

CASE STUDY

Overcoming LNG Trading Challenges with ENTRADE®

ABOUT OUR CLIENT

As one of the largest trading firms in Japan, our client's LNG business unit plays a vital role in ensuring a stable, long-term supply of LNG and natural gas to the global market.

By leveraging their extensive network of partnerships with gas-producing countries and project collaborators, the client aims to expand their LNG and natural gas operations worldwide.

THE PURPOSE OF THE PROJECT

The client's energy business unit relied on a legacy third-party system shared across multiple oil and gas assets.

However, the system was expensive to maintain, inflexible, and required workaround solutions for its limitations. Additionally, time-consuming batch processes slowed efficiency and responsiveness.

A prior attempt to replace the system with another ETRM vendor failed, wasting time and resources without resolving the underlying issues. A key challenge was the complexity of LNG price and physical valuation modeling, which required detailed projections to effectively manage risks.

With Enuit's success at their trading arm, the client sought to determine if ENTRADE® could handle their unique needs, including advanced price modeling, flexible reporting, and detailed position exposure analysis, to provide a scalable solution.

LEADING THE WAY WITH ENTRADE®

ENTRADE® demonstrated its ability to meet the client's needs with advanced LNG price modeling, robust position analysis tools, and flexible reporting capabilities.

Its adaptability to handle complex requirements made it the ideal choice to replace the legacy system and overcome prior implementation challenges.

ENTRADE® appealed to the client's LNG business unit for several reasons:

- Market curve functionality and formula pricing to manage LNG's complex value projections.
- Flexible pivot reporting to create custom views tailored to the risk management team's needs.
- Detailed position exposure analysis reflecting changes across market curve components.
- Credit exposure reports with customized bucketing for precise credit categorization.
- Strong workflow and security controls ensuring proper segregation of duties.

THE RESULTS

Over six months, the collaboration between the client and Enuit delivered a controlled and efficient project. The teams worked closely to align business requirements with ENTRADE®'s core functionalities while keeping the project scope on track.

Enuit's focus on enhancements ensured the system could meet the client's unique needs without extensive customization.

The client played an active role in the implementation, gaining a deep understanding of ENTRADE®'s capabilities and adapting their processes to maximize the system's core features. This approach not only streamlined the deployment but also set a foundation for long-term success.

Post-implementation, ENTRADE® provided seamless integration with the client's existing workflows, reducing delays and enhancing their ability to model LNG price risks accurately.

The client now benefits from improved risk management, faster processes, and greater operational control, making ENTRADE® a cornerstone of their LNG trading operations.