

Catalyst Weekly Energy Element / Week 40



UK Natural Gas & Power Market: Week Commencing 25-09-2017

Prices gained strongly at the start of week on higher-than-expected national consumption and a rising oil price. Monday's gains were reversed on Tuesday despite higher exports of UK gas to the continent and lower Norwegian gas flows. By Wednesday, there remained significant Norwegian outages which affected the gas markets. However, the coal price fell and the gas network was fairly balanced on forecasts for warm weather and expected strong wind power. News that Gazprom sees scope to increase gas exports to Europe aided. The front month Brent Crude oil contract closed down -0.92% to \$57.90, and the Pound gained against the Euro. Factors that contributed to higher prices on Thursday were higher gas demand but an LNG tanker confirmed its destination at the UK's Isle of Grain terminal and this bolstered the supply outlooks for October 17 and beyond. Oil was bullish as Iraqi Kurdistan voted overwhelmingly in favour of independence, prompting the Turkish president to say he could use force to prevent the rise of an independent Kurdish state. Overall by Friday, annual energy products gained week-on-week with the October-17 annual electricity and gas contracts closing higher by 0.75% and 0.49% respectively. Please note that the October-17 annual energy products have now expired and will not show in next week's report.

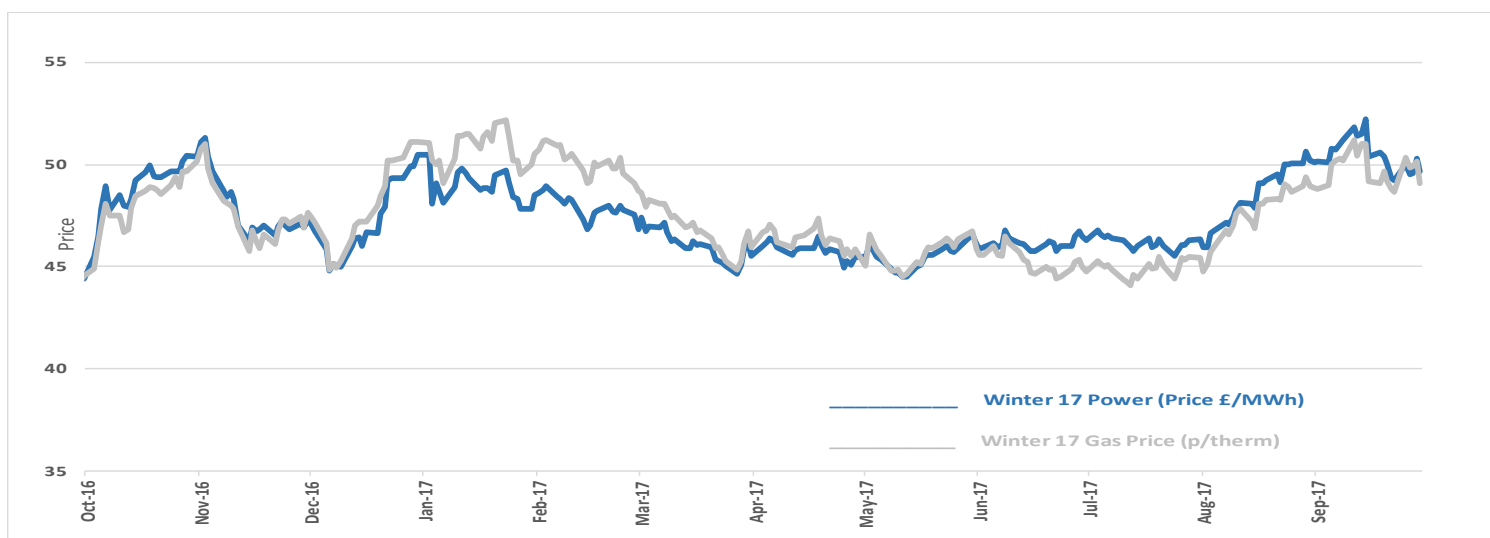
Outlook and drivers: Week Commencing 02-10-2017

An expected increase in supply should more than meet the expected increase in demand with total Norwegian imports of gas to the UK expected higher. UK gas production is expected. A couple of LNG cargoes are expected to head to the UK in the first part of October and another may also arrive mid-October.

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 29/09	Fri 22/09				Fri 29/09	Fri 22/09			
01 October 2017 - 12 Months		£45.67	£45.33	0.34	0.75%	▲	£45.00	£44.78	0.22	0.49%	▲
01 October 2017 - 24 Months		£44.35	£44.26	0.09	0.20%	▲	£44.43	£44.49	-0.06	-0.13%	▼
01 April 2018 - 12 Months		£44.10	£44.03	0.07	0.16%	▲	£44.51	£44.65	-0.14	-0.31%	▼
01 April 2018 - 24 Months		£43.08	£43.10	-0.02	-0.05%	▲					
01 Oct 2018 - 12 Months		£43.03	£43.18	-0.15	-0.35%	▼	£43.86	£44.20	-0.34	-0.77%	▼

Wider Fuel Complex					Summary				
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates	Dates	% Change
	Fri 29/09	Fri 22/09					Fri 29/09	Fri 22/09	
Coal \$ Per Ton	77.15	81.70	-4.55	-5.57%	▼	Demand MCM	84.00	98.39	-14.63%
Carbon Euros Per Ton	7.06	6.64	0.42	6.33%	▲	Rough Stock (MCM)	n/a	n/a	-
Brent Crude Front Month \$ Per Barrel	57.54	56.86	0.68	1.20%	▲	LNG Send out MCM	9.00	10.00	-10.00%



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.