

Platts LNG Market on Close FAQ

What is the MOC process for LNG price assessments?

Platts Market-on-Close (MOC) is the process Platts editors use to assess LNG prices, with a methodology approach that operates on the principle that price is a function of time. Structured and highly transparent, the MOC is a process in which LNG bids, offers and transactions are submitted by participants to Platts editors and published in real time throughout the day until the market close. Following the close, Platts editors examine the data gathered through the day, conduct their analysis and develop price assessments that reflect an end-of-day value.

Where is this information published?

Firm bids, offers and trades from companies are published on the Platts Editorial Window (eWindow) - an online communications tool that enables users to electronically enter and immediately view, bids, offers and transaction data. As soon as the data goes into Platts' editorial system, it is published in real time on Page 008 of Platts LNG Alert (LNG) and Page 001 of Platts Natural Gas Alert (PGN) as well as on Platts Platform.

Market participants can submit bids, offers and expressions of interest to trade to Platts editors via

platts_lng_moc@spglobal.com

ICE Chat: Platts_asia_lng or **+65 6530 6417**

How can a company register to participate in the LNG MOC process?

Entities that wish to participate in the LNG MOC should complete the following form: spglobal.com/platts/en/our-methodology/participation-review. The Platts Price Group then conducts a participation review to establish that the company is credible, creditworthy and an active participant in the broader market for that commodity. The entities can also request more information on how MOC works and Platts guidelines governing the process. Entities must be reviewed for each specific market and evaluated against the editorial criteria for that market. Therefore, each entity must undergo the participation review process for LNG, regardless of an established participation level in another Platts MOC process. For more information on the participation review process, please contact: pricegroup@spglobal.com

Can any company trade a bid/offer published by Platts in the MOC process?

Trades reported in the Platts MOC are purely bilateral and follow the typical trading and credit terms between any two companies. A company that wishes to trade a bid/offer published by Platts, can either click trade on eWindow or communicate their expression of interest to trade to Platts editors, who'll then publish their interest. If the market participant communicates their expression of interest to Platts, then both parties to the trade must then communicate directly with each other and following bilaterally concluding the trade, inform Platts editors of the same.

How can I submit bids and offers? What is the cutoff?

Buyers and sellers must submit any bids and offers with complete information via the Platts eWindow; by email, phone or instant message to Platts editors. **The submission cut-offs are as follows:** 16:00:00 Singapore time for Asia physical MOC; 16:10:00 Singapore time for Asia derivatives MOC; 16:00:00 London time for Europe physical MOC.

Buyers or sellers can withdraw bids/offers at any time when communicating through eWindow, provided no prior interest to transact has been expressed by any potential counterparty. In processes which are not facilitated by eWindow, buyers and sellers can withdraw bids/offers at any time by communicating as such to Platts editors. All bids and offers are firm from the moment submitted into eWindow to the moment they are traded, the window period closes or the bid/offer is withdrawn from the system by the trader or a Platts editor.

Bids or offers communicated at or after the cut off will not be published in the MOC process.

Are only firm bids, offers and trades in the LNG MOC considered for the JKM assessment?

Throughout the trading day, Platts editors survey participants in the LNG market, seeking information on any bids, offers, trades conducted in the spot market, in addition to information that may impact market fundamentals. Platts also gathers and publishes information received from market participants that report their own firm, named bids, offers and trades for publication. Any information published by Platts and made available to the market may be used in the assessment process, but firm bids and offers that remain open and outstanding at the market close will typically take precedence in the final, published assessments, which are designed to reflect the value at the close of trading.

What are the timing and increments guidelines for reporting data in the LNG MOC?

Buyers and sellers can improve the price of their published bids/offers by a maximum of US\$0.05/MMBtu every two minutes. Participants may improve their bids/offers by a minimum of US\$0.01/MMBtu. Platts has increment guidelines in order to ensure that all published MOC data is fully tested in the market, and may notify the market of any adjustment to the standard increments in the event of market volatility or a disruptive event.

The full incrementability guidelines can be found here: [spglobal.com/platts/plattscontent/_assets/_files/en/our-methodology/methodology-specifications/lngtiming.pdf](https://www.spglobal.com/platts/plattscontent/_assets/_files/en/our-methodology/methodology-specifications/lngtiming.pdf)

How do the credit and trading terms work on published trades in LNG MOC?

Transactions reported in LNG MOC are bilateral trades between counterparties and should reflect their standard bilateral credit and trading terms. Counterparties are expected to perform on trades with counterparties in the LNG MOC based on their typical bilateral trading and credit terms that have been applied and accepted by both counterparties in the open market. Subsequent to Platts publishing an expression of interest to trade a bid or offer, companies must communicate directly with each other to consummate the trade and confirm the same to Platts editors.

What is the expectation for trade performance?

Platts expects trades reported in LNG MOC to be physically performed, and for parties to be reasonable when circumstances require a party to substitute ship or receiving terminal. Participants should not unreasonably withhold substitutions or hamper the established delivery process. Platts reviews the performance of trades reported in the LNG MOC to maintain the integrity of the assessment process. Platts reserves the right to not publish bids, offers and trade information from a company that fails to perform as per standard industry practice and Platts guidelines.

What are intra-day values and why does Platts publish them?

The intraday values reflect Platts assessment of JKM, WIM, NWE, MED and GCM LNG values at the time of publication. Platts reviews bids and offers price levels in the MOC process for reasonability relative to the published intraday values.

What do Platts JKM LNG assessments reflect?

Platts JKM LNG assessments reflect 1030-1130 Btu/scf calorific cargoes of 135,000-175,000 cubic meters delivered into ports in Japan, South Korea, mainland China and Taiwan. Bids or offers for alternative locations and standards may be published, subject normalized for reflection in the final assessment. For JKM's full methodology, please see: www.spglobal.com/platts/en/our-methodology/methodology-specifications/lng/liquefied-natural-gas-lng-assessments-and-netbacks-methodology

Can companies bid or offer LNG derivatives in the MOC?

The LNG derivatives MOC is a price assessment process designed to ensure the highest quality of market information for use by Platts reporters when assessing the tradable value of LNG derivative contracts at 4:30 pm Singapore time. Platts publishes firm bids, firm offers and trades for monthly, quarterly, seasonal and full calendar year derivatives contracts. The Platts derivatives MOC ends at 4:30 pm Singapore time, but the process itself runs all day, with clear guidelines around the submission of bids and offers for publication, changes to price, and deal reporting.

For more information, please see: www.spglobal.com/platts/plattscontent/_assets/_files/en/our-methodology/methodology-specifications/lng-derivatives-moc-faq.pdf

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