

UK Natural Gas & Power Market: Week Commencing 14-08-2017

Markets trended down on Monday thanks to a higher offtake of Norwegian gas supplies and lower exports through the interconnector or IUK. Prices continued to fall on Tuesday despite a new field maintenance being reported by the Norwegian gas system operator, Gassco. The effect of this was somewhat mitigated with the ongoing outage at Sleipner expected to come to an end. The gas network was oversupplied system and CCGT forecasts pointed lower on expected and oncoming higher wind speeds. All contracts rose on Wednesday on continued and reduced Norwegian gas imports to the UK. On Thursday, most prices fell with wind power once again expected to rise. National consumption was also expected to ease and the oil price fell further, attaining just over \$50 per barrel. The Pound gained on retail sales data released for the month of July which showed a rise albeit not as big as expected. By Friday, power prices closed higher overall with the October-17 annual contract settling +1.34%. However the corresponding gas contract closed lower -0.19% when compared to the previous Friday (11th August).

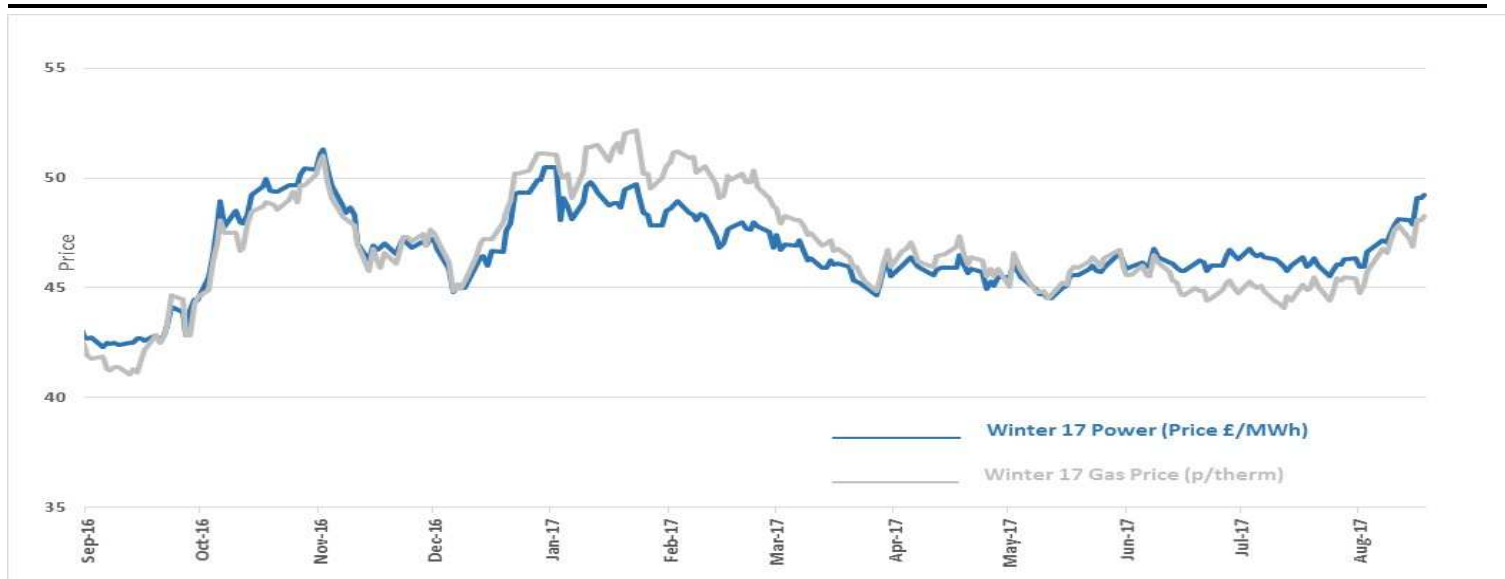
Outlook and drivers: Week Commencing 21-08-2017

Improved Norwegian and UK gas production is likely next week which should help to offset the bullish risk of higher demand from the power sector. A consequence of lower wind speeds during the week. LNG send-out looks stable week-on-week despite Qatari cargo arrivals in the latter part of August. With an unnoticeable adjustment to UK weather temperature, domestic consumption is set to look stable.

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 18/08	Fri 11/08				Fri 18/08	Fri 11/08			
01 October 2017 - 12 Months		£45.60	£44.99	0.605	1.34%	▲	44.62	44.70	-0.09	-0.19%	▼
01 October 2017 - 24 Months		£44.67	£44.38	0.2925	0.66%	▲	44.59	44.94	-0.35	-0.78%	▼
01 April 2018 - 12 Months		£44.40	£44.33	0.06	0.15%	▲	44.71	45.18	-0.48	-1.05%	▼
01 April 2018 - 24 Months		£43.76	£43.72	0.04	0.10%	▲					
01 Oct 2018 - 12 Months		£43.75	£43.77	-0.02	-0.05%	▼	44.56	45.18	-0.62	-1.37%	▼

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 18/08	Fri 11/08					Fri 18/08	Fri 11/08	
Coal \$ Per Ton	78.52	76.25	2.27	2.98%	▲	Demand MCM	61.22	64.54	-5.14%
Carbon Euros Per Ton	5.81	5.38	0.43	7.99%	▲	Rough Stock (MCM)	97.68	97.68	-
Brent Crude Front Month \$ Per Barrel	52.72	52.10	0.62	1.19%	▲	LNG Send out MCM	12.00	10.00	20.00%



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