

NBP Natural Gas & GB Power Market Movement, Week Commencing 05-12-2016

Despite oil prices exceeding \$55 per barrel, UK energy prices fell early in the week. Average temperatures for the rest of the week were expected to reduce demand for gas overall and there were expectations of higher wind power production according to National Grid data. The Sterling strengthened against the Euro on the resignation of the Italian Prime Minister. News that some of the nuclear reactors in France could restart also added some downward pressure and hovering doubts over whether OPEC production would actually address the issue of the current supply glut in the oil market. Mid-week, markets closed higher following four days of consecutive price falls on an unplanned outage on the Norwegian gas shelf which left the gas network undersupplied and needing to balance. A weakness in the Pound against the Euro also contributed but markets went on to ease back on Thursday thanks to a recovery in the Pound, mild weather and expectations of higher wind speeds. On Friday, markets regained on an undersupplied gas system, expectations of reduced wind power and Oil gained 0.80% ahead of the OPEC and non OPEC weekend meeting in Vienna.

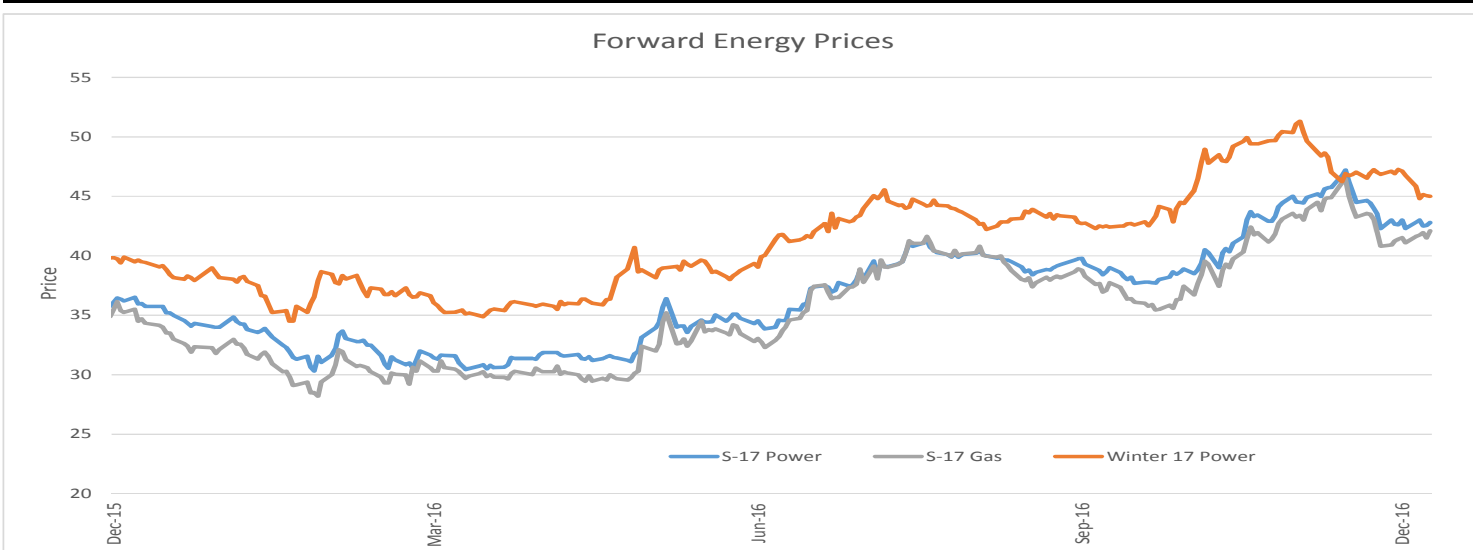
Outlook for the Week Ahead, Week Commencing 12-12-2016

Household energy usage is expected to increase slightly but there should be lower gas usage from power generators and higher UK gas production with the outage at Morecambe possibly ending next week. This should help balance out the risk of slightly higher demand. Only one LNG cargo may head to the UK for the rest of December. If this cargo is confirmed as destined to the UK this could improve send-out levels. Rough, the UK's largest gas storage site, came back from maintenance on 9th December. More testing is expected in December and improved capability is expected in January. Wider fuel prices like Oil and Coal will play a role. There has been a strong fall in Coal markets but recovery did occur, especially at the end of w/c 5th December. An announcement that non-OPEC members have agreed to cut oil production by 600,000 per barrel will potentially lift prices. An estimated half of the non-OPEC cut in oil production is expected to come from Russia.

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 09/12	Fri 02/12				Fri 09/12	Fri 02/12			
01 April 2017 - 12 Months		£42.80	£44.50	-£1.70	-3.82%	▼	42.53	44.50	-1.97	-4.43%	▼
01 April 2017 - 24 Months		£41.11	£42.53	-£1.42	-3.34%	▼	42.29	44.38	-2.09	-4.71%	▼
01 April 2017 - 36 Months		£40.02	£41.02	-£1.00	-2.44%	▼	-	-			
01 October 2017 - 12 Months		£41.05	£42.60	-1.55	-3.64%	▼	42.50	44.33	-1.83	-4.13%	▼
01 October 2017 - 24 Months		£39.83	£40.84	-1.01	-2.47%	▼	42.70	44.26	-1.56	-3.52%	▼
01 October 2017 - 36 Months		£38.95	£40.67	-1.72	-4.23%	▼	-	-			
01 April 2018 - 12 Months		£39.43	£40.56	-1.13	-2.79%	▼	42.05	44.25	-2.2	-4.97%	▼
01 April 2018 - 24 Months		£38.63	£39.28	-0.65	-1.65%	▼	-	-			

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 09/12	Fri 02/12					Fri 09/12	Fri 02/12	
Coal \$ Per Tonne	62.85	65.35	-2.5	-3.83%	▼	Demand MCM	197	241	-18.26%
Carbon Euros Per Tonne	4.46	4.30	0.16	3.72%	▲	Rough Fullness	35%	35%	-
Brent Crude Front Month \$ Per Barrel	54.33	54.46	-0.13	-0.24%	▼	LNG Sendout MCM	8	13	-38.46%



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.