U.S. Coal-Fired Generation Community Wins Important Battle Against EPA
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ASX Equity Research Scheme Trial Commences
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North American Electricity Forward Curve (ICE)
Actual Temperature (AccuWeather)
ICE OTC Emission Allowances
Electricity Price Forward Curves (ICE)
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MDA EarthSat is Forecasting the Forecast with the 12z ECMWF
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Nine New iShares Bond Index ETFs Launched on Xetra
Xetra Launches Commodity Momentum Euro Hedged ETC
Xetra Launches db x-trackers CSI300 Index ETF
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Wall Street Journal Dollar Index
CBOE Offers Process For Trading SPX Variance Strips
NYSE Liffe Introduces EURIBOR and Short Sterling Interest Rate Futures
NYSE Euronext Launches Retail Liquidity Program
CFTC Certifies Euro STOXX 50 Volatility Index Mini Futures

**Summary**

The much awaited decision of the U.S. Court of Appeals for the District of Columbia concerning the much contested Cross State Air Pollution Rule (CSAPR) stated that the agency had overstepped its authority set by Congress, and would have put an undue burden on the states to meet emissions standards, beyond what the statute allows.
The recent dynamics in energy markets have been indicative of the shift in focus away from power generation to fossil fuels. This has been reflected not only in daily newscasts but also in data-related products as seen in the electricity sector which has been rather slow with less and less new data sources being offered by data providers. On a wave of news on crude oil markets and shale gas expansion, fossil fuels seem to have been taking over the space. Two of the largest commodity exchanges, ICE and CME, appear to have been on a race track bringing in more and more new types of contracts for natural gas, crude oil and petroleum products and expanding those already offered with new attributes. During this past month alone, CME brought in twenty basis swaps for natural gas and two mini fuel oil swap futures, while ICE expanded its set of offerings with twenty new OTC swaps for natural gas and natural gas liquids, as well as petroleum products.

All movement in the fossil fuel markets have a direct impact on electricity production as coal and natural gas remain the main feeders to the furnaces and boilers that keep the turbines of power units running. Regulations that aim to reduce emissions from burning fossil fuels have an immediate effect on power production and are usually drafted for fossil fuel-fired power generators. It is no surprise that the industry has put up fierce resistance to the introduction of rules that would increase the burden of regulatory compliance. Given a rather "customer-friendly" system of appeals in the U.S., such battles may go on for years as proposed regulations are repealed, sent back to the drawing boards and then re-approved conditionally. A defeat of such sort was just suffered by the EPA. In that case the U.S. Court of Appeals for the District of Columbia struck down the Cross-State Air Pollution Rule (CSAPR), which would have regulated pollution from burning coal. Markets' reaction came the very next day after the Court's decision: derivatives developed by exchanges for CSAPR compliance suffered a dramatic fall on trading floors with prices heading straight for the bottom (see price movements of ICE SO2 and NOx futures in this month’s ZEMA Market Dashboard). It may not be long before exchanges start delisting these contracts.

The proposed regulation has been in a review process since 2010 and has had many setbacks and challenges to its acceptance. In this last challenge, the Court accepted arguments that limits set for SO2 and NOx emissions were unjustifiably low. The decision was a great relief for coal-fired power generators. They are already experiencing difficult times as low gas prices are making them less competitive at the same time as new regulations controlling mercury emissions are pushing up their cost of compliance. A much speculated mass closure of coal-fired plants expected after adoption of CSAPR has, so far, been prevented. How long coal plants will remain on safe ground is something I would not dare to forecast. This month’s In-Depth article, prepared by IIR Energy, discusses the repeal of CSAPR by the Court of Appeals.

On the other side of the pond, Europe’s economic woes continue to spread unease and anxiety. Everything is centered on Greece, and the global business community is waiting for Germany and France to complete the country's bailout negotiations. Observers and analysts can’t agree on whether Greece’s request for additional time to meet bailout requirements will be accepted by euro-zone leaders, and whether a delay will actually help the country prove its credibility to creditors. Some believe that the situation in Europe is going to improve while others are not that optimistic. Market movements, especially in oil and equity sectors, follow fluctuations in public opinion, which are fueled by results of negotiations and public announcements by European country leaders. The euro-dollar has been staying at high levels against the U.S. dollar. A weaker U.S. dollar makes dollar-denominated products more affordable for those who trade in foreign currencies and diminishes U.S. purchasing power.

Meanwhile, data providers are increasing their offerings with derivatives designed to hedge against exposure to European risks. NYSE introduced interest rate futures in European currencies. Eurex launched Euro STOXX 50 Volatility Index Mini Futures and added more European Index contracts. Xetra introduced iShares government bond ETFs for eight Euro-zone countries, as well as db Commodity Momentum Euro Hedged exchange traded commodity tracing performance of 14 commodities.

Olga Gorstenko
On July 12, 2012, EEX and EPEX SPOT SE participated in a debate on the European energy market design, which is decisive for the future of the energy exchanges.

A competitive power market can provide incentives for more market activity and investment. This includes that the generation of energy from renewable sources should be based on market prices and, as a result, on actual demand. These market prices then also provide incentives for the elasticity of demand and the further development of storage technologies. The exchanges are concerned that the reality of largely integrated European energy markets is not sufficiently emphasized. Market distortions caused by different national regulations and investment conditions can seriously threaten the operation of European energy markets. Peter Reitz, Chief Executive Officer of EEX, said, “We wish for a clear political commitment to market and competition and advocate a European instead of a national debate on the further development of the power market design. This is the only way to find solutions which set long-term investment signals on which the energy industry can rely.”

Although improving current market outlay is taking center stage, the question of how the market can be further expanded on the basis of its current functions should be the main focus. Further developments should consider the market and its preconditions from a holistic perspective.
**CME Lists New Mini Fuel Oil Products**

On August 1, 2012, NYMEX added two new mini fuel oil products for the trade date August 6, 2012. The trading venues are NYMEX Trading Floor and CME ClearPort.

<table>
<thead>
<tr>
<th>CME Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFD</td>
<td>Mini 1% Fuel Oil Cargoes FOB MED (Platts) Swap Futures</td>
</tr>
<tr>
<td>MMF</td>
<td>Mini 3.5% Fuel Oil (Platts) Cargoes FOB MED Calendar Swap Futures</td>
</tr>
</tbody>
</table>

These contracts are listed with, and subject to, the rules and regulations of NYMEX.

The graph below demonstrates price fluctuations since these contracts’ launch.

**Platts Proposes CIF Med Jet Fuel Assessment**

On August 2, 2012 Platts proposed a CIF Mediterranean jet fuel assessment for cargoes of 30,000 mt to take effect starting October 1, 2012. The new assessment will reflect a freight differential to the CIF Northwest Europe assessment and will be calculated using the lump sum differential of the Platts Persian Gulf to Northwest Europe route versus the Persian Gulf to the Mediterranean, as published in the Platts Clean Tankerwire.

**CME Lists LNG East Asia Index (ICIS Heren) Swap Future**

On July 16, 2012, CME listed Liquefied Natural Gas (LNG) swap futures contract based on South East Asian LNG prices from ICIS Heren for trading. The trading venues are CME ClearPort and NYMEX Trading Floor. These contracts are listed with, and subject to, the rules and regulations of NYMEX.

<table>
<thead>
<tr>
<th>CME Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAI</td>
<td>LNG East Asia Index (ICIS Heren) Swap Future</td>
</tr>
</tbody>
</table>

The graph below demonstrates price fluctuations, which remained within a $0.5 range since the launch of this contract.

