

Catalyst Weekly Energy Element / Week 2



UK Natural Gas & Power Market: Week Commencing 01-01-2018

The markets were mixed on Tuesday with the full return of the Forties Pipeline and a strong performing GB Pound incurring price falls for some contracts. Longer dated contracts closed higher however tracking the stronger oil and coal market. Milder temperatures and strong wind power dragged the near market down on Wednesday. Once again contracts further along the price curve rose tracking the oil which attained high \$67s per barrel though the sentiment in this commodity remained that high US and Russian output may undermine ongoing efforts led by OPEC to tighten the market. Prices were mixed intraday on Thursday with low wind power and consequential higher gas use from the power generation sector creating undersupply. The outlook for much cooler weather was also a bullish factor with temperatures expected to drop from 05th January to the 17th January. By Friday, the April-18 annual electricity and gas products closed lower by 0.51% and 0.61% respectively. These products expire at the end of March 2018.

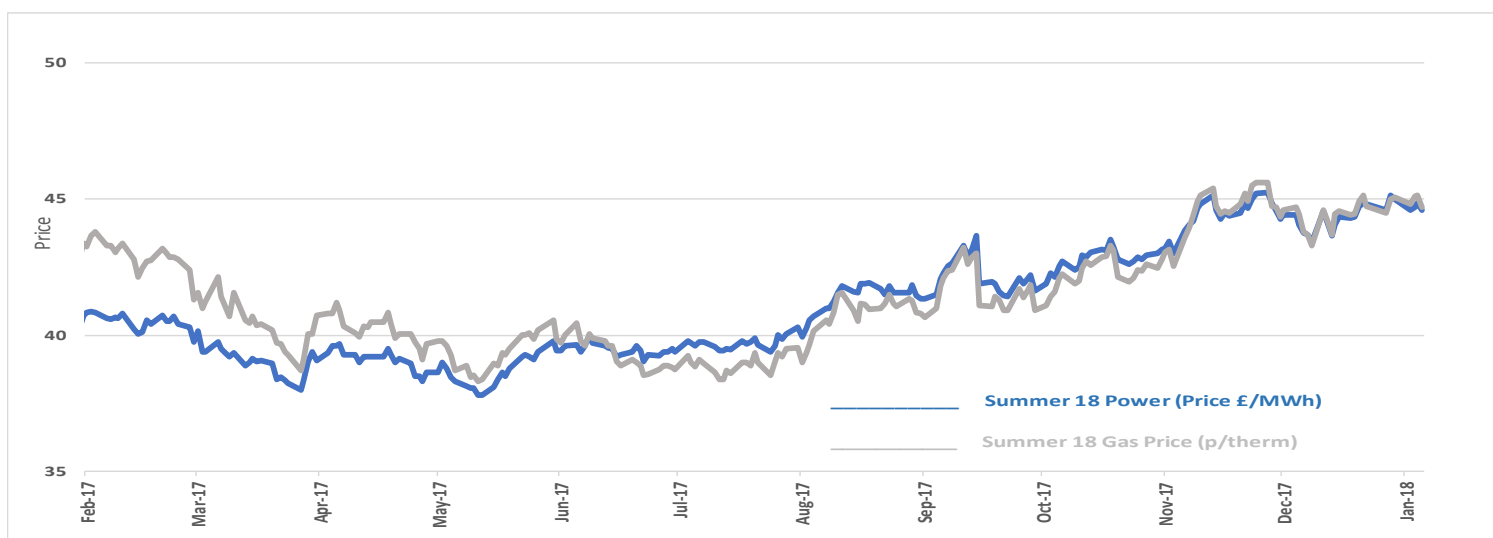
Outlook and drivers: Week Commencing 08-01-2018

A cold spell is expected during the week which will result in higher national consumption for the UK. Imports from the continent should remain high and UKCS and NCS gas flows are expected to remain robust which should help to mute the risk of higher consumption. Wind power is expected to rise for Wednesday 11th January and remain above normal levels for the balance of the the week.

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 05/01	Fri 29/12				Fri 05/01	Fri 29/12			
01 April 2018 - 12 Months		£47.45	£47.70	-0.2	-0.51%	▼	£48.77	£49.07	-0.30	-0.61%	▼
01 April 2018 - 24 Months		£45.85	£45.94	-0.09	-0.20%	▼	£47.77	£47.73	0.03	0.07%	▲
01 Oct 2018 - 12 Months		£45.75	£45.67	0.08	0.18%	▲	£47.74	£47.69	0.05	0.10%	▲
01 Oct 2018 - 24 Months		£44.55	£44.54	0.01	0.02%	▲	£47.01	£46.88	0.1225	0.26%	▲
01 April 2019 - 12 Months		£44.25	£44.18	0.065	0.15%	▲					

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 05/01	Fri 29/12					Fri 05/01	Fri 29/12	
Coal \$ Per Ton	85.75	90.15	-4.40	-4.88%	▼	Demand MCM	227.01	243.36	-6.72%
Carbon Euros Per Ton	7.75	8.14	-0.39	-4.79%	▼	Rough Stock (MCM)	151.42	206.34	-26.61%
Brent Crude Front Month \$ Per Barrel	67.62	66.87	0.75	1.12%	▲	LNG Send out MCM	5.00	5.00	-



Catalyst Commercial Services' independent approach enables clients to manage their exposure to energy price risk, while at the same time benefiting from a first class service from a range of major and independent suppliers. Catalyst Commercial Services' procurement solutions make it simple, so contact a member of the team to discuss requirements.

T +44 (0) 870 710 7560 | W www.catalyst-commercial.co.uk