

# How Enmacc is leveraging digitization, trust and openness to enhance pan-European liquidity and execution in energy trading

*When we launched Enmacc in Munich in 2016, we set out to help the energy trading industry trade faster and more efficiently. We delivered this through a fully digitized electronic trading platform that allowed market players to strip away multiple channels of engagement into one seamless environment. Connecting our platform with Refinitiv and its established power and gas trading community on Refinitiv® Eikon® Messenger lets us manage hundreds of requests for quotes every day, helping to boost liquidity across markets and achieve our mission to make energy trading execution more digital. As we scale our operations, we aim to scale our business, supported by the culture of openness and innovation that Refinitiv offers us.*

## **Digitizing the energy trading industry**

Before we set up Enmacc, there were still many manual steps in areas of energy trading. Most trades, especially in the downstream sales trading business, were handled by a combination of phone, email and messaging apps, supported by Microsoft® Excel® and similar tools. On the energy trading exchanges there is a high level of automation, but the bilateral business, which still dominates in terms of volume, was stuck in an old fashioned technology approach.

That's why we set out to enhance the communication between market participants to help them transact and trade better. We set out to create a digital platform that supports traders to become faster, more efficient and more professional. We aimed to help energy catch up with other traded asset classes in terms of digitization.

“

**We set out to create a digital platform that supports traders to become faster, more efficient and more professional.**

## **Finding a suitable entry point**

We started by serving the needs of historically underserved mid-sized, demand-side players. While those companies may have access to exchanges or brokers, they had no commercially viable electronic tools to trade or access the wholesale OTC markets. So we stepped in to offer them our innovative platform.

Despite being a start-up in a traditional industry, we gained all important market trust thanks to a solution built by our well experienced team of ex-power and gas traders and portfolio managers. We were signaling clearly that our company had more to offer than just impressive technology. We understood the market, how it operates and crucially, addressed many of its major pain points.

### Rapidly growing market share

With deepening market trust in our offering, we have achieved tremendous results, especially in the German market. Here, we serve roughly 80% of its participants, with many players executing almost all their trading and risk management on Enmacc. In addition to delivering the needs of the demand side, we serve many large supply-side players, some of which transact a significant amount of their volume via our platform.

Considering the future of energy trading, we know it still means empowering and supporting the physical trader – the personal trader. It's not about replacing the trader, but rather reducing their manual tasks, improving the quality of their workflow, connecting the energy trading community and positively impacting their time for trading decisions.

“

Now I do not have to monitor the Enmacc service continuously, as Eikon messenger informs me in real time when I've been invited to respond to an RFQ.

### Building a network on partnerships

With more than 300 clients, our customer base is a large and growing network that we connect together through our platform. As we build to serve the professional trader, we enhanced our network by connecting more than 200 energy traders on Refinitiv Eikon messenger, who are now alerted on hundreds of requests for quotes (RFQs) every day. Refinitiv is a natural partner with a clear overlap of clients and a strong culture of openness and innovation. Our new collaboration on alerting clients is aimed at freeing time for traders to focus on keeping abreast of energy market breaking news, market analysis, modeling and other trading activities. This aligned very well, as it is also the clear objective of Refinitiv, to bring efficiency wherever possible to their clients.

“Now I do not have to monitor the Enmacc service continuously, as Eikon Messenger informs me in real time when I've been invited to respond to an RFQ. In addition, I save valuable screen real estate and only open Enmacc services when needed,” says Sebastian Wilkes, Senior Energy Trader, MVV.

There are very few energy markets or contracts where there is sufficient liquidity when looking at the classical order book. If you look into a classical central limit order book service, or any of the exchanges, you typically find bid/offer spreads in many geographies and the further out tenors widen in many products. This is where the RFQ protocol is able to help with closing the bid/offer spread and delivering liquidity on demand.

RFQ trading and the RFQ protocol are extensively used in other asset classes. If you look at fixed income or FX trading, for example, the majority of the volumes are traded on digitized RFQ solutions.

With Messenger now activated for many clients on alerting, we return them valuable screen real estate, as they jump onto the platform only when needed. In the future, the possibility to mobilize initiation and responses of RFQs through Messenger is an exciting potential opportunity for Refinitiv and Enmacc.

### Scaling our business with trust

We've also chosen to partner with Refinitiv because of its open platform, which really engenders innovation and an entrepreneurial approach. We like how Refinitiv mobilizes its partners to come up with ideas and share them in a culture of openness and collaboration. That open-arms approach triggers us to be very open about our ideas and we hope it will power our growth ambitions.

We have a vision to create a pan-European marketplace, where we can connect traders in illiquid markets and tenors to create diverse trading opportunities. As we scale our business, we want to cover the whole of Europe by the end of 2020 and serve well beyond the customers we serve today. ■

“

We've also chosen to partner with Refinitiv because of its open platform, which really engenders innovation and an entrepreneurial approach.

Learn more about Refinitiv solutions at [Refinitiv.com](https://www.refinitiv.com)