**CME to Launch Natural Gas Futures and Spreads**

On July 30, 2012, CME announced its plan to list new natural gas futures, futures strips and intercommodity spreads for trading on CME Globex in the early fourth quarter of 2012 through several launches. Below is a list of new spread types that is being introduced with the July 30, 2012, launch:

<table>
<thead>
<tr>
<th>CME Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SZN</td>
<td>Columbia Gulf Mainline Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>6ZN</td>
<td>Tennessee 800 Leg Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>8AN</td>
<td>Florida Zone 2 Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>8BN</td>
<td>Texas Eastern, WLA Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>9FN</td>
<td>Texas Gas Zone 1 Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>4PN</td>
<td>FGT Zone 3 Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>GL</td>
<td>Columbia Gulf Louisiana Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>HB</td>
<td>Henry Hub Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>NDN</td>
<td>ANR Louisiana Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>NWN</td>
<td>Houston Ship Channel Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>NM</td>
<td>Tennessee 500 Leg Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>NQN</td>
<td>Tennessee Zone 0 Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>NUN</td>
<td>Trunkline, Louisiana Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>NX</td>
<td>Texas Eastern Zone M-3 Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>PW</td>
<td>CenterPoint Natural Gas Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>5ZN</td>
<td>Sohvat Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>TBIN</td>
<td>Texas Gas, Zone SL Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>TC</td>
<td>Columbia Gas TCO Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>TEL</td>
<td>TETCO ELA Basis Swap (Platts IFERC)</td>
</tr>
<tr>
<td>TC-GL</td>
<td>Columbia Gas TCO Basis Swap vs. Columbia Gulf Louisiana Basis Swap (Inter-Commodity Spread)</td>
</tr>
</tbody>
</table>

For a complete list of product names and codes click here

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*Graph created with ZEMA*
ICE Launches New Energy Contracts

On August 1, 2012, ICE Clear Europe introduced twenty new OTC contracts for clearing on the ICE Clearing Systems for the trade date August 28, 2012, subject to regulatory non-objection. The new contracts include oil and refined petroleum product swaps, natural gas liquids (NGLs) swaps, uranium swap and Baltic Exchange wet freight swap. Below is a list of the new contracts:

<table>
<thead>
<tr>
<th>ICE Code</th>
<th>Contract Name</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>LVC-LWG</td>
<td>IsoButane, Mt Belvieu - ENT FP for OPIS Balmo Swap</td>
<td>Natural Gas Liquids</td>
</tr>
<tr>
<td>LPE-LQI</td>
<td>E-P Cont, Conway - FP for OPIS Balmo Swap</td>
<td>Natural Gas Liquids</td>
</tr>
<tr>
<td>LWH-LXL</td>
<td>Isobutane, Conway, FP for OPIS Balmo Swap</td>
<td>Natural Gas Liquids</td>
</tr>
<tr>
<td>LSS-LTW</td>
<td>Natgas, Mt Belvieu - LST FP for OPIS Balmo Swap</td>
<td>Natural Gas Liquids</td>
</tr>
<tr>
<td>PLM</td>
<td>Propane, Mt Belvieu - LST FP for OPIS Swap Mini</td>
<td>Natural Gas Liquids</td>
</tr>
<tr>
<td>ZHE-ZJU</td>
<td>Isobutane, MT.B-LST, FP for OPIS Balmo Swap</td>
<td>Natural Gas Liquids</td>
</tr>
<tr>
<td>LNZ-LF1</td>
<td>E-P Cont, Mt Belvieu - FP for OPIS Balmo Swap</td>
<td>Natural Gas Liquids</td>
</tr>
<tr>
<td>VRY-VSH</td>
<td>Propane, Far East vs Propane, CIF ARA Balmo Swap</td>
<td>Natural Gas Liquids</td>
</tr>
<tr>
<td>UOX</td>
<td>ICAP Uranium 30B Swap</td>
<td>Uranium</td>
</tr>
<tr>
<td>WCN</td>
<td>TCL1 (Baltic) Freight Route Swap</td>
<td>Wet Freight</td>
</tr>
<tr>
<td>VYH-VZL</td>
<td>WCS TMX 1 b Index Balmo Swap</td>
<td>Natural Gas Liquids</td>
</tr>
<tr>
<td>SYN</td>
<td>SYM TMX 1b Index Swap</td>
<td>Global Oil and Refined Petroleum Products</td>
</tr>
<tr>
<td>BAM</td>
<td>Mini 3.5% FOB RDAM Barges Fuel Oil Swap (100MT)</td>
<td>Global Oil and Refined Petroleum Products</td>
</tr>
<tr>
<td>SMB</td>
<td>Singapore Mogas 97 Unleaded vs Singapore Mogas 95 Unleaded Swap</td>
<td>Global Oil and Refined Petroleum Products</td>
</tr>
<tr>
<td>SMC</td>
<td>Singapore Mogas 97 Unleaded vs Singapore Mogas 92 Unleaded Swap</td>
<td>Global Oil and Refined Petroleum Products</td>
</tr>
<tr>
<td>SMD</td>
<td>Singapore Mogas 95 Unleaded vs Singapore Mogas 92 Unleaded Swap</td>
<td>Global Oil and Refined Petroleum Products</td>
</tr>
<tr>
<td>JNB</td>
<td>Jet CIF NWE Cargoes vs Brent 1st Line Swap</td>
<td>Global Oil and Refined Petroleum Products</td>
</tr>
<tr>
<td>BOA</td>
<td>3.5% FOB RDAM Barges vs Brent 1st Line Swap (Bbls)</td>
<td>Global Oil and Refined Petroleum Products</td>
</tr>
<tr>
<td>FVA</td>
<td>1% FOB NWE Cargoes Fuel vs Brent 1st Line Swap (Bbls)</td>
<td>Global Oil and Refined Petroleum Products</td>
</tr>
<tr>
<td>UBN</td>
<td>ULSD 10ppm CIF NWE Cargoes vs Brent 1st Line Swap</td>
<td>Global Oil and Refined Petroleum Products</td>
</tr>
</tbody>
</table>

The concept of cleared OTC energy contracts was developed by ICE Clear Europe in 2002, with the intention of providing market participants with access to centralized clearing and settlement arrangements while reducing bilateral credit risk and capital required for each OTC trade.

Eurex/EEX Introduce Coal Futures

Effective July 9, 2012, EEX and Eurex Frankfurt AG introduced coal futures for second month, quarter and year maturity cycles to Eurex Participants for trading in the Eurex production environment. The following coal futures are made available for trading:
- ARA Futures (Amsterdam-Rotterdam-Antwerp; cash settlement)
- RB Futures (Richards Bay; cash settlement)

The graph below demonstrates the price movements for existing first year contract since February 2012.

Platts to Expand Americas FC Coverage

On July 27, 2012, Platts announced expansion plans of its forward curve assessments for Americas crude and refined products swaps to begin October 1, 2012. The existing curves for US Gulf Coast unleaded gasoline, heating oil, jet fuel, ULSD and Atlantic Coast jet fuel would have an additional eight calendar months added, while the existing curves for Gulf Coast 3% sulfur residual fuel oil and Atlantic Coast 1% sulfur fuel oil would have four additional calendar months added. NYMEX RBOB and heating oil front line swaps would be extended to 24 calendar months and NYMEX WTI front line swaps would shift to 36 calendar months. Also under the proposal, new forward curve assessments for Dubai and Brent front line swaps at the Americas Market on close of 3:15pm Eastern Time would be launched and would consist of 36 calendar months.

*Graph created with ZEMA
CME Adds Apple Juice Concentrate Futures and Options

Effective August 12, 2012, CME added Apple Juice Concentrate (AJC) futures and options for trading on CME Globex for the following trade date. These contacts are listed with, and subject to, the rules and regulations of MGEX.

