

New European trading house emerges

Montel Powernews

(Montel Powernews) - Advanced Energy Trading (AET), which is currently active in the power market, is planning to trade gas and energy-related commodities by the end of the year.

The Munich-based company, a subsidiary of the Solutions for Energy (S4E) group, is spearheaded by managing director Steffen König and head of trading Uwe Bode, both of whom former traders at E.ON Energy Trading. They were approached by AET's shareholders who wanted to build up a new European trading house.

S4E, which is already active in several areas of the energy business with its roots in central and eastern Europe, had been missing its own trading floor, particularly with view to the liquid west European markets.

“I see great potential for trading in power and power-related commodities in Europe,” König told Montel Powernews. “Energy markets are developing more and more towards liquidity and transparency, reducing the benefits of owning your own assets,” he is convinced, stressing that more flexibility and integrated trading strategies were needed to succeed in the market.

“This is best achieved through small, independent trading teams and we are trying to combine these necessary skills in the way we are building up our team,” the managing director continued, saying that employee numbers at AET were currently growing by the month – around 20 at the moment, with a team of 30 expected in place by the end of the year.

European focus

Since starting up in January, AET has been trading for its own accounts, concentrating on setting up power trading processes. “Gas trading will follow soon and since a part of our business strategy is based on integrated trading strategies, e.g. cross commodity, we will trade other commodities such as coal, oil and CO2 allowances as well,” König explained.

At the moment, trading is handled via a group of four brokers but registration for membership on the EEX is already underway, a process König hopes will be completed in a couple of weeks. “We also plan to take up trading on Nord Pool, Endex and PXE by the end of year,” he continued, saying that the international trading team allowed for a comprehensive Europe-wide focus. However, the regions that AET would become active in were to be selected according to profitability aspects.