

# Catalyst Weekly Energy Element / Week 6



## UK Natural Gas & Power Market: Week Commencing 29-01-2018

Markets opened the week higher on Monday morning with consumption expected to rise and a period of cold weather forecasted on the horizon. However excess supply and gas storage injection opportunities limited some of the upside risk and markets progressively moved down during the day and closed lower. Markets rose on Tuesday on cooler weather after an unseasonably mild spell. Once again, however, price gains seen earlier in the session were eroded in areas, boosted by continued strong imports of gas to the UK and the oil price trading lower thanks to an API report showing improved week-on-week stock data. Prices gained across the board mid-week driven by a much cooler weather outlook for the week commencing 5th February. With the expectation of the spot price and the two front months, prices fell on Thursday annulling some of the gains recorded on Wednesday. By Friday the April 18 annual electricity and gas contracts settled lower by 0.97% and 1.34% respectively, recording price points and levels not seen since October 2017. The front month Brent crude price closed the week lower by 2.75% or the equivalent of \$1.94 per barrel settling at \$68.58 per barrel, recouping gains from the previous working week.

### Outlook and drivers: Week Commencing 05-02-2018

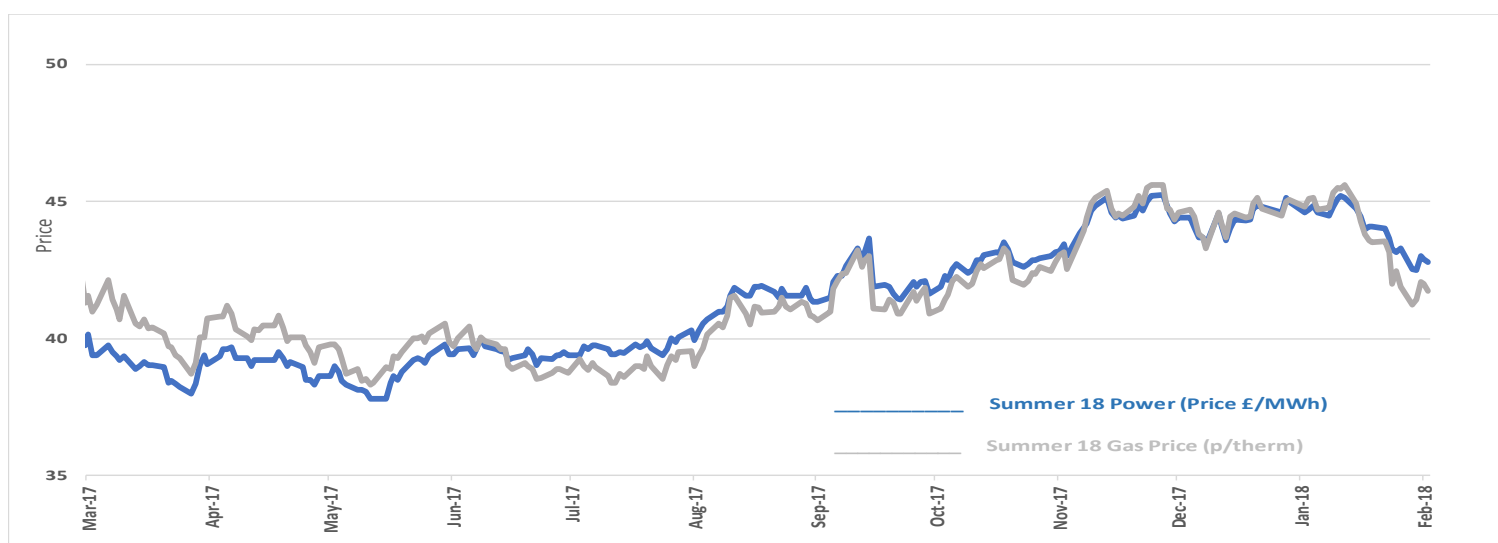
Consumption is expected to rise from Monday (05th Feb) Temperatures are expected less cooler from mid-week. Storage withdrawals are more likely in February after strong injections in January. Continued strength in the US dollar and rising US production should continue to help offset the risk of OPEC led cuts.

### 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 02/02	Fri 26/01				Fri 02/02	Fri 26/01			
01 April 2018 - 12 Months		£45.83	£46.28	-0.4	-0.97%	▼	£45.95	£46.58	-0.63	-1.34%	▼
01 April 2018 - 24 Months		£44.27	£44.72	-0.46	-1.02%	▼	£44.80	£45.55	-0.75	-1.65%	▼
01 Oct 2018 - 12 Months		£44.36	£44.63	-0.27	-0.61%	▼	£44.93	£46.00	-1.08	-2.34%	▼
01 Oct 2018 - 24 Months		£43.72	£44.05	-0.33	-0.75%	▼	£43.83	£44.93	-1.10	-2.45%	▼
01 April 2019 - 12 Months		£42.71	£43.17	-0.47	-1.08%	▼					

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 02/02	Fri 26/01					Fri 02/02	Fri 26/01	
Coal \$ Per Ton	82.95	87.75	-4.800	-5.47%	▼	Demand MCM	238.33	227.53	4.74%
Carbon Euros Per Ton	8.93	9.06	-0.13	-1.43%	▼	Total Gas Stock (MCM)	1109.64	993.28	11.71%
Brent Crude Front Month \$ Per Barrel	68.58	70.52	-1.94	-2.75%	▼	LNG Send out MCM	5.00	5.00	-



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.

T +44 (0) 870 710 7560 | W [www.catalyst-commercial.co.uk](http://www.catalyst-commercial.co.uk)