<table>
<thead>
<tr>
<th>CME Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AJC</td>
<td>Apple Juice Concentrate Futures and Options</td>
</tr>
</tbody>
</table>

For AJC contracts specifications click here

MGEX Launches Apple Juice Concentrate Contract

On August 13, 2012, MGEX launched an Apple Juice Concentrate (AJC) futures and options contract for trading after thorough preparation and collaboration with many segments representing the AJC industry. The United States is the largest consumer while China, South America and Europe are the major suppliers in this multi-billion dollar industry. The industry has experienced a healthy growth (6%) in recent years as worldwide demand continues to increase for more natural methods of sweetening processed foods. With the launch of this new contract, MGEX aims to respond to market needs by providing transparency in the price discovery process as well as a risk management tool for all the market participants.

The graph below demonstrates the price since the launch of this contract.

CME Lists Urea (Granular) FOB Egypt Swap/Urea (Prilled Bulk) FOB Yuzhny Swaps

On July 16, 2012, the Chicago Board of Trade listed Urea (Granular) FOB Egypt Swap and Urea (Granular) FOB Yuzhny Swap for clearing through CME ClearPort. The settlement procedure is calculated according to the following:

Tier 1: If trades occur on CME ClearPort prior to 16:00 Central Time (CT), then the contract settles to the volume-weighted average price of the trades. Any trades that occur after that will be considered as next-day trades for settlement purposes.

Tier 2: If no trade occurs, then the contract settles to the average of the midpoints derived by participant price contributions received prior to 16:00 CT. In the event of crossed market (when the best bid is higher than the best offer), the settlement is determined by an average of those values.

Tier 3: If no submissions are received prior to 16:00 CT, then the contract settles to the prior-day settlement price.

These contracts are listed with, and subject to, the rules and regulations of CBOT.

<table>
<thead>
<tr>
<th>CME Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>UFG</td>
<td>Urea (granular) FOB Egypt Swaps</td>
</tr>
<tr>
<td>UFZ</td>
<td>Urea (prilled) FOB Yuzhny Swaps</td>
</tr>
</tbody>
</table>

For UFG contracts specifications click here
For UFZ contracts specifications click here

BMD Launches Options on Crude Palm Oil Futures

On July 17, 2012, Bursa Malaysia Derivatives Berhad (BMD) launched Options on Crude Palm Oil futures contract (OCPO) to complement its popular Crude Palm Oil Futures (FCPO) contract. The OCPO, the first Asian exchange-traded agricultural options contract using FCPO as its underlying contract, will provide a risk management tool for market participants to meet their hedging needs. OCPO is listed and traded on the CME Globex electronic trading platform through BMD’s partnership with CME Group.

<table>
<thead>
<tr>
<th>BMD Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCPO</td>
<td>Option on Ringgit Malaysia Denominated Crude Palm Oil Futures</td>
</tr>
</tbody>
</table>

For OCPO contracts specifications click here

CME Lists London Silver Forwards (Cash Margin)

Effective August 5, 2012, NYMEX listed a Cleared OTC London Silver Forward (cash margin) contract for clearing through CME ClearPort for trade date August 6, 2012. The clearing service supports the over-the-counter (OTC) market based on standards established by the London Bullion Market Association (LBMA). The two forms of silver deliveries in the existing OTC market are allocated silver (the delivery of a certified good delivery silver bar at a registered vault), and unallocated silver (the delivery of silver held in an account with an LBMA member bank). Cleared OTC London Silver Forward (cash margin) contracts will result in delivery of unallocated silver through accounts held with LBMA member banks in London. The contract is listed with NYMEX, and subject to the rules and regulations of NYMEX and COMEX.

<table>
<thead>
<tr>
<th>CME Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSF</td>
<td>Cleared OTC London Silver Forwards (cash margin)</td>
</tr>
</tbody>
</table>

For LSF contracts specifications click here

NCDEX Launches Gold Contract and Locational Premium/Discount

On August 1, 2012, the National Commodity & Derivatives Exchange (NCDEX) launched a new gold contract (GOLD) and a locational Premium/Discount for the same at the basis centre, Ahmedabad. The contract, with additional delivery centres in Mumbai and New Delhi, will have no premium/discount and will expire on February 4, 2013.
NCDEX to Close Futures Contracts in Steel Long

On July 27, 2012, The National Commodity and Derivatives Exchange announced that futures contracts in Steel Long (STEELLONG) expiring in September 2012, October 2012, November 2012 and December 2012 were terminated. Daily settlement prices as on July 27, 2012 were used to close out any outstanding positions on these contracts.

LME Shareholders Vote In Favor of Acquisition by HKEx

On July 25, 2012, the board at London Metal Exchange Holdings Limited (LME) approved all the resolutions required in connection with the proposed scheme of arrangement to implement the acquisition of LME Holdings by Hong Kong Exchanges & Clearing Limited (HKEx). At a court meeting and an extraordinary general meeting of LME Holdings, over 95 percent voted in favor of the acquisition. Martin Abbott, Chief Executive of LME Holdings and the LME, after the overwhelming support of the board said, "The deal with HKEx, Asia’s leading exchange, will secure the LME’s position as the world’s foremost metals trading venue."

It is expected that the Scheme will become effective and the acquisition will close in the fourth quarter of 2012, subject to the other conditions set out in Part III of the Scheme Circular, including FSA consent and the sanction of the Scheme and confirmation of the Capital Reduction involved therein by the Court.
ICE Futures Europe Announces NER 300 Auction

On August 1, 2012, ICE hosted auctions for NER 300 sales on behalf of the European Investment Bank (EIB). During August and September, ICE Futures Europe is set to host the auction of 500,000 EUAs per day, from Wednesday to Friday each week for the EIB. ICE has developed an auction platform that is fully integrated with WebICE, ICE's front-end trading platform. WebICE is well-known for its state-of-the-art trading infrastructure that delivers flexibility, connectivity and reliability to market participants located globally. WebICE achieved greater than 99.998% availability and sub-1 millisecond transaction times during 2011.

"Use of exchange auctions has increased effective monetization of NER300 allowances and use of a second market with more frequent auctions will allow greater engagement with carbon markets. This marks a key step in the NER300 initiative to fund innovative low-carbon technologies,” said Simon Brooks, European Investment Bank Vice President.

New NOAA Website Helps Preparation for Coastal Flooding


It is one of several online tools that promote public safety through awareness and posting of timely information. “NOAA’s meteorologists and oceanographers observe coastal conditions and predict when storm surge may occur,” said Jesse Feyen, a storm surge expert with NOAA’s Office of Coast Survey. “This website gives people important information to help them prepare for storm surge. With this advance understanding and knowledge, people will know how to respond to coastal flooding from a storm.”

To visit the website click here

NOAA provides for many other weather-related data services. The graph below demonstrates one of them, River Hydrology Forecast for Below Howard Hanson Dam.

EEX Introduces Second Round of NER 300 Auctions

On August 6, 2012, EEX introduced a second round of auctions for the NER 300 on the auction platform. The European Investment Bank (EIB) will auction 500,000 EUA a day using the EEX Derivatives Market on Mondays and Tuesdays in August and September. EIB selected EEX as a co-operation exchange for sales of 300 million EUA; monetisation of the first 200 million is to be concluded by the end of September. The EIB uses a range of EEX sales channels. Alongside auctions, this includes direct sales on the EEX secondary market and clearing of over-the-counter transactions at the EEX clearing house, European Commodity Clearing AG (ECC).

