

Catalyst Weekly Energy Element / Week 44



UK Natural Gas & Power Market: Week Commencing 23-10-2017

Prices adjusted down on Monday on lower demand and a rise in LNG send out. LNG send out from the South Hook rose to 14 mcm, an attempt to free up storage space for a tanker unloading at the terminal. Norwegian gas flows were also higher despite there being some expectations for a reduction. Prices opened the day lower on Tuesday despite the gas network being undersupplied on various outages. However, these outages were reported to end within 24 hours. Contracts further along however rose in line with movements in the oil price and a weaker performing GB Pound. Mid-week prices rose, boosted by a reduction in Norwegian gas and there still being ongoing problems at Bacton Seal. Both the coal and oil markets trended up alongside too. Markets were mixed on Thursday with the outlook for reduced demand and stronger wind power inputs pressurizing nearer term contracts. However some contracts further along adjusted up, responding to the oil price which rose following comments from Saudi Arabia that endeavours to end the supply glut would prevail. By Friday, the April 18 annual electricity and gas products rose 0.62% and 1.00% respectively. The oil price ended the week higher overall by 4.66%, a gain of \$2.69 per barrel when compared to the previous Friday.

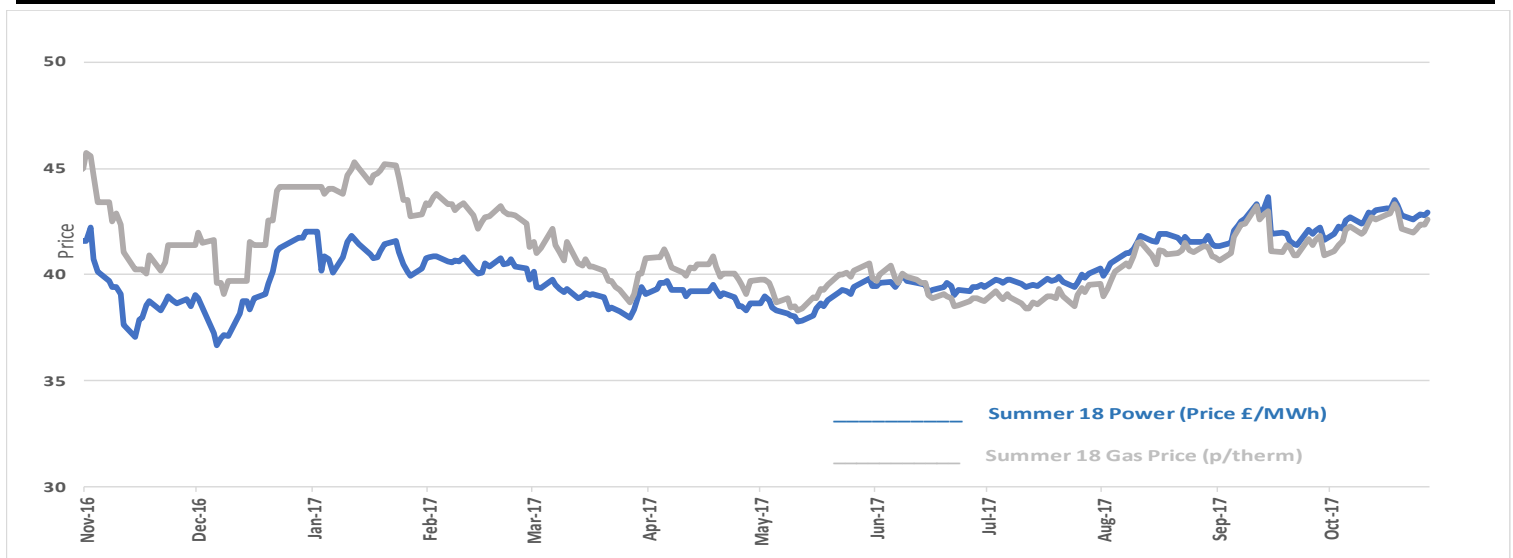
Outlook and drivers: Week Commencing 30-10-2017

Higher consumption is expected which is bullish but some of that should be offset by a rise in supply from the Norwegian and UK continental gas shelves. Total LNG could also rise too with a number of cargo arrivals to the UK. This will be a key flexible supply source during periods of high demand. Movements in markets such as oil, coal and foreign currency will contribute too.

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 27/10	Fri 20/10				Fri 27/10	Fri 20/10			
01 April 2018 - 12 Months		£45.60	£45.32	0.28	0.62%	▲	£46.36	£45.90	0.46	1.00%	▲
01 April 2018 - 24 Months		£44.35	£43.95	0.404	0.92%	▲	£45.65	£45.44	0.21	0.46%	▲
01 Oct 2018 - 12 Months		£44.48	£43.98	0.505	1.15%	▲	£45.75	£45.55	0.2	0.44%	▲
01 Oct 2018 - 24 Months		£43.19	£42.94	0.25	0.58%	▲	£45.25	£45.18	0.07	0.16%	▲
01 April 2019 - 12 Months		£43.07	£42.58	0.49	1.15%	▲					

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 27/10	Fri 20/10					Fri 27/10	Fri 20/10	
Coal \$ Per Ton	84.75	83.50	1.25	1.50%	▲	Demand MCM	128.14	113.42	12.98%
Carbon Euros Per Ton	7.17	7.57	-0.40	-5.28%	▼	Rough Stock (MCM)	705.76	775.42	-8.98%
Brent Crude Front Month \$ Per Barrel	60.44	57.75	2.69	4.66%	▲	LNG Send out MCM	14.00	6.00	133.33%



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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