

Catalyst Weekly Energy Element / Week 7



UK Natural Gas & Power Market: Week Commencing 05-02-2018

UK energy prices fell on Monday despite the strong increase in demand. The UK gas network was oversupplied, boosted by strong storage withdrawals. Brent crude attained \$67s and the Pound gained. Coal moved sideways after two consecutive days of a strong drop in prices. On Tuesday, prices reduced further as the outlook for temperatures increasing slowly from Thursday provided bearishness. The 45-day weather forecast also confirmed an upward trend in temperatures towards March, indicating that the cold spell at the prevailing time may be the last one seen for the balance of winter. Oil remained in \$67s. Whilst overall demand growth is expected to remain strong, rising US crude output continued to undermine this commodity along with the US dollar strengthening. Mid-week markets bucked the falling trend and rose with the cooler that day being the main bullish concern annulling the benefits of expected lower consumption for the next working day and oversupply on the grid. Thursday saw prices ease once again as supply fears eased, due to the return of the Forties oil and gas pipeline. Met. office forecasts confirmed that temperatures could reach as high as 7 degrees Celsius within day, which was up from lows of around zero earlier in the week. Oil attained \$65s, a price point not seen since late Dec-2017. Further falls in this commodity came as US output continued to soar and North Sea crude flows restarted. By Friday, the April-18 annual electricity and gas products closed lower week on week by 0.98% and 0.65% respectively.

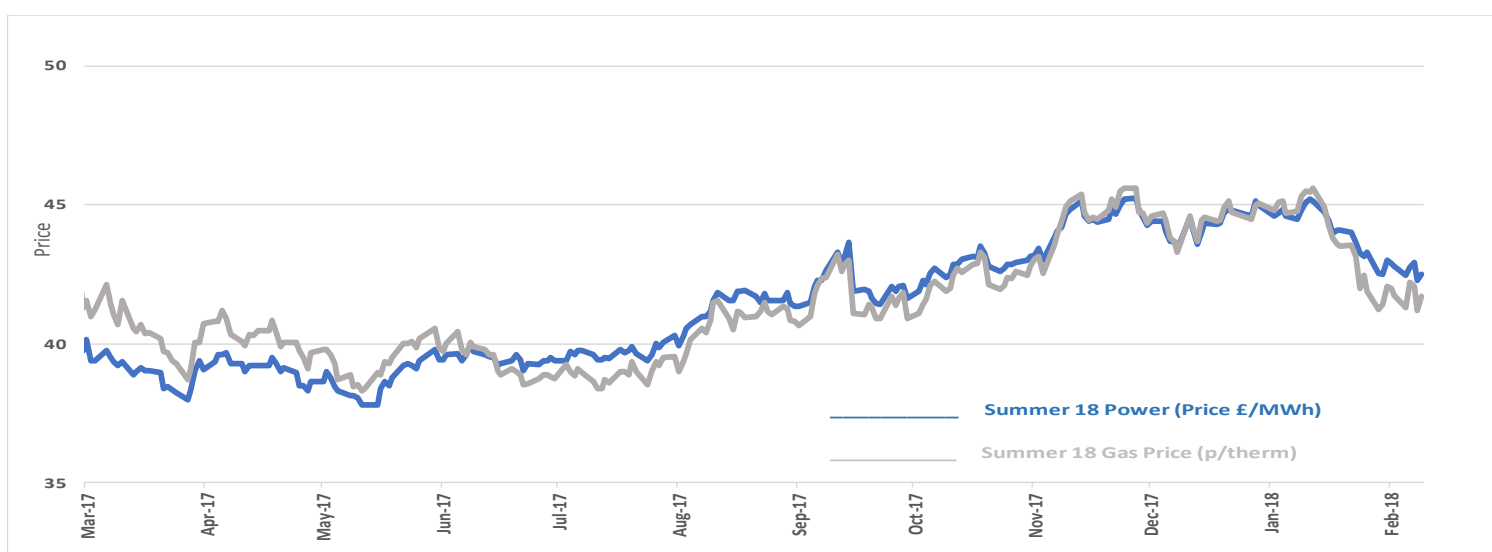
Outlook and drivers: Week Commencing 12-02-2018

Whilst improved temperatures are expected during the week, they are still expected to remain below normal for this time of year. Demand is expected to adjust lower so we should see fewer days where the gas network is constrained. One LNG shipment is expected dock at the UK's main terminal in February. Wind power is expected to fall from Thursday.

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 09/02	Fri 02/02				Fri 09/02	Fri 02/02			
01 April 2018 - 12 Months		£45.38	£45.83	-0.5	-0.98%	▼	£45.65	£45.95	-0.30	-0.65%	▼
01 April 2018 - 24 Months		£43.94	£44.27	-0.33	-0.74%	▼	£44.30	£44.80	-0.50	-1.12%	▼
01 Oct 2018 - 12 Months		£43.95	£44.36	-0.41	-0.91%	▼	£44.25	£44.93	-0.67	-1.50%	▼
01 Oct 2018 - 24 Months		£42.44	£43.72	-1.28	-2.93%	▼	£43.30	£43.83	-0.52	-1.20%	▼
01 April 2019 - 12 Months		£42.50	£42.71	-0.20	-0.48%	▼					

Wider Fuel Complex					Summary				
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 09/02	Fri 02/02					Fri 09/02	Fri 02/02	
Coal \$ Per Ton	77.50	82.95	-5.450	-6.57%	▼	Demand MCM	252.82	238.33	6.08%
Carbon Euros Per Ton	9.21	8.93	0.28	3.14%	▲	Total Gas Stock (MCM)	894.02	1109.64	-19.43%
Brent Crude Front Month \$ Per Barrel	62.79	68.58	-5.79	-8.44%	▼	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.