MDA EarthSat Weather’s Wind Generation Forecast Expands to Europe

On July 31, 2012 MDA EarthSat announced the expansion of its Wind Generation Forecast to cover station information from UK, Ireland and Germany. It already offers hourly forecasts for ERCOT, MISO, BPA, PJM, CAISO, IESO, and AESO in North America. The online tool provides hourly forecasts for lead times of up to ten days. Short-term forecasts are based on statistical techniques adopted from wind data and power variations to develop predictive correlations between present wind and future conditions. The long-term forecasts uses MDA EarthSat’s method for removing model biases, and weights models according to their skill, significantly improving forecast skill over any single model technique.

“Our wind generation forecast has proven its skill in a wide variety of settings, from the hills of Texas, to the plains of Iowa and the mountain valleys of California and Oregon. We are excited to apply the lessons learned here to the work of forecasting wind generation from Spain to the North Sea,” says Dr. Daniel Kirk-Davidoff, Chief Scientist at MDA EarthSat.

Join our live, instructor-led ZEMA webinars and learn how your company can benefit from ZEMA Suite.

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Federal Mapping Tool Now Includes the Arctic

On July 31, 2012, the National Oceanic and Atmospheric Administration (NOAA) joined by the Department of the Interior’s Bureau of Safety and Environmental Enforcement (BSEE) announced the expansion of the federal interactive online mapping tool to include the Arctic. The tool, called the Environmental Response Management Application (ERMA), was used by emergency responders during the Deepwater Horizon oil spill and will aid in handling some challenges in the region, such as growing ship traffic and proposed energy development.

In case of an emergency situation in the area, ERMA is equipped with near real-time oceanographic observations and weather data from NOAA, vital environmental, commercial, and industrial data information from BSEE, and multiple other federal and state response agencies.

Moreover, the responders can customize the tool with environmental, logistical, and operational data, for example, fishery closure areas, resources at risk maps, and mariner notices. The real-time and static data are integrated into a single interactive map, allowing users to visualize the situation, as well as improve communication and coordination among the participants. This also offers a clearer picture of the energy exploration and transportation activity for the responders and stakeholders.

The database is kept up-to-date through a joint contribution of the Alaska Ocean Observing System, the University of Alaska Fairbanks, and the University of New Hampshire, as well as Alaska’s Arctic boroughs and NOAA’s Office of Response and Restoration. Data offered through ERMA includes the traditional and local knowledge of cultural and subsistence resources, as well as observations of the extent and concentration of sea ice, locations of ports and pipelines, and susceptible environmental resources. Additionally, some data is also provided through a recent Memorandum of Agreement with Shell, Conoco-Phillips and Statoil USA; specifically, physical and biological data in the Arctic, as well as information gained during the August 2012 hydrographic survey cruise by the NOAA Ship Fairweather.

Besides local and natural resource information, BSEE provided enhanced access to key environmental, commercial, and industrial data sources from lease areas in the Arctic. The product was developed through the partnership of NOAA, BSEE, the Oil Spill Recovery Institute and the University of New Hampshire, as well as Alaska’s Arctic boroughs and the University of Alaska Fairbanks, and the Ocean Observing System, the University of Alaska Fairbanks, and the University of New Hampshire.

In case of an emergency situation in the area, ERMA is equipped with near real-time oceanographic observations and weather data from NOAA, vital environmental, commercial, and industrial data information from BSEE, and multiple other federal and state response agencies.

For more information click here

CME to Delist Contract Months for Six Emissions Futures and Options

On July 16, 2012, GreenX, acquired by CME in April, will delist the September 2012 contract month for its EUA, CER and ERU contracts. Furthermore, the Daily EUA contracts will remain delisted through contract day September 28, 2012. These contracts have no open interest and do not affect trading in any other futures or options products listed on the CME Group. Below is a timetable for the contracts that will be delisted in September.

<table>
<thead>
<tr>
<th>CME Globex Code</th>
<th>Description</th>
<th>Delisted Dates</th>
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<tr>
<td>EUL</td>
<td>Daily European Union Allowance (EUA) Futures</td>
<td>Through contract day September 28, 2012</td>
</tr>
<tr>
<td>EAF</td>
<td>In Delivery Month (IDM) EUA Futures</td>
<td>Contract month September 2012</td>
</tr>
<tr>
<td>EAX</td>
<td>IDM EUA Options</td>
<td>Contract month September 2012</td>
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<tr>
<td>CRY</td>
<td>IDM CER Options</td>
<td>Contract month September 2012</td>
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<tr>
<td>REU</td>
<td>Emission Reduction Unit (ERU) Futures</td>
<td>Contract month September 2012</td>
</tr>
<tr>
<td>ERO</td>
<td>ERU Options</td>
<td>Contract month September 2012</td>
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</table>
The Weather Channel Companies Acquire Weather Underground

On July 2, 2012 the Weather Channel Companies (TWCC) announced an agreement to acquire Weather Underground. The transaction is expected to close within several weeks under terms which have not been disclosed. The announcement was made by TWCC chairman and CEO David Kenny and Weather Underground president Alan Steremberg.

“Everyone in the weather space is familiar with the strength of Weather Underground and its innovative method of presenting weather data. Weather Underground will add a great complimentary brand to our portfolio; a brand with a distinct, loyal, and active user base that will enable us to reach a unique segment of users,” said Kenny. “Most importantly, this acquisition will grow the weather expertise that is central to everything we do and will result in better forecasts and weather data for users on all of our platforms.”

“Becoming a part of The Weather Channel Companies will enable us to strengthen what our users love about wunderground.com, our apps and our blogs,” said Steremberg. “We see this as a great opportunity to grow.”

The site wunderground.com, its applications, the portfolio and employees of Weather Underground will become a part of TWCC. And, the headquarters of Weather Underground in San Francisco will become a regional office for TWCC. Blackstone Advisory Partners L.P. and Kilpatrick Townsend & Stockton LLP acted as financial and legal advisor for TWCC, respectively. Digital Capital Advisors, LLC provided advice to Weather Underground.

Earth System Grid Federation: A Modern Day for Climate Data

On July 30, 2012, Energy Sciences Network reported that its engineers are working on a project to clear a path for an unprecedented understanding of climate and environmental science. The international climate research community composed of 25,000 researchers from 2,700 sites in 19 different countries on 6 continents share data and tools through the Earth System Grid Federation (ESGF). Through this collaborative effort, scientists are gaining an unprecedented understanding of climate change, extreme weather events and environmental science.

“ESGF is a multi-agency international collaboration developing a software infrastructure to facilitate large-scale federated archives and data movement to empower the study of climate change,” says Dean Williams, a computer scientist at the Lawrence Livermore National Laboratory. This means that instead of storing all climate data in one place, each modeling center in the federation archives its own data. Currently, there are 14 international research projects using the ESGF infrastructure to globally manage and distribute their data. One of these projects is the Coupled Model Inter-comparison Project (CMIP), where an international collaboration of researchers performs a common set of experiments with all of the major coupled atmosphere-ocean general circulation models. These models let researchers simulate how the global climate changes as the amount of carbon dioxide increases in the atmosphere. The results of these simulations will be used in the next United Nations climate change assessment report, which will be released in 2013. It is estimated that the CMIP project alone will have archived 3.5 petabytes of data across the federation - an astonishing 100 times more information than they had seen 7 years ago.

Evolution Markets and Climate Connect Launch Carbon Market Advisory

On July 16, 2012, Evolution Markets and Climate Connect launched a comprehensive and fully integrated advisory services offering for the aviation sector. The advisory services aim to assist aircraft operators and their partners around the world with services and strategies to comply with the European Union’s carbon reduction mandates. Since the beginning of 2012, the European Union started imposing curbs on carbon emissions from all flights originating or terminating in Member Countries to reduce greenhouse gas emissions. The EU aviation cap-and-trade program allows airlines to trade allowances as a means to meet their obligations.

