

UK Natural Gas & Power Market: Week Commencing 04-09-2017

UK energy prices rose on Monday despite oversupply and a reduction in UK gas to the continent. Reduced Norwegian gas deliveries, a firmer Euro to GP Pound rate along with support from the coal market were the main bullish drivers of the day. Prices gained further on Tuesday, directed higher by a pick-up in UK gas exports and a continued reduced LNG send-out level. Prices within the wider fuel spectrum such as oil, carbon and coal also gained during the day. Despite oversupply and improved Norwegian gas deliveries to the UK, prices closed higher mid-week due to an unplanned outage at the Laggan Tormore field and once again, price rises in the coal, carbon and oil markets filtered through. A tighter supply outlook meant that the upward trajectory in prices continued on Thursday with average temperatures expected to dip from September 15th to lows of 10.5 degrees. The Aldbrough mid-range gas storage facility experienced a full outage also. Overall by Friday, annual energy products rose week-on-week with the October-17 annual electricity and gas contracts closing higher by 2.58% and 3.52% respectively.

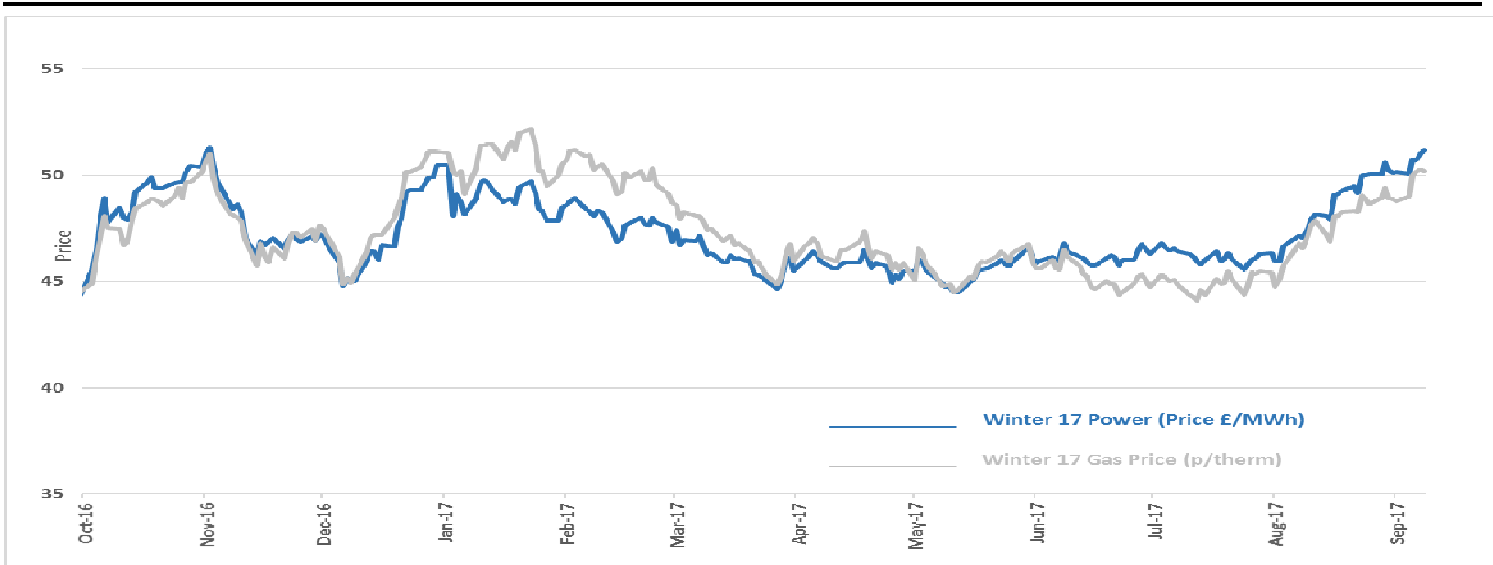
Outlook and drivers: Week Commencing 11-09-2017

UK weather temperatures are expected to fall during the week from an average of 14.8 degrees in week 36 to an average of 12.9 degrees Celsius in week 37 which will incur higher demand for gas from the household sector. LNG sendout from South Hook adjusted lower from the beginning of September with only 1-2 cargoes expected to offload in the UK. Given this, the supply outlook remains tight going into week 37.

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 08/09 | Fri 01/09 | | | | Fri 08/09 | Fri 01/09 | | | |
| 01 October 2017 - 12 Months | | £46.93 | £45.75 | 1.18 | 2.58% | ▲ | £46.30 | £44.73 | 1.575 | 3.52% | ▲ |
| 01 October 2017 - 24 Months | | £45.72 | £44.61 | 1.105 | 2.48% | ▲ | £46.02 | £44.52 | 1.4925 | 3.35% | ▲ |
| 01 April 2018 - 12 Months | | £45.38 | £44.12 | 1.26 | 2.86% | ▲ | £46.16 | £44.45 | 1.71 | 3.85% | ▲ |
| 01 April 2018 - 24 Months | | £44.32 | £43.39 | 0.93 | 2.14% | ▲ | | | | | |
| 01 Oct 2018 - 12 Months | | £44.50 | £43.47 | 1.03 | 2.37% | ▲ | £45.73 | £44.32 | 1.41 | 3.18% | ▲ |

| Wider Fuel Complex | | | | | Summary | | | | |
|---------------------------------------|------------------|-----------|--------------|----------|-----------|-------------------|-----------|-----------|----------|
| Fuel | Settlement Price | | Price Change | % Change | Direction | Item | Dates | | % Change |
| | Fri 08/09 | Fri 01/09 | | | | | Fri 08/09 | Fri 01/09 | |
| Coal \$ Per Ton | 80.65 | 78.10 | 2.55 | 3.27% | ▲ | Demand MCM | 75.76 | 70.18 | 7.95% |
| Carbon Euros Per Ton | 6.89 | 5.82 | 1.07 | 18.38% | ▲ | Rough Stock (MCM) | 97.68 | 97.68 | - |
| Brent Crude Front Month \$ Per Barrel | 53.78 | 52.75 | 1.03 | 1.95% | ▲ | LNG Send out MCM | 12.00 | 12.00 | - |



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