

GIXI – Gas Index of India

About GIXI

The GIXI is the flagship price index on the Indian Gas Exchange (IGX) and is calculated based on actual deliveries taking place through trades on the Indian Gas Exchange (IGX) (excluding ceiling price gas). It will be used as industry benchmark price reference for the Indian Region and is the first nationwide price index to reflect natural gas spot prices for India based on actual deliveries.

Objective

GIXI - the IGX Gas Index is developed with the purpose of discovering a gas price for the country in most transparent, neutral, and competitive manner. GIXI will help the market participants to know the inland gas prices, benchmark gas price and help take suitable decisions of purchase and sale. GIXI would also act as a precursor for the Gas derivatives which will help the market players in hedging their prices.

Calculations

For the purpose of designating suitable delivery points, the country is demarcated into 6 regional hubs i.e., Northern, Western, Eastern, Southern, Central and North-Eastern Hub within which multiple delivery points are located. GIXI will be calculated for various hubs and delivery points, with IGX prices being discovered based on actual deliveries making it a true market reflection based on dynamics like demand, supply, taxation, transmission tariffs, domestic/LNG supply mix, storage, etc.

GIXI will represent aggregated gas price for all regional hubs and all contracts for delivery during a particular month. It will be determined daily once and calculated separately for each delivery month. Therefore, it will be represented as GIXI- 'Month' for example, GIXI-Jan23, GIXI-Feb 23, etc.

GIXI can also be qualified hub-wise and can be represented as GIXI-'Hub' for example, GIXI-Jan West, GIXI-Jan North etc. Similarly, price for deliveries in January in the Northern Hub will be named as GIXI- Jan 23 North.

GIXI is calculated as Volume-weighted average price for all gas excluding the ceiling price gas.

GIXI Month =

$$\frac{\sum (\text{Price of all contracts traded at all hubs for Delivery Month}) * (\text{Volume traded at all hubs in all contracts for Delivery Month})}{\sum (\text{Volume traded in all hubs for all contracts in Delivery Month})}$$

If no trades are concluded, the previous day's GIXI price would continue as reference Index on that day.

Example

We assume the following trades have taken place at IGX on a particular day.

#	Hub	Price (Rs/MMBtu)	Volume Traded (MMBtus)	Contract Traded
1	Western	1,400	50,000	January Monthly
2	Western	1,440	55,000	January Monthly
3	Southern	1,300	30,000	January 1st Fortnight
4	Northern	1,450	65,000	January Weekday
5	Eastern	1,350	75,000	January Monthly
6	Central	1,400	85,000	February Monthly
7	Central	1,450	70,000	February Monthly
8	Eastern	1,500	96,000	February Monthly

9	Western	1,550	75,000	February Monthly
10	Northern	1,440	65,000	January Weekday

GIXI Month – will be calculated considering all trades at all delivery points in all hubs for delivery in January Month.

$$\text{GIXI-Jan} = (1,400 * 50,000) + (1,440 * 55,000) + (1,300 * 30,000) + (1,450 * 65,000) + (1,350 * 75,000) + (1,440 * 65,000) / (50,000 + 55,000 + 30,000 + 65,000 + 75,000 + 65,000) = 1404 \text{ Rs/MMBtu.}$$

GIXI for Western Hub for Delivery Month – will be calculated considering all trades at all delivery points in the Western hub for delivery in that month.

$$\text{GIXI- Jan West} = (1,400 * 50,000) + (1,440 * 55,000) / (50,000 + 55,000) = 1,421 \text{ Rs/MMBtu.}$$

Similar qualifiers can also be added for a particular contract.

Publication of GIXI

The GIXI will be determined and published on the IGX website on a day-to-day basis and shared through social media handles as well.

Disclaimer

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