The collaboration between the two firms help global aircraft operators prepare for European carbon emissions curbs, manage emission reporting and compliance, monitor aviation sector best practices, and mitigate compliance and price risk. To help the aviation sector benefit from Europe’s aviation emissions trading scheme efficiently, this collaborative service includes:

Aviation Advisory Services. A customized advisory service offering that includes compliance and reporting, risk management, registry services and documentation, monitoring and verification, and carbon trading.

Knowledge Services. Unique market intelligence and insight, including carbon workshops, breaking news, intelligence reports, allowance and carbon credit reports, and carbon price data that provides information on how dynamic markets will affect assets.

GreenX Products Migrate to NYMEX

On August 2, 2012, the CME announced its plan to migrate all GreenX products to a CME Group exchange, delisting them from the Green Exchange and listing them on NYMEX for the trade date August 27, 2012. This migration does not affect the product code changes or firm changes; instead, the exchange acronym of the various products only changes from GEX to NYMEX. Furthermore, the Green Exchange settlement price file and the daily span files will no longer contain data for a separate Green Exchange.
Nine New iShares Bond Index ETFs Launched on Xetra

On July 23, 2012, there were nine new bond index ETF’s launched for trading by iShares in Deutsche Börse’s XTF segment. Denominated in euros from specific eurozone countries, investors can now participate in eight iShares government bond ETF’s from the Barclays index family, across all maturities and regardless of the credit rating. They are:

- iShares Barclays Austria Treasury Bond (DE000A1J0BA2)
- iShares Barclays Belgium Treasury Bond (DE000A1J0BB0)
- iShares Barclays France Treasury Bond (DE000A1J0BD6)
- iShares Barclays Germany Treasury Bond (DE000A1J0BE4)
- iShares Barclays Italy Treasury Bond (DE000A1J0BF1)
- iShares Barclays Netherlands Treasury Bond (DE000A1J0BG9)
- iShares Barclays Spain Treasury Bond (DE000A1J0BH7)
- iShares Barclays Sweden Treasury Bond (DE000A1J0BG5)

The ninth bond index ETF, iShares Mornigstar $ Emerging Markets Corporate Bond (DE000A1J0BJ3) enables participation in emerging market corporate bonds that are denominated in US dollars. Bonds issued by African, Asian (excluding Japan), Latin American, Middle Eastern and Eastern European companies form the index.

For contract specifications click here.

Xetra Launches Commodity Momentum Euro Hedged ETC

A new exchange traded commodity (ETC), db Commodity Momentum Euro Hedged ETC, has been available for trading since July 10, 2012 on Xetra. The new ETC tracks the performance of the Dow Jones Commodity Momentum EUR Index that enables investors to take advantage of momentum-based trading in 14 commodities from the energy, agriculture, industrial metals and precious metals sector.

For contract specifications click here.

Xetra Launches db x-trackers CSI300 Index ETF

Effective July 27, 2012, a new equity index, db x-trackers CSI300 Index ETF, issued in Deutsche Börse’s XTF segment was launched, permitting investment in A-class shares on the Chinese equity market through an exchange-listed ETF. In recent years, foreign investors have been authorized to trade in these securities, which were originally reserved for domestic investors only. The A-class shares, denominated in renminbi, are traded in Shanghai and Shenzhen. Three hundred Chinese companies, with the greatest liquidity and highest market capitalization, comprise the index.

For contract specifications click here.

ICE Introduces Clearing for Emerging Markets CDS Index

Effective July 24, 2012, ICE North American CDS (credit default swap) clearing house, ICE Clear Credit, introduced the Emerging Markets CDS index (CDX.EM) for buy side and dealer-to-dealer trades. CDX.EM, which is made up of 15 sovereigns, including Argentine, Brazilian, Mexican and Venezuelan single names, offers market participants a risk management tool. $14.5 billion gross notional value was cleared in the first weekly clearing cycle.

Markit to Launch First Corporate CDS Index for CEEMEA

Effective July 5, 2012, a new credit default swap (CDS) index, Markit iTraxx CEEMEA, referencing corporate debt in Central and Eastern Europe, Middle East and Africa (CEEMEA) was launched by Markit. The index proposal is a result of client demand for a tool to hedge or gain exposure to the regions corporate debt. In order to be included in the index, the liquidity of a company’s CDS and the amount of outstanding debt in the market must be assessed. Daily closing prices will be published on www.markit.com.

Wall Street Journal Dollar Index

On July 18, 2012 the Wall Street Journal announced the Wall Street Journal Dollar Index that will allow for greater precision when assessing the value of the U.S. dollar, an essential component for traders and corporate treasurers, investing abroad or domestically. The index was developed by the news team of DJ FX Trader, a Dow Jones service, specializing in FX news. Its goal is to provide authoritative, high-value and actionable information to the FX community participants. It also captures the affect of asset flows on currency volumes.

The index is based on the latest data on total FX trading volume from the Bank for International Settlements, a supranational organization of central banks, and includes the seven most traded pairs, where each represents at least one percent of total trading volume and combined cover of two dollars out of every three traded in currency markets. The currencies are weighted based on their proportion of volume within the group of currency pairs used in the index. This methodology makes the Wall Street Journal Dollar Index different from the rest of the existing market metrics that are based on fewer currency pairs or weight currencies equally.

Robert Thomson, editor-in-chief of Dow Jones & Company and managing editor of The Wall Street Journal, added, “The dollar defines and determines values across the world each day, so it is crucial to divine the value of the dollar itself. No currency is an island and the dollar’s value is ultimately measured by its relationship with other key international currencies. We have blended those pairs and weighted their worth to bring a more precise measure of the dollar’s value to the Forex market.”

For more information on WSJ Dollar Index click here.

CBOE Offers Process For Trading SPX Variance Strips

On July 27, 2012, the Chicago Board of Exchange (CBOE) introduced a process for trading SPX Variance Strips. SPX Variance Strips are replacing S&P 500 implied variance exposure to trade a large and complex portfolio of S&P 500 options (SPX) in a single transaction electronically. Matched SPX Variance Strip trades are sent to a special post-trade system called BasketWeaver upon execution while being broken in to as many as one thousand SPX contracts, which are then cleared by the Options Clearing Corporation. BasketWeaver is a new technology developed by CBOE, which enable market participants to trade a large and complex portfolio of SPX options in a single transaction. Other attributes of SPX Variance Strips are: - Prices are quoted in volatility point. - The expiration date of the SPX variance strip correspond to the expiration date of the SPX options series. - Trade quantities are expressed in contracts; each variance strip "contract" features a multiplier (for example, $25,000, $50,000, and so on) that reflects the aggregate vega exposure - sensitivity to the underlying instrument's volatility - of the SPX options comprising the variance strip.
**NYSE Liffe Introduces EURIBOR and Short Sterling Interest Rate Futures**

Effective July 19, 2012, NYSE Liffe added three Year Mid-Curve Options on Three Month Euro (EURIBOR) and Three Month Sterling (Short Sterling) Interest Rate Futures Contracts for trading. Both Contracts are made available under the terms of Exchange Contract No. 901 in London market on the LIFFE CONNECT® trading platform. The trading venue is NYSE Liffe clearing.

For EURIBOR contract specifications go to Page 4
For Short Sterling contract specifications go to Page 5

**NYSE Euronext Launches Retail Liquidity Program**

On August 1, 2012, NYSE Euronext (NYX) launched the Retail Liquidity Program (RLP) on both the NYSE and NYSE MKT markets after receiving approval from the US Securities and Exchange Commission to establish the program on July 5, 2012. The Retail Liquidity Program complements existing marketplace offerings for retail investors and is intended for use by retail brokerage firms directly and market intermidaries that service retail order flow providers. The RLP establishes two categories of market participants on the NYSE and NYSE MKT:

- Retail Liquidity Providers (RLPs), which will be required to provide price improvement (Retail Price Improvement Orders) for certain retail order flow (Retail Orders) in the form of interest that is better than the best protected bid or the best protected offer (PBO). RLPs, similar to other dedicated liquidity provider programs, will receive certain economic benefits in exchange for meeting performance obligations;
- Retail Member Organizations (RMOs), which will be eligible to submit Retail Orders to the Exchange.

