

Catalyst Weekly Energy Element / Week 39



UK Natural Gas & Power Market: Week Commencing 18-09-2017

The week opened with prices pulling back from the previous working day, tracking movements in the coal and oil markets. The onset of maintenance at the Easington terminal lifted prices on Tuesday: this event rendered the UK gas network tight although the risk of a supply shortfall was mitigated by reduced exports of UK gas to the continent. Markets fell mid-week with rising gas flows through the UK's main import pipeline and on lower-than-expected demand. The imminent end of maintenance at Troll, Kollsnes and Bacton also contributed to bearishness that day. Thursday saw prices fall further despite undersupply, lower Norwegian gas inputs, the risk of the Bacton Shell field not returning as scheduled and colder than forecasted weather. Lower demand for gas from the power generation sector helped to limit excess demand that day along with expectations of improved gas imports. Overall by Friday, annual energy products lost value week-on-week with the October-17 annual electricity and gas contracts closing lower by 1.78% and 0.82% respectively.

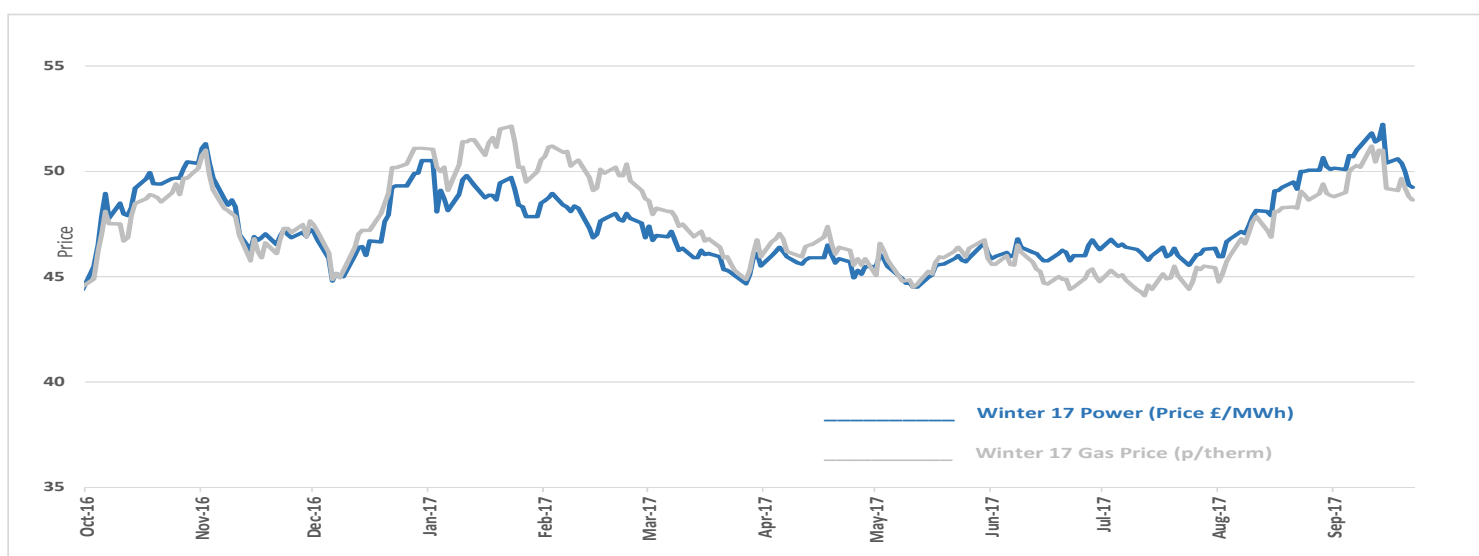
Outlook and drivers: Week Commencing 25-09-2017

Domestic consumption is expected lower on a warmer weather outlook. Exports to Ireland are also expected lower with the full return of the Corrib field. UK gas production is expected higher with the return of gas fields from maintenance. Norwegian flows may be lower in the early part of the week but should rise from mid-week due to the end of a maintenance on the gas shelf there.

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 22/09	Fri 15/09				Fri 22/09	Fri 15/09			
01 October 2017 - 12 Months		£45.33	£46.15	-0.82	-1.78%	▼	£44.78	£45.15	-0.37	-0.82%	▼
01 October 2017 - 24 Months		£44.26	£44.83	-0.57	-1.27%	▼	£44.49	£44.78	-0.29	-0.65%	▼
01 April 2018 - 12 Months		£44.03	£44.45	-0.42	-0.94%	▼	£44.65	£44.97	-0.32	-0.71%	▼
01 April 2018 - 24 Months		£43.10	£43.46	-0.36	-0.83%	▼					
01 Oct 2018 - 12 Months		£43.18	£43.50	-0.32	-0.74%	▼	£44.20	£44.42	-0.22	-0.50%	▼

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 22/09	Fri 15/09					Fri 22/09	Fri 15/09	
Coal \$ Per Ton	81.70	82.50	-0.80	-0.97%	▼	Demand MCM	98.39	99.50	-1.12%
Carbon Euros Per Ton	6.64	6.94	-0.30	-4.32%	▼	Rough Stock (MCM)	97.68	97.68	-
Brent Crude Front Month \$ Per Barrel	56.86	55.62	1.24	2.23%	▲	LNG Send out MCM	10.00	9.00	11.11%



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.