

Stress test methodology

1. Objective of stress tests

Running stress tests by KELER CCP has a double objective:

- on one hand to check that the default fund (CEEGEX / HUDEX / Gas KGA) is of appropriate size at all times, and
- to check compliance with the requirements on the other financial resources of KELER CCP on the other hand.

2. Historical scenarios

Based on historical database, we applied a 2-day holding period in accordance with the Technical Standard. Based on these KELER CCP determined the historical stress parameters for the products tradable on the HUDEX gas market.

For new or illiquid products, we also take into account the price changes of similar products traded on other exchanges when determining stress scenarios and parameters.

3. Hypothetical scenarios

KELER CCP makes assumptions at the determination of hypothetical scenarios, in order to simulate price changes and uncovered exposures based on extreme but plausible parameters that have not occurred yet. For example, hypothetical scenarios may be applied to simulate an unprecedented price increase.

4. Concluding stress tests

We complete stress testing daily, at the level of the clearing entity for all scenarios. Only the uncovered exposures are summed to get the clearing member or the group level exposure. The net open positions are taken into account in the stress testing.

After the results of the scenarios are determined, we select the first or the second and the third if their sum is larger exposure(s) with uncovered risk in HUDEX gas derivative market, the worst value(s) are compared to the default fund (CEEGEX / HUDEX/Gas KGA KGA) of the HUDEX gas derivative market concerned and the financial resources of KELER CCP to check compliance.