

UK Natural Gas & Power Market: Week Commencing 02-05-2017

Prices gained on Tuesday on an undersupplied gas network brought about by the unplanned shutdown of gas producing facilities in Norway as well as higher gas exports to the continent. Prices softened mid-week on an oversupplied gas system today. Imports from Norway ramped up with an unplanned outage from the previous working day coming to an end and the UK exported less gas that day. The oil price recovered with an API report showing that US Crude oil inventories had fallen by 4.2 million barrels but the bearish signals from the near market drove prices lower overall and across the board. Prices continued to trend down on the Thursday. Norwegian imports rose nearly 9% compared to the previous day, boosted by the end of maintenance at the Kollsnes gas processing plant. Peak wind power output was forecasted at 7 GWs, another bearish driver, offsetting the impact of four nuclear reactors being offline. The oil price continued to adjust down on a lower than expected decrease in US inventories and growing US gasoline inventories. Week 19 prices closed the week lower compared to week 18, with strong losses recorded in the Oil market, this commodity ending lower week-on-week by 5.08%.

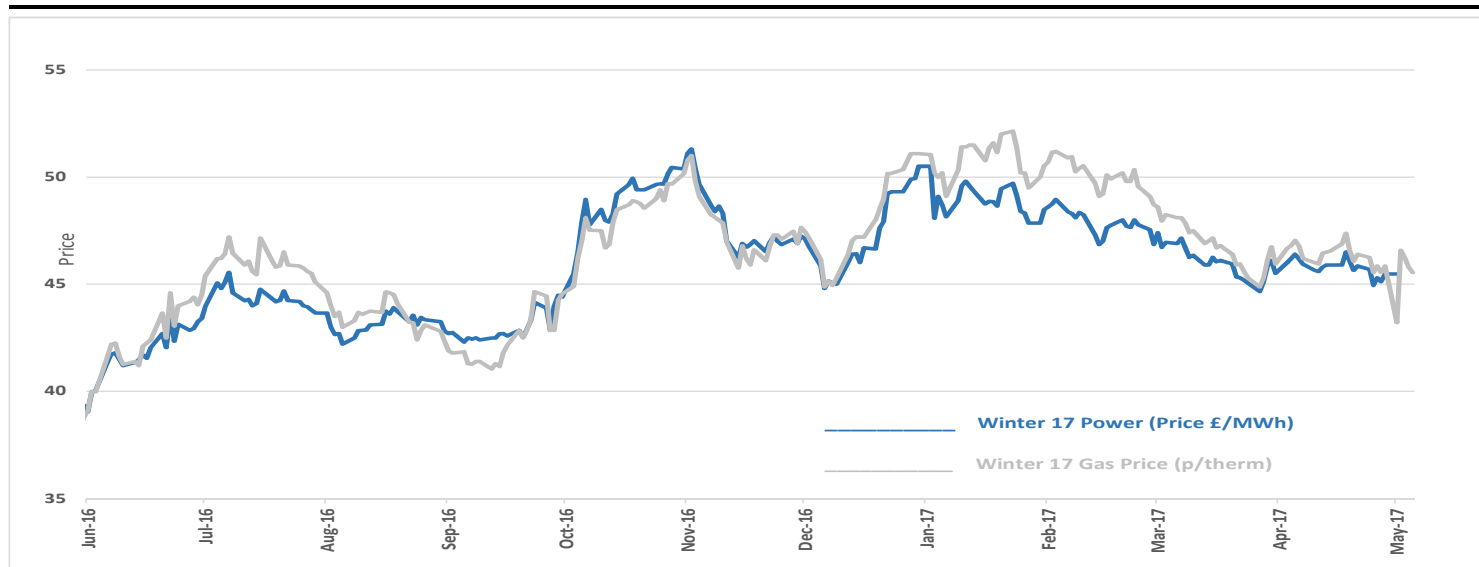
Outlook and drivers: Week Commencing 08-05-2017

Troll maintenance early in the week is expected to reduce Norwegian gas flows to the UK. A further flow reduction will occur towards the end of the week with maintenance at Ormen Lange also commencing. Demand is expected lower overall during the week and offtake of UK gas to the continent is also forecasted lower: these things should help to ease the impact of reduced Norwegian gas, not fully mitigate however. LNG sendout is expected to rise slightly with 2 cargoes docking in the UK on Monday 8th May and Wednesday 17th May.

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 05/05	Fri 28/04				Fri 05/05	Fri 28/04			
01 October 2017 - 12 Months		£41.83	£42.07	-0.24	-0.57%	▼	42.13	42.78	-0.65	-1.52%	▼
01 October 2017 - 24 Months		£40.86	£41.12	-0.26	-0.63%	▼	41.97	42.54	-0.57	-1.34%	▼
01 April 2018 - 12 Months		£40.53	£40.92	-0.39	-0.95%	▼	41.76	42.77	-1.01	-2.36%	▼
01 April 2018 - 24 Months		£39.89	£40.06	-0.17	-0.42%	▼					
01 Oct 2018 - 12 Months		£39.90	£40.18	-0.28	-0.70%	▼	41.81	42.30	-0.49	-1.16%	▼

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 05/05	Fri 28/04					Fri 05/05	Fri 28/04	
Coal \$ Per Ton	65.50	66.40	-0.90	-1.36%	▼	Demand MCM	114	144	-20.83%
Carbon Euros Per Ton	4.57	4.56	0.01	0.22%	▲	Rough Fullness	n/a	6.13%	
Brent Crude Front Month \$ Per Barrel	49.10	51.73	-2.63	-5.08%	▼	LNG Send out MCM	21.00	34.00	-38.24%



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.