

## UK Natural Gas & Power Market: Week Commencing 13-02-2017

Market prices fell week-on-week with a reduction in household usage and improved warmer temperatures being the main bearish drivers. Average temperatures in the UK were more than 6 degrees Celsius compared to circa 3 degrees in the previous week. Adding to the easing sentiment was news that more LNG cargoes are likely to head to the UK for some of February and a step change improvement in LNG arrivals is expected in March now that maintenance has ended in Qatar and Algeria. Limiting some of the downside in the marketplace was a consecutive weakening of the GB Pound, which settled against the Euro at 1.1699 on Friday compared to 1.1735 the previous week. Coal prices also rose during the week 2.13% on concerns that China may cut production in an attempt to curtail the supply glut. However, the benefit of improved supply and demand fundamentals outweighed.

## Outlook and drivers: Week Commencing 20-02-2017

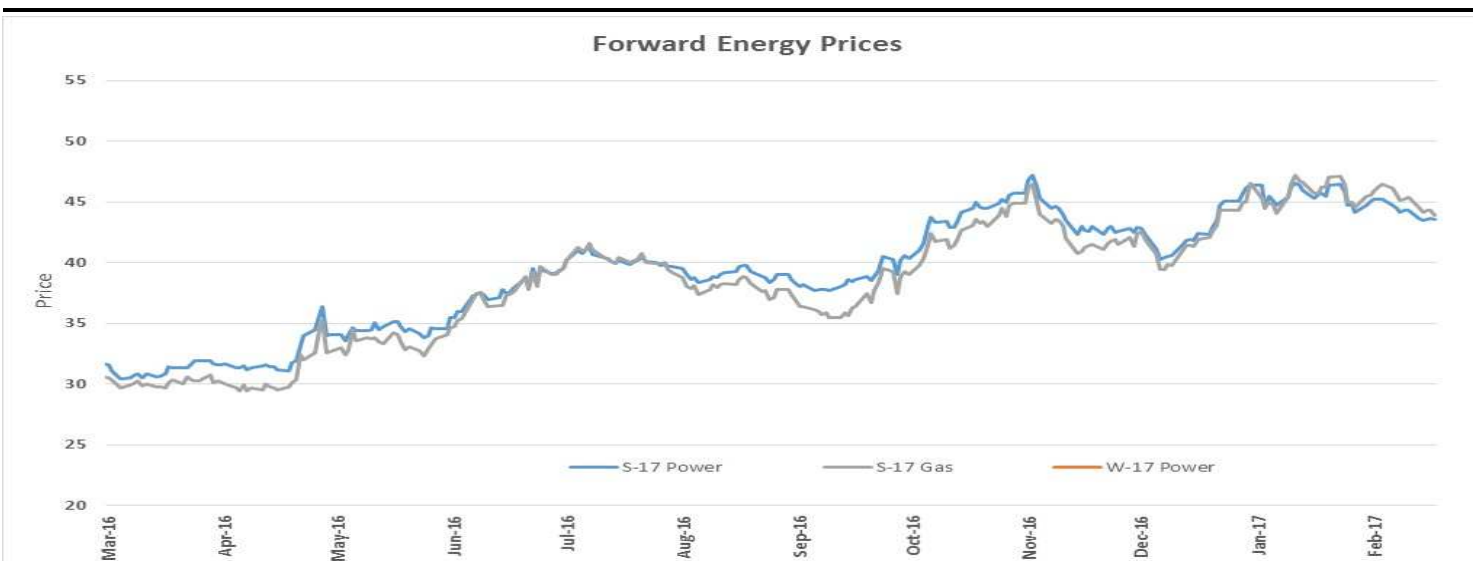
Domestic consumption is expected down from this week by around 11%. It is also expected to be well below the seasonal norm for the time of year. Temperatures are due to be 1.1°C higher than last week and Non-domestic demand is also forecasted down. UK gas production should return to their robust levels barring any further outages or delays on return dates. Current forecasts for LNG send out is stable though LNG send-out may rise with as many as 4 cargoes into the UK over the next few weeks. Strong storage injections are expected next week in view of a less constrained UK gas network but at other storage sites and not at Rough which is the UK's largest gas storage site. There are signals that the Euro has some scope to weaken on political concerns and uncertainty as the chances improve that the anti-European Union Marine Le Pen could win the presidency.

## 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 17/02	Fri 10/02				Fri 17/02	Fri 10/02			
01 April 2017 - 12 Months		£45.65	£46.30	-0.65	-1.40%	▼	46.92	47.95	-1.03	-2.15%	▼
01 April 2017 - 24 Months		£44.05	£44.48	-0.43	-0.97%	▼	46.15	46.97	-0.82	-1.75%	▼
01 April 2017 - 36 Months		£42.41	£42.74	-0.33	-0.76%	▼	-	-			
01 October 2017 - 12 Months		£44.08	£44.53	-0.45	-1.02%	▼	46.33	46.94	-0.61	-1.30%	▼
01 October 2017 - 24 Months		£42.46	£42.71	-0.25	-0.58%	▼	45.52	46.23	-0.71	-1.54%	▼
01 October 2017 - 36 Months		£41.36	£41.56	-0.20	-0.47%	▼	-	-			
01 April 2018 - 12 Months		£42.45	£42.67	-0.22	-0.52%	▼	45.38	46.00	-0.62	-1.35%	▼
01 April 2018 - 24 Months		£40.80	£40.96	-0.165	-0.40%	▼	-	-			

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 17/02	Fri 10/02					Fri 17/02	Fri 10/02	
Coal \$ Per Tonne	67.15	65.75	1.4	2.13%	▲	Demand MCM	180	272	-33.82%
Carbon Euros Per Tonne	4.98	5.12	-0.14	-2.73%	▼	Rough Fullness	14.55%	16.90%	-13.91%
Brent Crude Front Month \$ Per Barrel	55.81	56.70	-0.89	-1.57%	▼	LNG Send out MCM	5.00	8.00	-37.50%



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.