

UK Natural Gas & Power Market: Week Commencing 03-07-2017

Markets rose on Monday on undersupply with higher continental gas exports. A higher LNG send-out did however reduce the impact of system undersupply. Markets open down on Tuesday despite lower wind speeds and nuclear outages. Stronger Norwegian gas flows, LNG arrivals, an outlook for lower demand and CCGT demand dampened prices. On Wednesday, some disruption at St Fergus Mobil meant lower UK gas production. Wind speeds remained reduced and nuclear plant outages kept CCGT demand robust. However, Norwegian flows were strong and helped to alleviate supply risk. Prices for August 2017+ closed higher on Thursday, a consequence of a higher oil market following API reports that US stock and inventories had reduced week-on-week. The GB Pound also weakened that day and contributed to the rising price trend. By Friday, the October 17 annual electricity and gas contracts closed higher by 0.54% and 0.34% respectively when compared to the same day in the previous week. The Oil price ended the week lower by 2.53% limiting prices gains during the week.

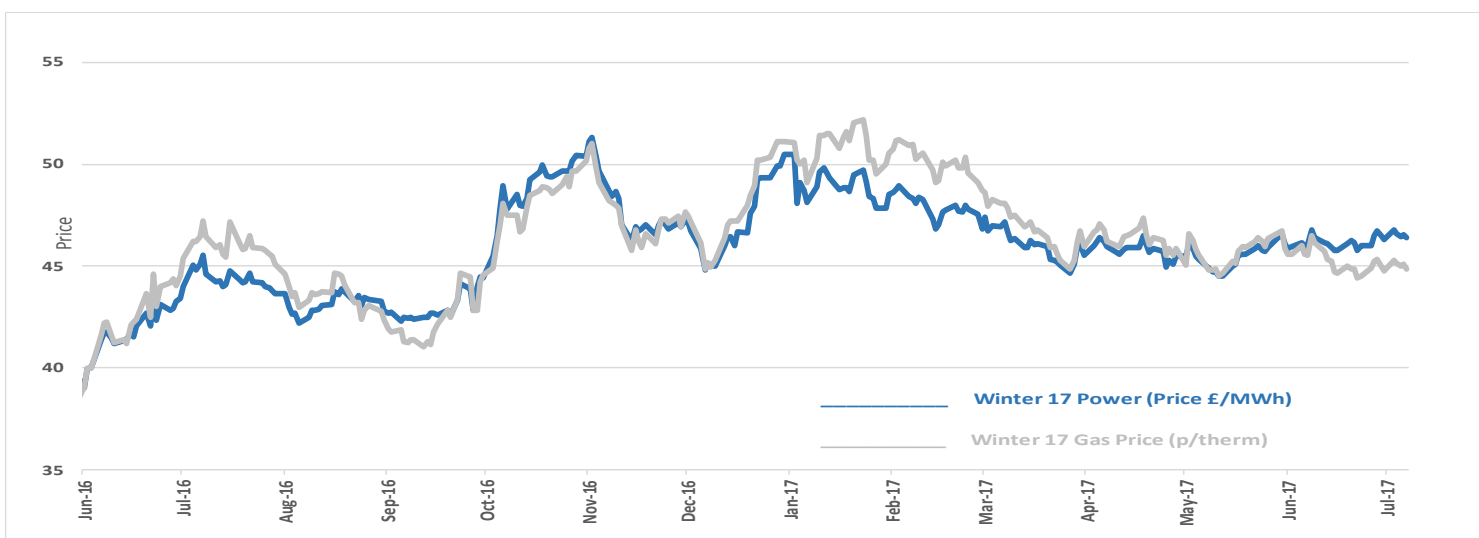
Outlook and drivers: Week Commencing 10-07-2017

Signals for higher prices are that there is the production outage at Gjoa, which is a small planned maintenance on the UK gas shelf. We have also seen lower gas flows from Bacton and St. Fergus the last couple of days. But the signals for lower prices are higher Norwegian gas flows remaining strong, there is a flurry of LNG cargoes arriving to the UK and CCGT demand looks set to be weaker during the week.

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 07/07	Fri 30/06				Fri 07/07	Fri 30/06			
01 October 2017 - 12 Months		£43.08	£42.85	0.23	0.54%	▲	41.90	41.76	0.14	0.34%	▲
01 October 2017 - 24 Months		£42.41	£42.15	0.26	0.62%	▲	42.31	42.08	0.2325	0.55%	▲
01 April 2018 - 12 Months		£42.24	£41.98	0.265	0.63%	▲	42.63	42.38	0.25	0.59%	▲
01 April 2018 - 24 Months		£41.53	£41.15	0.3825	0.93%	▲					
01 Oct 2018 - 12 Months		£41.74	£41.45	0.29	0.70%	▲	42.73	42.40	0.325	0.77%	▲

Wider Fuel Complex					Summary				
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 07/07	Fri 30/06					Fri 07/07	Fri 30/06	
Coal \$ Per Ton	72.50	70.25	2.25	3.20%	▲	Demand MCM	59.30	74.24	-20.12%
Carbon Euros Per Ton	5.33	5.02	0.31	6.18%	▲	Rough Stock (MCM)	97.82	97.84	-0.02%
Brent Crude Front Month \$ Per Barrel	46.71	47.92	-1.21	-2.53%	▼	LNG Send out MCM	11.00	8.00	37.50%



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