

THE ROLE OF MODERN MARKET INSTITUTIONS IN THE FOREIGN ENERGY POLICY OF RUSSIA

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The article considers the problem of organization of a futures exchange trading of Russian oil in order to create independent level of export prices without reference to existing global benchmarks. The author substantiates the relevance of this problem for the external energy policy of Russia and socio-economic development of the country, considering the fact that the commodity exchange trade in oil and oil products began to play a decisive role in identifying the current world prices and the prediction of the development of the oil market.

High importance of futures markets was confirmed in many studies of foreign and Russian specialists and the author herself [1].

The hypothesis of the study is the assumption that forming of a liquid futures market on the Russian oil Urals will help to "decouple" the price of export Russian oil from the price of benchmark Brent crude oil, which would create a national price indicator in the long term, can make Urals a reference mark for grades of similar quality.

Recognizing the role of the exchange trade and, in particular, trade in oil and oil products, the Russian government for two decades has made great efforts for the organization of such trade, initially on the terms of cash market and later the market of futures contracts. Unfortunately, often in such projects the idea of the revival of the commodity exchange was implemented by measures which forced producers to exchange trade in oil and oil products, which did not find understanding among domestic companies.

In the main part of the article the author presents an analysis of the main markets of exchange trade in energy in the world with the identification of their specifics and key contracts. The article emphasizes that futures contract quotations are generally accepted as price indicators used in the formulas of spot and forward energy contracts, and the products for which there are liquid exchange-traded futures contracts, become the benchmarks for other grades. The sale and purchase of futures and options contracts allows market participants to minimize price risk and to manage earnings.

The whole range of energy products as crude oil and petroleum products, and natural gas is now covered by liquid futures contracts. The volume of trading of such contracts is steadily growing on recognized markets, but subject to fluctuations on the young markets as India and China [4]. Taking into account the evaluation of foreign experience, the author traces the history of the development of exchange trading in energy resources in Russia from the first attempts up to the present time, revealing the reasons of failures of the 90-ies of the last century and fixing the current state of affairs.

Special attention is given to the latest project of the introduction of futures contract of Russian export oil Urals at the St. Petersburg international commodity exchange [6]. The author presents calculation of the ratio of quotations of the contract for the Russian grade and two reference grades of Light Crude and Brent, the level of discount for Russian grades prevailing in the first period of the new contract.

Conclusions. International experience allows to draw some conclusions. First, it can be stated that the choice of contract grade to trade is an important factor what can be proved with the success of the Indian contracts for two world benchmark crudes Light Sweet and Brent comparing to more than modest results of marks Dubai and Oman, despite the fact that physical delivery of the last two predominate. Secondly, the use of national currencies in trade is not an obstacle, if there is interest of market participants.

Bad experience with commodity futures in Russia in the first period of development of exchange trade (up to the mid 90-ies) can be explained by both technical reasons and the characteristics of the Russian market and the economic situation. Among the technical reasons can be noted the lack of infrastructure for the development of the futures market. But more important was the specificity of the Russian market of the period: high monopolization of commodity markets, strict government regulation, lack of experience in exchange futures trading in the past, the one-side of price dynamics.

The conducted study gives grounds to draw some other conclusions. First, exchange trade in energy has become an important part of the world oil market, providing participants the opportunity to manage price risk and have constant information about the current price. Second, active trading in futures on energy can be conducted not only on the exchanges of developed countries, but new exchanges are the problem of fluctuations in trade volumes and the need to maintain the liquidity of the market by the state or large financial institutions. Thirdly, the Russian practice till now does not give a successful example of futures market trading, which would allow not only to create national price indicator for export, but also to provide the oil exporters with the opportunity to hedge their risks.

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