**CFTC Certifies Euro STOXX 50 Volatility Index Mini Futures**

On July 20, 2012, The Commodity Futures Trading Commission’s (CFTC) Division of Market Oversight certified Eurex Deutschland’s Euro STOXX 50 Volatility Index Mini Futures contract. The contract satisfied the requirements of the Commodity Exchange Act, the Commission’s Regulations, and the 2009 SEC/CFTC Joint Order regarding volatility index futures contracts and may be offered or sold to persons in the U.S. through Eurex’s direct access terminals located in the U.S.

**GFI, Thomson Reuters, SDIC Trust Establish Chinese Foreign Exchange and Money Brokerage**

On July 23, 2012, GFI Group Inc. and Thomson Reuters announced plans to form a joint venture with SDIC Trust Co., Ltd. of China to develop a foreign exchange and money broker for the domestic Chinese financial markets. The exchange will be located in Beijing and will offer support to the financial institutions within the country when trading the Renminbi (RMB) and other regulated market instruments. The joint venture demonstrates the commitment of the three parties to expand the development of China’s financial markets as well as taking the first step of establishing a full service voice and electronic brokerage.

The application materials are currently being completed and will be filed with Chinese regulatory authorities. So far, GFI Group, Thomson Reuters and SDIC Trust have met the prerequisites required to obtain an application for a license.

**ASX Equity Research Scheme Trial Commences**

On July 23, 2012, by contributing one million dollars to the fund trial, ASX started a 12-month trial of the ASX Equity Research Scheme, an initiative to fund high-quality, independent research for ASX-listed companies with a market cap just below one billion dollars. The scheme aims to provide a broader range of opportunities for investors by improving quality and availability of research in the small to mid-cap sector. During the 12-month trial three types of reports are produced for investors:

- Company Snapshot Reports - Reports on companies with a market cap below $50 million.
- Retail Reports — Reports on companies with a market cap between $50 million and $200 million.
- Institutional Reports — Reports on companies with a market cap between $200 million and $1 billion.

Other benefits of the scheme include proposals to reduce the standard timetable for rights issues, improve flexibility in the capital raising process for small and mid-cap companies, and enhance the disclosure of reserves and resources in the mining and oil and gas industries. If the trial is successful, ASX will assess how the Equity Research Scheme could be expanded from July 2013. ASX estimated that a fully operational scheme would cost up to ten million dollars annually.

**ASX and SGX Collaborate to Enhance Market Connectivity**

On July 25, 2012, ASX and SGX announced their collaborative effort to establish a presence in each other’s co-location data centre to enhance customer connectivity to their markets. In a joint statement, both exchanges reported that the main objective behind this move is to enhance customer connectivity to their respective markets. Earlier in July, it was announced that SGX’s London and Chicago hubs began operating as part of this enhanced connectivity initiative.

From September, SGX’s co-location data centre based in Singapore will host ASX’s hub to provide direct connectivity to the ASX 24 futures market located in Sydney. Customers in Singapore will then be able to connect more easily to ASX 24, which will result in an expected increase in the flow of futures market activity into Australia. Moreover, the partnership will increase ASX’s international hub network, which generates roughly 6% of ASX 24 futures and options volume. The network currently includes Chicago, New York, London, Hong Kong and Singapore. The partnership intends to enable customers in the ASX Australian Liquidity Centre to connect directly through the ASX global network to SGX, the largest offshore market for Asian equity derivatives, and the sole international location with futures contracts for Chinese and Indonesian indexes.

This partnership will potentially attract more global participants to the Singapore market through a commitment to provide SGX customers easy and cost effective connectivity to international markets.

**Eurex Expands European Index Derivatives Segment**

Effective July 9, 2012, new futures and options contracts launched by Eurex Exchange, the international derivatives market, are available for trading on the EURO STOXX 50 ex Financials Index. The contracts, valued at €10 per index point, are settled in cash and will provide investment and hedging opportunities to market participants. Market makers can participate in an incentive scheme to help with establishing sufficient liquidity.

For contract specifications click here
CME: Expansion of 4-Year Eurodollar Mid-Curve Options

On July 23, 2012, CME expanded the listing cycle for the four-year Eurodollar Mid-Curve options by adding the serial months, August 2012 and October 2012. After this change, the listing cycle is four quarterly contracts plus the additional serial months. These contracts are listed with, and subject to, the rules and regulations of CME.

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<th>CME Code</th>
<th>Description</th>
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<tbody>
<tr>
<td>E4</td>
<td>4-Year Eurodollar Mid-Curve Options</td>
</tr>
</tbody>
</table>

The graph below demonstrates the price fluctuations for this option since December 2011.

*Graph created with ZEMA*
NCDEX Launch Shankar Kapas Futures

On August 10, 2012, The National Commodity and Derivatives Exchange (NCDEX) made futures contracts due to expire in October 2012 and December 2012 in Shankar Kapas (SHANKRKPAS) available for trading. Contracts expiring thereafter will be launched as per the launch calendar. Contract specifications have not changed and can be found here along with the launch calendar and the Location Premium/Discount.

NASDAQ OMX Acquires NOS Clearing ASA

Effective July 2, 2012, NASDAQ OMX Group acquired NOS Clearing ASA with regulatory supervision and approval from Imarex ASA shareholders. The acquiring entity, NASDAQ OMX Stockholm AB, will drive the global strategy of NASDAQ OMX Commodities to grow in new markets and strengthen its clearing services. NASDAQ OMX aims to have NOS Clearing fully supported by their cross-market technology platform, Genium INET, by the end of 2013 in order to begin leveraging NOS Clearing’s strengths in clearing freight, energy and seafood. However, the Swedish-Norwegian electricity certificate instruments offered by NOS Clearing ASA will not be launched on the Genium INET platform until further notice. Until such time, they will continue to be offered by NOS Clearing under the supervision of NASDAQ OMX Commodities Group.

Clearstream Facilitates Middle Eastern Financial Market Infrastructure

Effective July 17, 2012, Clearstream, one of the world’s largest settlement and custody firms for domestic and international securities, is facilitating market evolution in the Middle East with its tri-party repo service. Abu Dhabi Commercial Bank recently joined as a new cash provider and conducted the first trade with Commerzbank Dubai in Q2/2012, accepting Middle Eastern securities to collateralize those trades. Clearstream’s Automated Securities Lending (ASL) offering was used by National Bank of Abu Dhabi to settle the first loan transaction, which is an integral part of any liquid repo market. Clearstream’s tri-party repo offering will continue to gain traction as regional and international participants are added.

EEX and TEIAŞ Sign Memorandum of Understanding

On July 7, 2012, the European Energy Exchange (EEX) and TEIAŞ, the Turkish Electricity Transmission Company, signed a Memorandum of Understanding (MoU) for a co-operation on the establishment of an organized energy market. Thanks to an important geographical position in the South-eastern European and Asian Region, Turkey could play a pivotal role in developing a reference price for the region. “The establishment of a Turkish Energy Exchange with liquid power spot and derivatives markets is crucial for the successful liberalization and further growth of the electricity markets”, said Metin Kilci, Undersecretary for the Turkish Ministry of Energy and Natural Resources.

In the last ten years, European Energy Exchange has successfully developed operational, technical and legal frameworks for trading energy internationally. Using EEX expertise and following its footsteps in operating markets, TEIAŞ hopes to further expand the Turkish energy market by signing this MoU.

