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## **Catalyst Commercial Services Energy Market Report: September 2010**

Any views and recommendations are offered for your consideration, but may be wrong as the market is highly uncertain, with additional risks which are unknown until they arise. Statements in this press release regarding Catalyst's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. © 2001 - 2010 Catalyst Commercial Services Limited. - All Rights Reserved.

### **Short -Term Risk Drivers**

Despite recent and widespread market volatility, gas prices have finished very similar to where they started at the start of the month. This is partially due to less routine maintenance than was previously predicted for August, and weaker than expected Asian growth figures, that could have triggered concerns of future supplies. And once again the market has been supported by further deliveries of LNG gas supplies. This market optimism has also followed into the electricity markets with healthy supply margins keeping prices steady. However with the end of the traditional summer holiday period over, and the main October renewal round about to commence, as traders start returning back to their desks, could cause prices to rise as short term attention now focuses on the coming winter supply period and the available power to meet demand ratio.

### **Long-Term Risk Drivers**

Additional routine maintenance operations are expected during this time of year as plants moth ball for routine inspections, before the heavy winter period commences. Any additional system issues could affect the supply and demand chain and could impact heavy on short term prices should a sustained period commence.

### **Views and Recommendations**

Current supply margins are looking quite healthy for this time of the year, as we start to enter the winter supply period. However we would expect some market reaction to the October renewal round as buyers look to secure contracts over the next month, and this increased buying signal can help to influence market activity. This could on the other hand be balanced by further supplies of LNG and continued healthy supplies and system support. We believe that you should monitor both the gas and electricity markets very carefully at the moment, and select an opportunity to secure offers on a day when prices present a good offer. As always proceed with caution as long term volatility and unexpected price increases could commence without warning at any time. Our independent approach enables clients to manage their exposure to energy price risk, whilst at the same time benefiting from a first class service from a range of major and independent suppliers. Our procurement solutions make it simple, so contact a member of our team to discuss your requirements.