



ICE ENDEX & ICE FUTURES EUROPE
TRADE AT INDEX CLOSE (TIC)
NATURAL GAS DAILY PHYSICAL FUTURES (ICIS)

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TRADE AT INDEX CLOSE

NATURAL GAS DAILY PHYSICAL FUTURES (ICIS)

ICE supports the Trade at Index Close (“TIC”) order type for the ICE Endex Dutch TTF Daily Gas Futures (TFE) and the ICE Futures Europe UK Natural Gas Daily Futures contracts (NBD). This document provides information concerning the TIC order type for these daily futures contracts.

WHAT IS TIC?

TIC trading allows a market participant to place a bid or offer for a Dutch TTF Daily Gas Futures (TFE) or UK Natural Gas Daily Futures (NBD) contract during the course of the trading day at a price expressed as a differential to that day's midpoint of the bid and offer quotations for the relevant closing day price assessment as published by ICIS in the ‘European Spot Gas Market report’¹.

A TIC bid or offer is expressed as a positive or negative differential (or no differential) to the respective midpoint of the bid and offer quotations for the relevant closing day price assessment as published by ICIS in the ‘European Spot Gas Market report’ on the same day as the TIC trade was concluded.

The differential for the TTF Natural Gas Daily Physical Futures (ICIS) TIC is expressed in ticks of 0.5 Euro Cent per MWh (€0.005/MWh), up to a maximum of 500 ticks above or below the midpoint of the bid and offer quotations for the relevant TTF closing day price assessment, published by ICIS in the ‘European Spot Gas Market report’.

The differential for the ICE Futures Europe UK Natural Gas Daily Futures (ICIS) TIC is expressed in ticks of 0.01 pence/therms, up to a maximum of 500 ticks above or below the midpoint of the bid and offer quotations for the relevant NBP closing day price assessment, published by ICIS in the ‘European Spot Gas Market report’.

For example:

- a TIC bid of +0.20 in the TTF Natural Gas Daily Physical Futures Day-ahead contract means that the bidder wants to buy at the midpoint of the bid and offer quotations for the ICIS TTF Day-ahead price assessment, plus 0.20 EUR/MWh;

¹ European Spot Gas Markets Methodology (ESGM) – 10 August 2020. (2020, August 11). Retrieved September 28, 2020, from <https://www.icis.com/compliance/documents/european-spot-gas-markets-methodology-esgm-25-march-2019-2/>

- a TIC offer of -1 in the NBP Natural Gas Daily Physical Futures weekend contract means that the seller wants to sell at the midpoint of the bid and offer quotations for the ICIS NBP weekend price assessment, minus 1 pence/therm;
- a TIC order placed at 0 in the NBP Natural Gas Daily Physical Futures Weekend contract means that the buyer or seller wants to trade at the midpoint of the bid and offer quotations for the ICIS NBP weekend price assessment;
- a TIC order placed at -0.15 in the TTF Natural Gas Daily Physical Futures Saturday (or Sunday) contract means that the buyer or seller wants to trade at the midpoint of the bid and offer quotations for the ICIS TTF weekend price assessment, minus 0.15 EUR/MWh.

After a TIC trade is completed, each TIC transaction will receive a trade price equal to the agreed number of price ticks above or below that days midpoint of the bid and offer quotations for the relevant closing day price assessment as published by ICIS in the 'European Spot Gas Market report'. The actual trade price will not be assigned until the price assessment has been published by ICIS and the agreed upon differential is applied. The ICIS closing prices used for the TIC are assessed at 16:30 London time and published shortly thereafter.

For example:

- if the ICIS closing day price assessment of the TTF day-ahead contract is 10.588 EUR/MWh, a TIC order in the TTF Day-ahead contract which has been executed at +0.20, results in a trade price of 10.788 (10.588 + 0.20);
- if the ICIS closing day price assessment of the NBP weekend contract is 26.125 p/th, a TIC order in the NBP Weekend contract which has been executed at -1, results in a trade price of 25.125 p/th (26.125 - 1);
- if the ICIS closing day price assessment of the NBP weekend contract is 25.995 p/th, a TIC order in the NBP Sunday contract which has been executed at 0. results in a trade price of 25.995 p/th (25.995 - 0);
- if the ICIS closing day price assessment of the TTF weekend contract is 11.450 EUR/MWh, a TIC order in the TTF Saturday (or Sunday) contract which has been executed at -0.15, results in a trade price of 11.300 (11.450 - 0.15).

