

## UK Natural Gas & Power Market: Week Commencing 17-07-2017

UK energy prices rose on Monday on reduced Norwegian gas production which caused a shortfall in supply. Exports from the UK to the continent through the interconnector were also near full capacity. On Tuesday, markets open down despite undersupply and a risk of Norwegian outages being extended beyond the original scheduled return date. Higher wind speeds weighed on the outlook for demand from the power sector. UK gas production also remained strong. Oil trended down but did recover during the day. Wednesday was mixed despite higher demand and disruption at the St Fergus gas platform. Higher Norwegian gas flows kept gains at bay. Prices recovered on the penultimate working day with the main bullish signal being a drop in Norwegian gas flows. The front month benchmark Brent crude price rose during the day with the EIA confirming US crude oil stocks were down 4.73 million barrels week-on-week. By Friday, prices closed higher overall with the October annual electricity and gas contracts settling +0.22% and +1.27% respectively when compared the previous Friday.

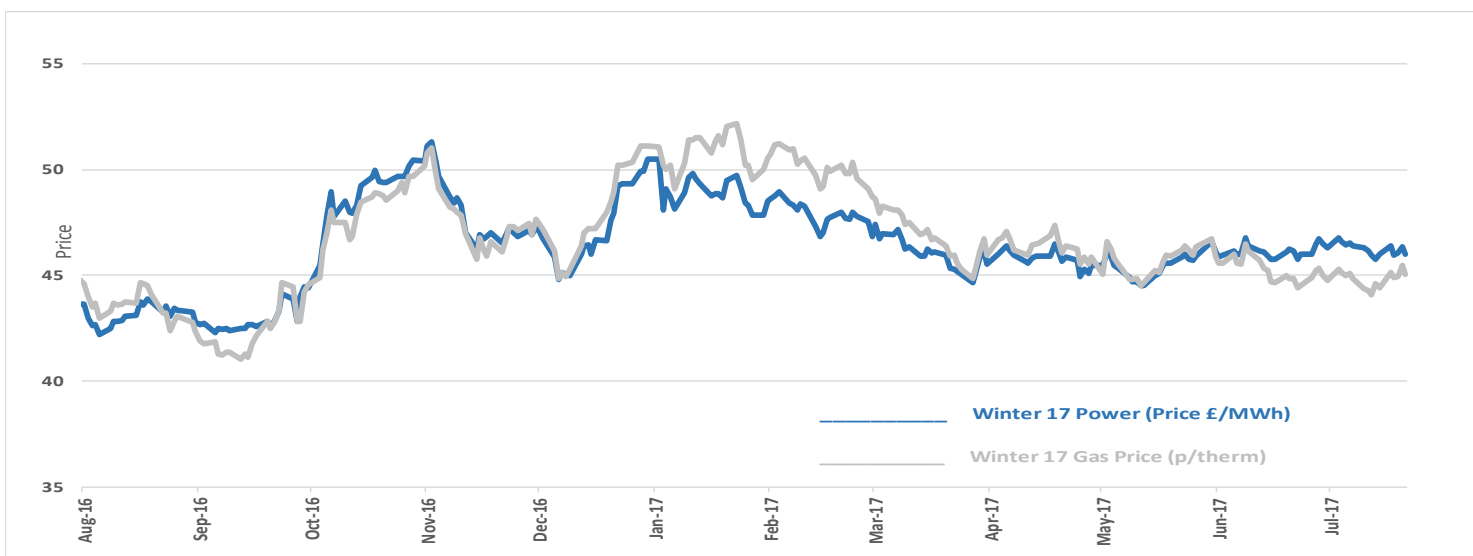
## Outlook and drivers: Week Commencing 24-07-2017

Demand from the domestic sector is expected largely unchanged with only a small deviation expected in temperatures during the week when compared to the previous. Norwegian gas flows are expected to rise circa 16% though UK gas production is expected down. Higher Norwegian gas flows to the UK should help to mitigate some of the risk associated with reduced domestic supply.

## 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 21/07	Fri 14/07				Fri 21/07	Fri 14/07			
01 October 2017 - 12 Months		£42.83	£42.73	0.09	0.22%	▲	42.03	41.50	0.525	1.27%	▲
01 October 2017 - 24 Months		£42.43	£42.19	0.235	0.56%	▲	42.60	41.96	0.6375	1.52%	▲
01 April 2018 - 12 Months		£42.28	£42.06	0.215	0.51%	▲	42.98	42.28	0.7	1.66%	▲
01 April 2018 - 24 Months		£41.84	£41.54								
01 Oct 2018 - 12 Months		£42.03	£41.65	0.375	0.90%	▲	43.18	42.43	0.75	1.77%	▲

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 21/07	Fri 14/07					Fri 21/07	Fri 14/07	
Coal \$ Per Ton	74.00	70.83	3.17	4.48%	▲	Demand MCM	61.89	68.79	-10.03%
Carbon Euros Per Ton	5.08	5.41	-0.33	-6.10%	▼	Rough Stock (MCM)	97.68	97.82	-0.14%
Brent Crude Front Month \$ Per Barrel	48.06	48.91	-0.85	-1.74%	▼	LNG Send out MCM	15.00	16.00	-6.25%



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