NYX Announces Partnership with Equilar

On July 7, 2012, NYSE Euronext (NYX) announced a strategic partnership with Equilar, to provide NYSE and NYSE MKT issuers access to Equilar Atlas, a comprehensive solution to help identify executive and board member candidates for potential hire and to maximize business networking opportunities. Equilar Atlas is currently available through the NYSE Connect portal, a comprehensive and powerful dashboard of market intelligence and analytics tools, available to NYSE-listed companies.

By connecting an individual’s personal network of C-Suite contacts to Atlas’s proprietary network of 300,000 executives and board members, NYSE Euronext corporate issuers can now gain exposure to new business and recruiting opportunities by identifying potential introductions. For executive and board recruiting, users can short-list candidates using sophisticated criteria including, but not limited to, former board and executive positions, committee and total board experience, and geography and industry. This partnership has potential to be a giant step forward in recruiting opportunities, networking and business developments.
Northeast power prices declined during the last month; they were suppressed by sustainably low natural gas spot prices and declining demand due to mild temperatures.

Electricity prices in California moved higher as seasonally high temperatures in California boosted demand for cooling.

Electricity forwards experienced no significant change during the last month as no adjustments have been made to the demand-supply balance projections. The long-term trend remained the same as that observed a month ago.

On the East Coast temperatures declined (compared with the previous month), while California suffered through a heat wave.

CSAPR NOx and SO2 emissions allowances futures (V12, December) went through the most dramatic fluctuations during the last month. On July 13, NOx contracts spiked after the South Coast Air Quality Management District of California announced that in order to bring Los Angeles in line with the federal 24-hour standard for fine particulate matter emissions by 2014, more stringent fine particulate and NOx regulations are needed; On August 22, 2012, both contracts, NOx and SO2, had the most drastic drop ever, after the U.S. District Court of Appeals vacated CSAPR. CSAPR NOx and SO2 emissions market is unlikely to recover from this blow.
ICE Henry Hub natural gas futures remained on the same level as no changes affecting supply or demand have been reported.

Natural gas spot prices continued their overall downward trend. Although there were several peaking points because of hot weather and droughts, natural gas will likely continue to dwindle as the summer ends and the demand decreases.

WTI and Brent crude oil spikes seem to be based more on speculative expectations than facts. Traders quote a variety of reasons that support their justification of higher oil prices. There are geopolitical issues such as a possible supply disruption if Israel attacks Iran, positive resolution of the European crisis, a hope for more monetary stimulus in the U.S., a decrease in North Sea oil exports, and so on.

At the same time, the IEA reported that inventories in the developed world have built up above normal in the first half of the year, with commercial crude stockpiles at 82.4 mln Bbl, which is more than double of the five-year average of 37 mln Bbl.
MDA EarthSat is Forecasting the Forecast with the 12z ECMWF Midday Model Predictor

Historically markets have moved on expectations, and to a certain extent by the time reality becomes current, the market has moved on to the next rumor. Following along with this concept, MDA EarthSat has brought another innovative product to the energy markets – The 12z ECMWF Midday Model Predictor (MMP).

For the past few years, MDA has provided the energy industry with a forecast of the forecast for the 12z GFS Operational model run by NOAA. This forecast of the forecast was meant to provide users an early idea on what changes to expect on the upcoming 12z GFS model, hours before the first actual model data was ever released to the public. This forecast of the forecast provides its users with an early edge on the rest of the market by delivering critical insight in how the market-moving 12z GFS Operational model would trend. For example, during the winter months, if the 12z GFS Operational model was released showing a much stronger cold shot that resulted in a colder forecast compared to the 00z GFS Operational model, the market would quite often see an uptick in Natural Gas prices. Conversely, if the 12z GFS Operational model showed a much stronger heat event during the summer months, power prices will often move upward as a reaction to the model. Through the use of the Midday Model Predictor (MMP), the users had early insight into this market driver and could position themselves accordingly.

Recently, there has been much more interest in the ECMWF model, and based on the feedback we have gained from our customers, a demand has emerged that has allowed us to develop the MMP for the ECMWF. Thanks to our access to the full ECMWF model and the talented individuals we have on our staff, we were able to leverage these data and our technical skill to bring another innovative and valuable product to the energy markets.

"By leveraging relationships to current and historical observed weather data both at the surface and the upper levels of the atmosphere, as well as the lagged relationships to other weather models, we are able to skillfully indicate, or forecast, where the next model forecast is headed. It's an exciting part of what we do here at MDA - taking our expertise in weather and forecasting allowing us to develop new innovative products that better outfit our clients to effectively do their job. The research and efforts we have put into developing these techniques allows us to stay at the forefront in supporting the industries we serve." - Travis Hartman, Energy Weather Manager and Meteorologist with MDA EarthSat

Through the use of the 12z ECMWF MMP, users will now be able to have insight on where the upcoming model will trend. Using both the the GFS and ECMWF MMPs, users can have leading insight on where the primary market-moving models will lead the rest of the market, hours before those impacts are realized by the trading community.

Ontario Daily Electricity Forward Price Report

Canadian Enerdata Ltd. has launched an exclusive daily forward pricing report for the Ontario power market.

Daily forward price information is supplied by Canax Energy, a leading broker of Ontario power. The Ontario Daily Electricity Forward Price Report provides observed market bids and offers for a variety of terms that are compiled daily directly from Ontario’s foremost power market broker who is active every single trading day.

According to Enerdata, “The daily Ontario power forward curves provide market participants with critical daily data to support power purchasing, pricing, trading, risk management and end of day processes”.

The Report also contains a Daily Trading Summary based on actual trade data, including volumes and prices for instruments and periods executed that day.

For more information, call Enerdata at 905-642-8167 or visit www.enerdata.com.
Platts Singapore Gasoil Assessment Change

Why are we making the change?
From January 2 2013, Platts FOB Singapore Gasoil Assessment will be moving from 5000ppm to 500ppm to reflect the evolution of Asia markets to fall in line with the sulphur standard. This will be a big change for the market as everything will be affected (in Asia & Middle East) including the swap curves.

What change support tools are we providing?
Market participants may access a number of useful documents relating to the change via the dedicated resource page.

On the resource page market participants will find:
- All relevant sub-notes
- Whitepaper: The evolution of Platts’ Asia gasoil assessments towards cleaner fuel standards
- FAQs – everything market participants need to know about the changes, in an easy-to-reference document.
- Registration details for an update webinar

Platts New Italian Baseload Electricity Assessments

Platts launch of Italian baseload electricity assessments Sept 3 reflects a significant increase in over-the-counter traded electricity volumes over the past 18 months, with forward volumes rising from 280 TWh in 2010 to 409 TWh in 2011.

As the electricity market liberalizes further following the Italian government’s energy reforms earlier this year, market interest in an independent OTC price reference from Platts has grown. Changes in the gas sector have also created the need for spark spread and clean spark spread assessments which Platts have launched alongside the baseload electricity assessments. Spark spreads measure the profit margin of gas-fired power plants after accounting for the cost of gas while clean spark spreads account for the cost of both gas and CO2.

The Italian baseload electricity assessments appear in Data Category EE - European Electricity.

Platts New Market Data Metals Packages

As of August 20 Platts significantly enhanced its Market Data metals services by offering two new data packages containing Platts SBB (Formally Steel Business Briefing Group) and The Steel Index assessments, as well as expanded metals data from a variety of third-party sources.

1. The Steel and Raw Materials package includes over 850 ferrous prices
2. The Metals package Market Data includes all of the prices in the Steel and Raw Materials package as well as over 1000 prices for non-ferrous Metals

For full details of the Market Data Metals packages please refer to this frequently asked questions information sheet.

