

Catalyst Weekly Energy Element / Week 4



UK Natural Gas & Power Market: Week Commencing 15-01-2018

UK energy prices eased on Monday. Whilst consumption was boosted by higher gas demand-for-power generation, milder weather forecasts for the UK and the Continent weighed on prices. UK and Norwegian gas production were strong, and the LNG outlook appeared more stable with the possibility of 1 or 2 shipments en route to the UK. Oil remained in \$69s but did trend down in parts with a rising North American rig count beating off some of the bullishness in this commodity. Strong price falls continued Tuesday with oversupply and weakness in oil and coal markets driving, along with a strong(er) performing GB Pound versus the competing Euro. The 45-day weather forecast for the UK and continent was another bearish driver. Continued oversupply, weakness in the oil market and strength in the GB Pound resulted in further price falls mid-week. On Thursday, the cold snap lingered, Norwegian gas were lower due to an unplanned outage and UK gas production was also reduced due to another unplanned outage at Bacton. However, continued high imports from the Continent offset the market risks along with healthy gas storage stocks. By Friday, the April-18 annual electricity and gas products closed lower by 1.95% and 4.00% respectively.

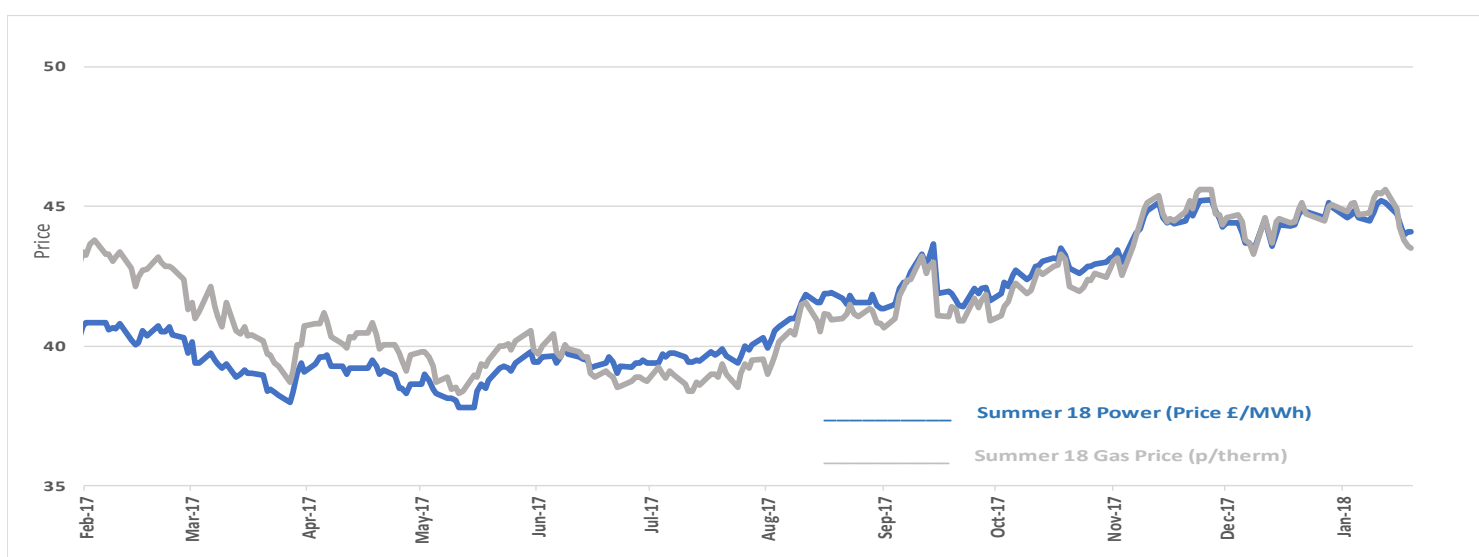
Outlook and drivers: Week Commencing 22-01-2018

Weather forecasts remain mild and UK medium range gas storage remains well replenished. Weather-related premiums are likely to be further eroded during the week should the 45-day outlook remain bearish for the UK and continent. The oil market has opened higher in week commencing 22nd Jan and any continued rises in this commodity are likely to impact the direction of contracts further out.

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 19/01	Fri 12/01				Fri 19/01	Fri 12/01			
01 April 2018 - 12 Months		£47.24	£48.18	-0.9	-1.95%	▼	£48.00	£50.00	-2.00	-4.00%	▼
01 April 2018 - 24 Months		£45.69	£46.47	-0.78	-1.67%	▼	£47.04	£48.76	-1.73	-3.54%	▼
01 Oct 2018 - 12 Months		£45.76	£46.43	-0.66	-1.43%	▼	£47.25	£48.88	-1.63	-3.32%	▼
01 Oct 2018 - 24 Months		£44.83	£45.06	-0.23	-0.52%	▼	£46.22	£47.87	-1.65	-3.44%	▼
01 April 2019 - 12 Months		£44.15	£44.77	-0.62	-1.37%	▼					

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 19/01	Fri 12/01					Fri 19/01	Fri 12/01	
Coal \$ Per Ton	85.75	85.00	0.75	0.88%	▲	Demand MCM	257.16	226.34	13.61%
Carbon Euros Per Ton	8.73	7.83	0.9	11.49%	▲	Total Gas Stock (MCM)	1083.63	1169.90	-7.37%
Brent Crude Front Month \$ Per Barrel	68.61	69.87	-1.26	-1.80%	▼	LNG Send out MCM	8.00	5.00	60.00%



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.