



TP ICAP launches first of its kind ICAP-Speedwell Climate Index

27 October 2021 – London:

TP ICAP Group, a leading global markets infrastructure and data solutions provider, and Speedwell, the environmental risk-management solution provider, have today announced the launch of the ICAP-Speedwell Climate Index (“the Index”). The Index, which is believed to be the first of its kind, uses global weather data to track climate change thereby allowing financial risk related to the rate of climate change to be traded.

The Index has been launched to provide a reliable data source from which market participants can make better informed investment and hedging decisions. This in turn will enable the market to better manage financial risks associated with climate change.

Developed and maintained by Speedwell, the Index takes a representation of the average global temperature based on data taken from 50 independent, high-quality national weather stations from around the world. Designed to meet the needs of financial risk transfer, it provides the underlying data necessary for market participants to transact, tailored structures relating to climate change using over-the-counter futures and options.

As with a financial future or option, the Index will enable counterparties to flexibly create structures with varied payoffs over specific periods of time. Such transactions will enable the Index to provide a correlation between the global temperature change and financial risk appetite.

Nicholas Ernst, Managing Director, Weather Markets, TP ICAP said:

“At TP ICAP, we understand that many companies have significant and sometimes unquantified exposure to weather and climate risk. The first step in managing these exposures is to identify an index which can be used to quantify and then hedge these risks. This innovation is key in being able to develop hedging strategies relating to climate change.

“The introduction of the Index has the ability to dramatically change how people calculate the financial impact of global climate change, providing comprehensive data to quantify the impact of future temperature changes for the first time. Climate change is a significant financial risk and quoting markets in this way is an important step in not only measuring that risk, but also understanding the cost of climate change as we move towards a low-carbon economy.

“At TP ICAP, we apply our unique capabilities to provide clients with the tools they need to meet their sustainability objectives. We aim to be the leading broker for the transition to an inclusive and low-carbon economy; the launch of this Index marks a step forward in this ambition.”

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David Whitehead, Co-CEO, Speedwell Weather, said:

“Speedwell has been involved in providing services to the environmental risk-transfer markets for over 20 years and so is delighted to now offer with TP ICAP a world-wide index that quantifies the direct impact of climate change on global temperatures.

“As with all Speedwell products the Index has been designed specifically for financial transactions. Historical data will be made available for pricing and structuring; forward curves, market prices, and index forecasts will be available for managing risk, and certified Settlement Data for final settlement of open contracts.”

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About TP ICAP Group plc

TP ICAP Group plc is a leading global markets infrastructure and data solutions provider. The Group operates a portfolio of separate and competing brands to deliver intermediary services, contextual insights and intelligence, trade execution, pre- and post-trade services, and data-led solutions. We are formed of four business divisions:

- **Global Broking:** the largest Interdealer Broker in the world operating under the *ICAP*, *Tullett Prebon* and *Louis Capi1tal* brands servicing clients in Rates, FX, Credit and Equities. We match buyers and sellers, facilitate price discovery, liquidity, execution and risk management.
- **Energy & Commodities:** the world’s leading OTC energy and commodities broker operating under the *ICAP*, *PVM* and *Tullett Prebon* brands. Active in all major commodities markets including oil, gas, power, renewables, ferrous metals, base metals, precious metals and soft commodities.
- **Agency Execution:** serving the buy side operating under the *Liquidnet* and *COEX Partners* brands. We provide trading services for a broad range of asset classes, serving a sophisticated client base of asset managers, asset owners and hedge funds.
- **Data & Analytics:** the largest OTC data provider in the world operating predominantly under the *Parameta Solutions* brand offering unbiased data products and solutions that facilitate trading, enhance transparency, reduce risk, improve operational efficiency and a broad range of risk management solutions.

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About Speedwell Weather (<http://www.SpeedwellWeather.com>)

Founded in 1999, Speedwell Weather provides quality climate data, forecasts, software, and consultancy. From offices in the UK and the USA Speedwell serves clients world-wide in sectors including environmental-risk management, energy, insurance, and agriculture. Our data products include SuperPack® which provides unlimited access to our thousands of high-quality world-wide data sets. Speedwell Weather provides the Speedwell Weather System, an enterprise software system for pricing and managing a portfolio of environmental risk contracts.

About Speedwell Settlement Services (<http://www.SpeedwellSettlementServices.com>)

Speedwell Settlement Services is the leading provider of meteorological Settlement Data for index-based climate contracts worldwide. With a focus on transparency, accuracy, and reliability Speedwell provides Settlement Data for both over-the-counter transactions as well as exchange-listed contracts. In addition to data services Speedwell Settlement engages in weather station installation / management designed to support climate risk transfer. Speedwell Settlement Services Ltd has been granted a Part 4A permission under Part 4A of the UK Financial Services and Markets Act 2000 to carry on the regulated activity of administering a benchmark.

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