

Catalyst Weekly Energy Element / Week 8



UK Natural Gas & Power Market: Week Commencing 12-02-2018

Prices rose during the week on a colder weather outlook and rising consumption. On Monday healthier supply helped to limit the extent of price gains. Prices continued upwards on Tuesday with forecasts showing colder temperatures for the week ahead. The gas system remained oversupplied, with very healthy domestic gas production continuing. Peak wind generation was high. The full return of Flaga was delayed which added to the bullish sentiment that day too. Oil attained \$62s but the benefit of this (comparably low) price-point was offset by a more bullish spot market. Prices reduced on Wednesday with higher forecasted wind speeds leading to a fall in CCGT demand. Prices directions were more mixed on Thursday with some contracts up and some down: the near market was down as high imports from Belgium (IUK) and the Netherlands (BBL) resulted in oversupply. However, demand for gas to heat homes and generate electricity rose and there was an unplanned outage at the FLAG pipeline system. A recovery in the oil market kept other contracts above their previous day equivalents. By Friday, the annual April 2018 electricity and gas contracts closed higher week-on-week by 0.95% and 0.93% respectively.

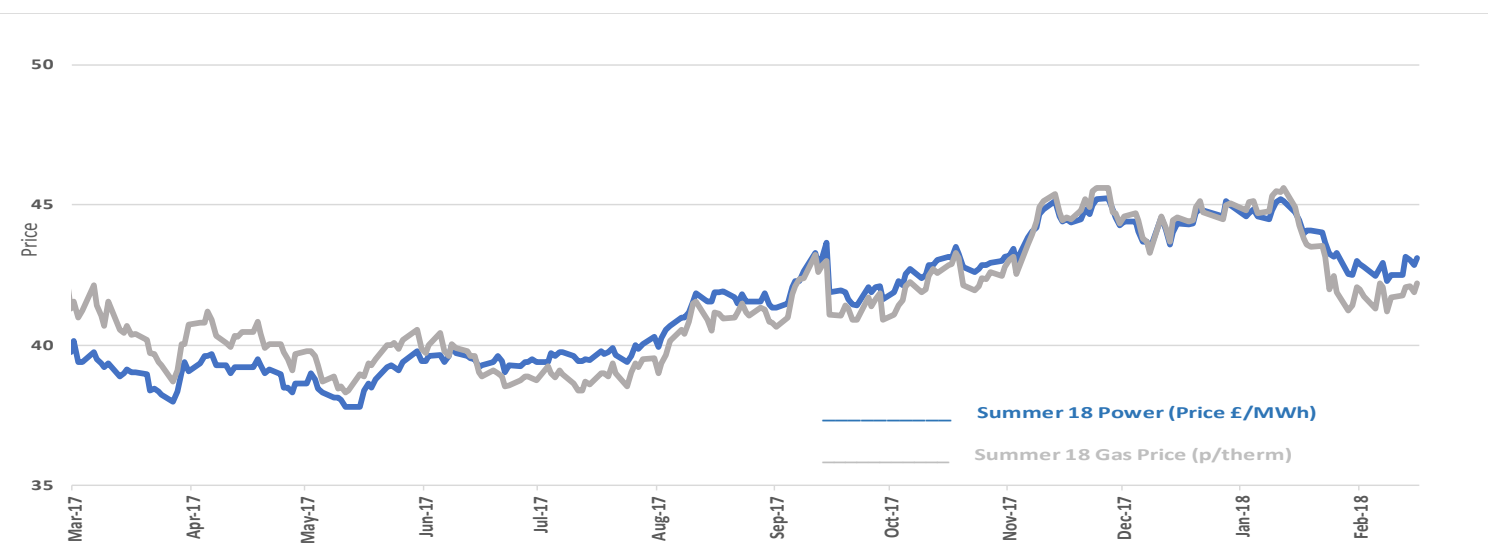
Outlook and drivers: Week Commencing 19-02-2018

Consumption is forecasted higher with UK temperatures below the seasonal norm.

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 16/02	Fri 09/02				Fri 16/02	Fri 09/02			
01 April 2018 - 12 Months		£45.81	£45.38	0.43	0.95%	▲	£46.08	£45.65	0.425	0.93%	▲
01 April 2018 - 24 Months		£44.33	£43.94	0.3925	0.89%	▲	£44.69	£44.30	0.3875	0.87%	▲
01 Oct 2018 - 12 Months		£44.23	£43.95	0.28	0.64%	▲	£44.63	£44.25	0.375	0.85%	▲
01 Oct 2018 - 24 Months		£42.68	£42.44	0.2425	0.57%	▲	£43.56	£43.30	0.2625	0.61%	▲
01 April 2019 - 12 Months		£42.86	£42.50	0.355	0.84%	▲					

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 16/02	Fri 09/02					Fri 16/02	Fri 09/02	
Coal \$ Per Ton	80.10	77.50	2.6	3.35%	▲	Demand MCM	233.71	252.82	-7.56%
Carbon Euros Per Ton	9.50	9.21	0.29	3.15%	▲	Total Gas Stock (MCM)	870.15	894.02	-2.67%
Brent Crude Front Month \$ Per Barrel	64.84	62.79	2.05	3.26%	▲	LNG Send out MCM	5.00	5.00	-



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.

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