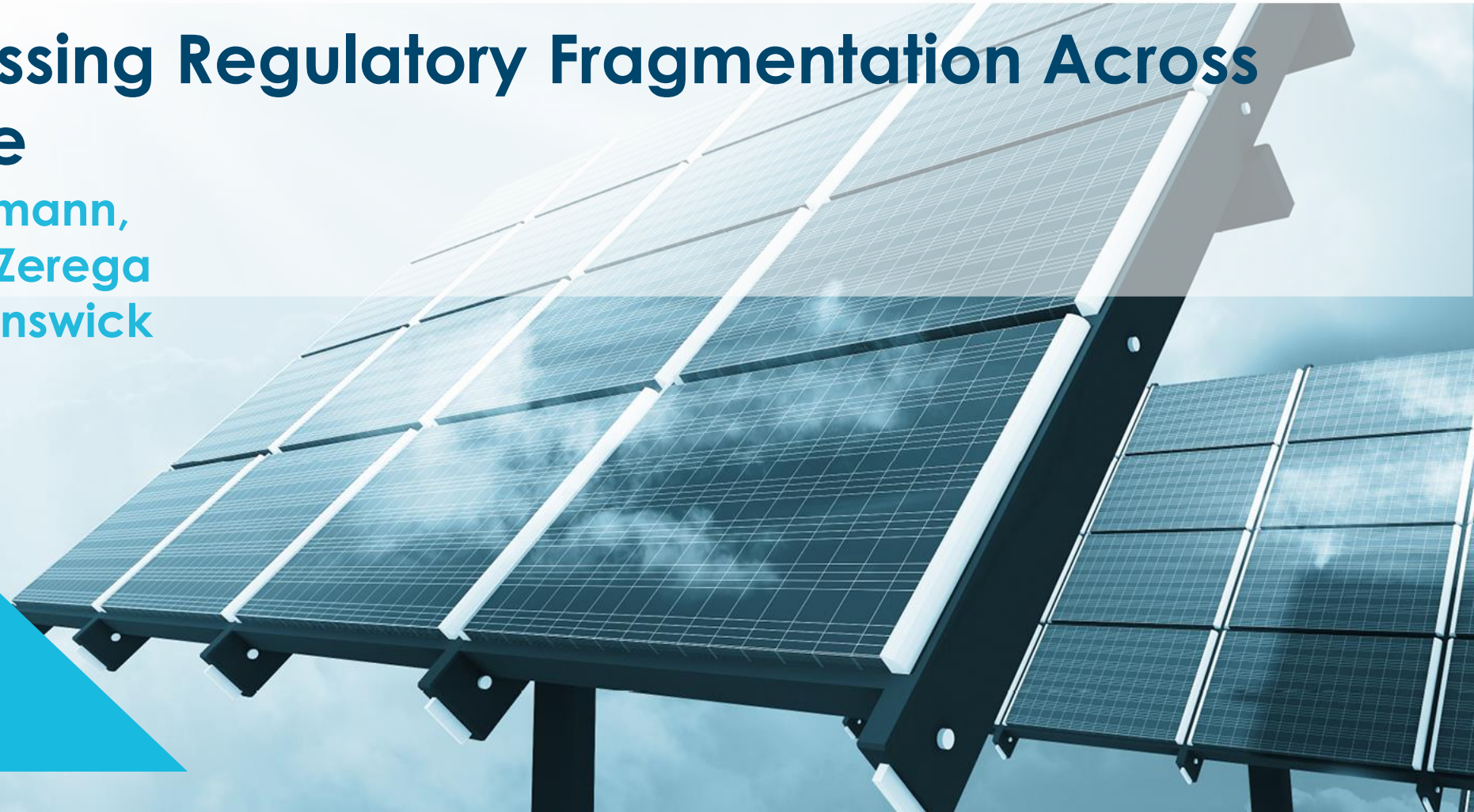




CORREGGIO  
Consulting

# Harnessing Regulatory Fragmentation Across Europe

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## Questions

- What are the key drivers for increasing participation in illiquid markets?
- How is regulatory fragmentation affecting traders and their ability to trade all EU markets?
- What are the commercial drivers to engage in these illiquid regions?
- How to manage the risks?

## Regulatory Fragmentation – a Barrier to Trading

- Increasingly fragmented regulatory landscape for energy traders
- Is the Single European energy market at risk?
- Fact: **500+ national reporting** duties applicable on energy market participants (excl. TSO related reports)
- Evolution shows sharply increased reporting duties **+18% in 2022**

# Commercial Drivers – Market Analysis

## Opportunity: bid-spread (EUR)

Germany	Hungary
<b>-2.88</b>	<b>-3.77</b>

## Liquidity risk: order-trade ratio

Germany	Hungary
<b>2.63:1</b>	<b>1.27:1</b>

## Volatility risk:

	Broker	Direct bilateral	Exchange
Germany	2.3688	2.4443	1.3702
Hungary	1.3012	1.6789	0.837

# Risk Mitigating Actions

CorreggioNET (CN) offers the following services:



## CN MONITORING SERVICE

Enables subscribers to monitor obligations applicable to the specific markets they are active in.



## CN ALERT SERVICE

Alerts subscribers about an existing obligation applicable to them ahead of the compliance deadline.



## CN REGULATORY- HOTLINE SERVICE

Offers additional information on applicable compliance obligations through an online interaction with a qualified regulatory specialist.



## CN DIGEST SERVICE

Offers ongoing regulatory updates on energy market developments through the monthly Correggio Regulatory Report, available on request as a part of CorreggioNET service.



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Trading