

UK Natural Gas & Power Market: Week Commencing 20-03-2017

UK energy prices fell on Monday boosted by improved UKCS supply, expected above average temperatures in the UK over the coming weeks and months and a falling oil price. Despite an unplanned outage and system tightness, prices continued to decline on Tuesday with an LNG cargo arrival offsetting the risk of a reduction in gas flows from Norway. There was also a recovery in the GB Pound following the release of strong and positive market data for the month of February. A 1.28% day-on-day fall in the benchmark Brent crude price contributed too. Mid-week price falls prevailed on warmer weather and the return of the (Norwegian) Kollsnes gas processing plant. Wholesale price falls that day were further compounded by weakness in the Oil price and continued strength in the GB Pound versus the Euro. Warmer weather remained the bearish driver of the day on both Thursday and Friday, along with a steady stream of scheduled LNG cargo arrivals to the UK.

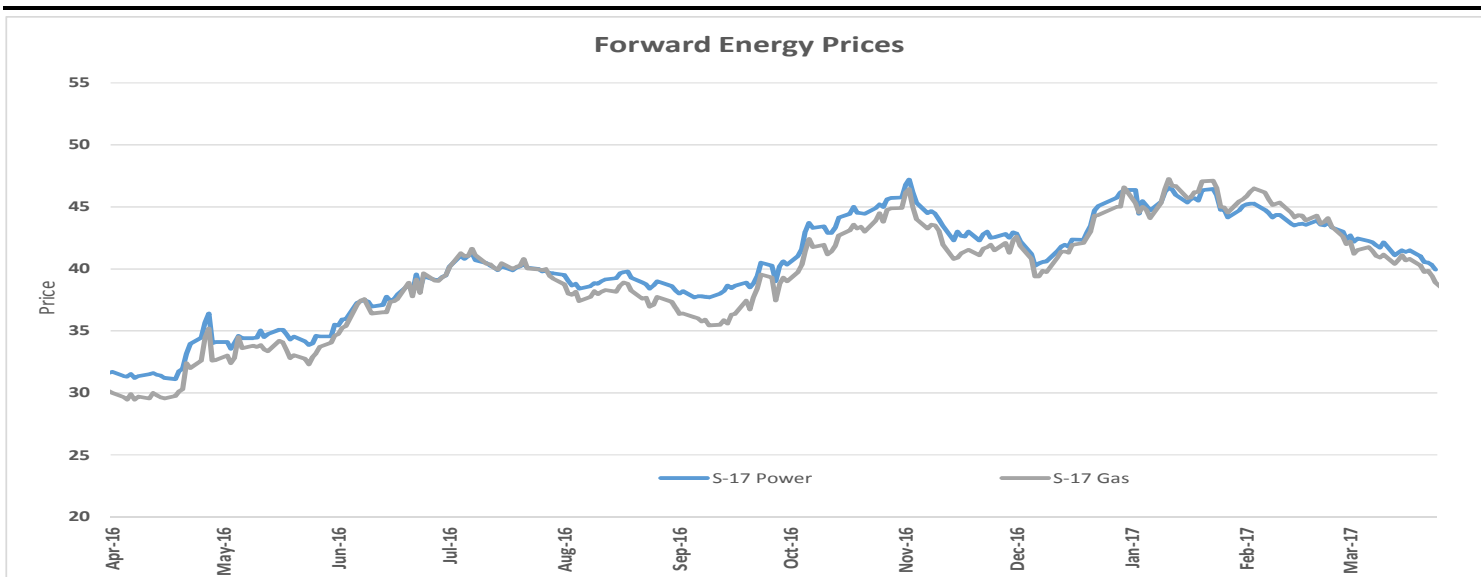
Outlook and drivers: Week Commencing 27-03-2017

Lower domestic demand for energy will be the main signal for falling prices in week commencing 27th March. LNG send outs could also rise with Qatari cargoes possibly en route to the UK. Norwegian gas flows are expected to rise from 6% week-on-week, another bearish signal.

Prices and Summaries

Contracting Period		Electricity £/MWh				Gas p/Therm					
Date Range		Settlement Price		Price Change	% Change	Direction	Settlement Price		Price Change	% Change	Direction
		Fri 24/03	Fri 17/03				Fri 24/03	Fri 17/03			
01 April 2017 - 12 Months		£42.50	£43.80	-1.30	-2.97%	▼	42.10	43.80	-1.70	-3.88%	▼
01 April 2017 - 24 Months		£41.58	£42.60	-1.03	-2.41%	▼	42.35	43.73	-1.38	-3.14%	▼
01 April 2017 - 36 Months		£40.96	£41.77	-0.80	-1.92%	▼	-	-			
01 October 2017 - 12 Months		£41.65	£42.60	-0.95	-2.22%	▼	42.30	43.60	-1.30	-2.98%	▼
01 October 2017 - 24 Months		£40.93	£41.73	-0.80	-1.92%	▼	42.38	43.55	-1.17	-2.69%	▼
01 October 2017 - 36 Months		£40.51	£41.06	-0.54	-1.32%	▼	-	-			
01 April 2018 - 12 Months		£40.65	£41.41	-0.755	-1.82%	▼	42.55	43.65	-1.10	-2.52%	▼
01 April 2018 - 24 Months		£40.20	£40.75	-£0.55	-1.35%	▼	-	-			

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 24/03	Fri 17/03					Fri 24/03	Fri 17/03	
Coal \$ Per Ton	64.15	64.40	-0.25	-0.39%	▼	Demand MCM	178	182	-2.20%
Carbon Euros Per Ton	4.77	5.14	-0.37	-7.20%	▼	Rough Fullness	11.03%	11.94%	-0.91%
Brent Crude Front Month \$ Per Barrel	50.80	51.76	-0.96	-1.85%	▼	LNG Send out MCM	23.00	28.00	-17.86%



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