Usual rounding convention will be applied if the closing day price assessment as published by ICIS is not in the same price increment as the daily futures contract.

ARE THERE RESTRICTIONS ON WHO IS ELIGIBLE TO EXECUTE TIC TRADES?

Clients with access to the ICE Endex Dutch TTF Daily Gas Futures (TFE) or the ICE Futures Europe UK Natural Gas Daily Futures (NBD) contracts will automatically have access to the TIC order type for the related market.

WHAT IS THE POLICY REGARDING TIC CLEARING LIMITS?

TIC orders and trades share the existing clearing limits for the related daily futures product.

WHERE CAN I FIND THE TIC PRODUCTS IN WEBICE?

In WebICE the TIC products will automatically appear in portfolios which contain the ICE Endex Dutch TTF Daily Gas Futures or the ICE Futures Europe UK Natural Gas Daily Futures contracts.

Users can also create a new portfolio containing the ICE Endex Dutch TTF Daily Gas Futures TIC contracts and the ICE Futures Europe UK Natural Gas Daily Futures TIC contracts or add them to an existing portfolio in WebICE.

WHEN ARE CONFIRMATIONS RECEIVED FOR TIC TRADES?

TIC buy and sell orders are matched on a first-in, first-out basis. TIC trades are confirmed when TIC bids and offers match. A confirmation of a TIC trade indicates that a trade has been executed at the settlement price, or at the agreed price above or below the midpoint of the bid and offer quotations for the relevant closing day price assessment as published by ICIS in the 'European Spot Gas Market report'.

WHICH CONTRACTS ARE ELIGIBLE FOR TIC TRADING?

The TIC is available for the following products.

Dutch TTF Daily Gas Futures contracts (TFE)	UK Natural Gas Daily Futures (NBD)
1 Day-Ahead contract (DA)	1 Day-Ahead contract (DA)
1 Weekend contract (W/END)	1 Weekend contract (W/END)
1 Saturday contract (Saturday)	1 Saturday contract (Saturday)
1 Sunday contract (Sunday)	1 Sunday contract (Sunday)

WHICH PRICE ASSESSMENT IS USED FOR THE SETTLEMENT OF THE CONTRACTS?

The tables below show the price assessment (right column) which is used for the determination of the settlement price of each of the daily futures contracts (left column).

Dutch TTF Daily Gas Futures contracts (TFE)

Futures contract	ICIS TTF closing day price assessment
Day-Ahead contract (DA)	Midpoint of the bid and offer quotations for Day-ahead on the day on which the TIC trade was concluded.
Weekend contract (W/END)	Midpoint of the bid and offer quotations for <u>Weekend</u> on the day on which the TIC trade was concluded.
Saturday contract (Saturday)	Midpoint of the bid and offer quotations for <u>Weekend</u> on the day on which the TIC trade was concluded.
Sunday contract (Sunday)	Midpoint of the bid and offer quotations for <u>Weekend</u> on the day on which the TIC trade was concluded.

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UK Natural Gas Daily Futures (NBD)

Futures contract	ICIS NBP closing day price assessment
Day-Ahead contract (DA)	Midpoint of the bid and offer quotations for Day-ahead on the day on which the TIC trade was concluded.
Weekend contract (W/END)	Midpoint of the bid and offer quotations for <u>Weekend on the day on which the TIC trade was concluded</u> .
Saturday contract (Saturday)	Midpoint of the bid and offer quotations for <u>Weekend</u> on the day on which the TIC trade was concluded.
Sunday contract (Sunday)	Midpoint of the bid and offer quotations for <u>Weekend</u> on the day on which the TIC trade was concluded.