

Nodal

Nodal Exchange is a derivatives exchange providing price, credit and liquidity risk management solutions to participants in the North American commodities 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. Nodal Exchange also offers a Henry Hub natural gas contract providing cross-margining benefits with participant's power portfolios, as well as environmental contracts. All Nodal Exchange contracts are cleared by Nodal Clear. Nodal Exchange is part of the EEX Group.

Benefits of Nodal Exchange

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 but related commodities (e.g., power and gas), results in greater capital efficiency for Nodal Exchange participants.

Trading Flexibility

Nodal Exchange contracts trade on Nodal LiveTrade, a central limit order book with a trading screen interface that offers the order flexibility Nodal power traders expect. Select Nodal contracts also trade on the Nodal T7 Trading Platform, which delivers ultra-low latency and optimal handling of very high throughput. Nodal provides its trading participants CQG's trading solutions as a front-end trading screen. For additional flexibility, Nodal Exchange also offers Nodal BlockTrade, a service for clearing block trades.

Product Innovation

Nodal Exchange is a leader in innovation having introduced futures contracts on the most granular set of nodal power locations in the world. In addition, Nodal Exchange is working to introduce the world's first trucking freight futures 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.

Price Discovery and Market Liquidity

Nodal Exchange provides superior price discovery and market transparency. Twice 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.

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 1MW lots to give participants the ability to tailor their futures and options positions to their actual needs.