ZEMA Expands Data Coverage

ZE is constantly expanding its data coverage. ZEMA’s flexible structure facilitates the collection of any electronically stored data from any source and at any frequency. A number of data reports have been added to ZEMA since the DataWatch July 2012 issue. They are:

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<td>CAISO</td>
<td>Transmission Outage Reports</td>
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<td>ERCOT</td>
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<td>Nodal Exchange Price</td>
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<td>Day Ahead Load Forecast</td>
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<td>MNUS</td>
<td>Operationally Available Capacity</td>
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<td>NASDAQ OMX</td>
<td>Close TIP</td>
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<td>PJM</td>
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In Depth

U.S. Coal-Fired Generation Community Wins Important Battle Against EPA

By Brock Ramey, North American Power Research Manager for IIR

On August 14, 2012, coal industry leaders were sitting in a crowded room listening to the keynote address at the opening of the Coal-Gen conference in Louisville, Kentucky, and the buzz topic of the event focused on what steps needed to be taken to handle the upcoming flurry of environmental emissions compliance regulations that were facing the industry.

One of the points referenced was the much-awaited decision of the U.S. Court of Appeals for the District of Columbia concerning the much-contested Cross State Air Pollution Rule (CSAPR) that was stayed in December 2011. On August 21, 2012, just a few days after the Coal-Gen conference, the court made a major decision concerning this regulation, stating that the agency had overstepped its authority set by Congress. Circuit Judge Brett Kavanaugh said that the CSAPR had put an undue burden on the states to meet emissions standards, beyond what the statute allows.

The regulation was intended to replace the Clean Air Interstate Rule (CAIR), which dealt with the same regulations and was introduced in 2005, and after billions of dollars was spent by the electrical generation utilities (EGUs) to meet this regulation, it was remanded back to the agency by the same court for reevaluation in 2008. Apparently, the decision shows that the agency has not yet addressed this emissions reduction requirement correctly. The decision will send the agency back to the drawing board again, with congressional committees hot on their heels, stating they will be closely observing what the agency is doing. For months, legislators have been questioning and requesting that the agency reevaluate the deadlines in which the requirements and regulations were to be met. Basically, all the industry, states, and other groups have been asking for is more time to meet the requirements, which just fell on deaf ears of the administration, agencies and special interest groups for years.

In its press release on August 21, 2012, House Energy and Commerce Committee Chairman Fred Upton (R-Michigan) stated "that this was a win for American families who are facing high electric rates, also the American power sector that was faced with spending billions of dollars to meet this regulation, as well as the possibility of thousands of job at risk."

Trouble started back in the first part of 2011, when the proposed regulation that had been presented to the states and EGUs back in August 2010 was not what was presented for posting on the federal registry. The regulation was filled with miscalculations, flawed data (including facilities that no longer existed) and reports on emissions equipment for units that did not exist. In September and October 2011, the agency made changes to the regulation in order to make it more acceptable to all involved. But, finally, the courts decided to stay its decision in December 2011. After this, the agency made approximately three to four changes to the regulations during the January-to-June timeframe, making allowance changes and emissions allotment changes for certain states. The industry, states and the agency have been awaiting a decision since April 2012.

The court stated in its decision that the agency overstepped its authority by using the "good neighbor" provision to impose massive emissions reduction requirements for upwind states. The court also noted that the EPA violated the Clean Air Act by not only trying to implement the "good neighbor" provision, but simultaneously pushing federal plans for states to meet the agency's obligations--which is interesting, since the court upheld the National Ambient Air Quality Standards for Sulfur Dioxide and Nitrous Oxide earlier this year. One must wonder what effect this reversal will have on these standards.

Since the announcement, many members of Congress have praised the decision. But, Congress and the industry know that this is just the first step, and that these emissions requirements will have to be implemented eventually. The coal-fired industry will still consider and plan on implementing emissions reduction equipment where needed, as part of the requirements provided in CAIR that the industry has been running on since 2008. Where required, the country will see the EGUs step up and retrofit facilities with the required equipment; it might not be at the pace that the agency, the Obama Administration, and special interest groups want, but they will do what is required.

There is still uncertainty surrounding this regulation that will have some projects moving continuously forward just to get them out of the way, while

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Figure 1: Active SO2 and NOX emissions reduction projects in the U.S.
On July 16, 2012, GreenX, acquired by CME in April, will delist the September 2012 contract month for its EUA, CER and ERU contracts. Furthermore, the Daily EUA contracts will remain delisted through contract day September 28, 2012. These contracts have no open interest and do not affect trading in any other futures or options products listed on the CME Group. Below is a timetable for the contracts that will be delisted in September.

Others will be put on hold. But the complete fallout from yesterday and the direction in which the industry is to go is now unknown. There is also speculation that the Mercury Air and Toxic Standard (MATS) that was implemented this year, dealing with mercury and particulates as well as other toxic gases, could fall by the wayside as well. It has been stated several times that the agency has overstepped its authority with this regulation, and recently it stayed a portion that dealt with new coal-fired units.

This regulation possibly affects more than 887 coal-fired units in 28 states, as well as the closure of more than 35 gigawatts of generation by 2015. The coal industry has spent billions of dollars on this issue in studies, front end engineering and design, legal representation in the courts on both sides of the fence, hearings, meetings, etc. The layoffs and possible announcements of additional layoffs and, to a point, some of the announcements about coal-fired generation retirements and its effects on the industry and the country are detailed in the August 22, 2012, article – American Electric Power to Shut Down West Virginia Power Plants, and the August 16, 2012, article - Coal-Fired Plants, Jobs Become Extinct as Regulation and Other Costs Mount. With the country in the economic condition it is in, and unemployment at the rate it is, many are asking what the Obama Administration and the EPA's "War on Coal" will cost this nation.

Industrial Info takes great pride in keeping its clients and the industry up to date on industry changes; currently, Industrial Info is tracking 136 active projects dealing with sulfur dioxide and nitrous oxide emissions reduction, with a projected cost of more than $22 billion (see Figure 1). Some of these projects are under way and will be completed; equipment and contracts are already in place for others that will move forward. But Industrial Info does expect to see a slowdown, or at least an extension of spending, with the outcome from yesterday. The future is quite uncertain surrounding this area of spending.

All the movement in the last couple of months and the court decision has the industry wondering what will happen with the EPA’s greenhouse gas standards, which target carbon dioxide emissions reduction for stationary sources, especially when the agency’s own representative recently admitted that. At this time, there is no cost-effective way to address this emissions issue.

Industrial Info Resources (IIR), with global headquarters in Sugar Land, Texas, and eight offices outside of North America, is the leading provider of global market intelligence specializing in the industrial process, heavy manufacturing and energy markets. Industrial Info’s quality-assurance philosophy, the Living Forward Reporting Principle™, provides up-to-the-minute intelligence on what’s happening now, while constantly keeping track of future opportunities.

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ZE is an experienced software and strategic consulting firm that combines energy industry expertise with advanced software development capability. The company possesses deep industry knowledge and comprehensive operational experience. ZE is the developer of ZEMA Suite, a sophisticated Enterprise Data Management and Analysis solution built to meet the specific challenges of energy and commodity market participants.

**About ZEMA**

ZEMA is an enterprise data management suite designed for collecting data and performing complex analysis. ZEMA replaces fragmented data collection and analysis processes with a sophisticated, unified and automated data management system. Each ZEMA component can perform as an independent product; this means greater flexibility when integrating ZEMA into your organization. ZEMA is consistently ranked #1 for preferred system, #1 for ease of system integration, and #1 for customer service. ZEMA is easy to use and backed by our support team around the clock.

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