. Nodal Exchange currently offers over 1,000 contracts on hundreds of unique locations, providing the most effective basis risk management available to market participants. In addition, Nodal Exchange offers a Henry Hub natural gas contract providing cross-margining benefits with participant's power portfolios. All Nodal Exchange contracts are cleared by Nodal Clear which is a CFTC registered derivatives clearing organization. Nodal Exchange is a designated contract market regulated by the CFTC. Nodal Exchange is part of the EEX Group.

Benefits of Nodal Exchange

Granular Contracts

Nodal Exchange offers over 1,000 futures and options contracts on hundreds of unique locations in the organized Regional Transmission Organization/Independent System Operator (RTO/ISO) markets. Nodal Exchange has the flexibility to quickly introduce additional locations as needed by participants. Nodal Exchange power contracts are all offered in 1 MW lots to give participants the ability to tailor their futures and options positions to their actual needs.

Trading Flexibility

Nodal Exchange contracts trade on Nodal LiveTrade, a central limit order book with a trading screen interface. Order types can include: outright power futures/options or natural gas futures at a location, locational futures spreads between two nodes, Day Ahead/Real Time power futures settlement spreads (DART), and aggregate time periods (strips). For additional flexibility, Nodal Exchange also offers Nodal BlockTrade, a service for clearing block trades for both power and natural gas.

Credit Risk Management & Capital Efficiency

Nodal Clear, Nodal Exchange's clearing house, provides effective credit risk management and superior capital efficiency through the use of portfolio margining. This robust and effective approach to margining, which accounts for the correlations between many different contracts, even across different RTO/ISOs and different commodities (e.g., power and gas), results in greater capital efficiency for Nodal Exchange participants.

Price Discovery and Market Liquidity

Nodal Exchange provides superior price discovery and market transparency. Daily marks are provided to participants on approximately 60,000 futures expiries and options contracts. Participants can also view the transaction price on all Nodal Exchange trades. Being able to trade standardized futures and options contracts with many buyers and sellers on an anonymous basis without worry of credit risk expands the universe of counterparties available, allowing Nodal Exchange participants to better achieve the best transaction price. Participants also benefit from being able to net their positions, given the clearing house acts as the central counterparty. These benefits enable a more active and liquid market for Nodal Exchange contracts.

Product Innovation

Nodal Exchange has introduced futures contracts on the most granular set of nodal power locations in the world. In addition, Nodal Exchange introduced Energy + Congestion contracts which, when spread between locations of the same RTO/ISO, create Financial Transmission Right (FTR) look-alike contracts. Nodal Exchange is committed to working with market participants to develop products that best meet market needs.

Risk Management Services

Nodal Exchange active traders enjoy free access to superior risk management services, including straight-through processing (STP) of trades, end of day price & trade data, and margin and position limit monitoring.