

UK Natural Gas & Power Market: Week Commencing 29-05-2017

Higher demand and reduced offtake of Norwegian resulted in higher prices at the beginning of the working week which started on Tuesday owing to the Spring bank holiday. Bearishness seeped in Wednesday with the recovery of Norwegian gas. Bullish drivers on Thursday were a sharp drop in LNG send out, a forecasted need for gas storage withdrawals and lower gas injection numbers during (interconnector) maintenance but strong UKCS production and relatively strong Vesterled flows for this time of year fought off price gains. Markets trended down in parts on Friday thanks to higher Norwegian and UK gas production. A revised and higher forecast output from renewable energy sources in w/c 05th June also fed through but markets ended the day higher on a stronger coal market and weakening of the GB Pound.

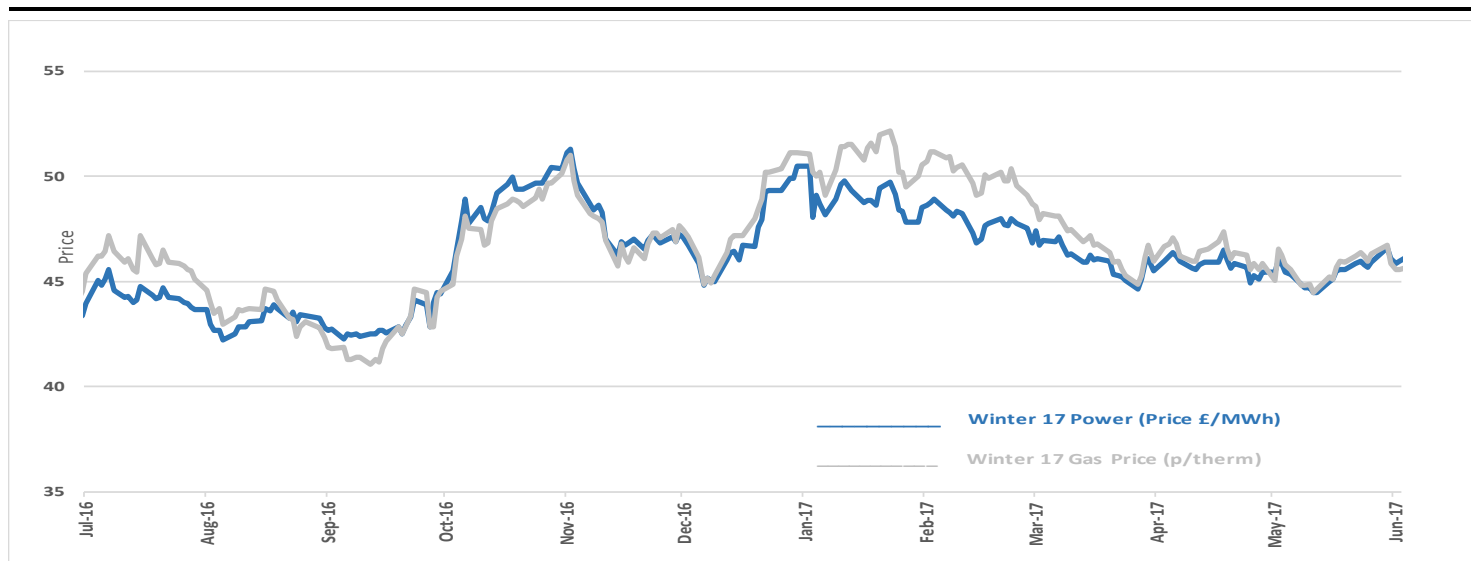
Outlook and drivers: Week Commencing 05-06-2017

LNG sendout is forecasted 63% lower. A lower LNG sendout for June could provide support for prices as this increases the need for gas withdrawals. Consumption is forecasted 12% higher as temperatures return closer to seasonal norm. The average daily temperature is forecast 1.6°C lower compared to last week. Higher wind production is expected meaning lower gas for power generation and a less constrained gas transmission system. UK gas production remains robust. There is a small field in maintenance from 3rd June which impacts Barrow until Thursday (8th June). Production ramp down also begins on the J Block, expected to shut between 9th and 15th June. Langedel (Norwegian) import flows into the UK are expected to remain at current strong and reliable levels.

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 02/06	Fri 26/05				Fri 02/06	Fri 26/05			
01 October 2017 - 12 Months		£42.78	£42.66	0.125	0.29%	▲	42.80	43.27	-0.47	-1.10%	▼
01 October 2017 - 24 Months		£41.81	£41.62	0.1925	0.46%	▲	42.61	42.90	-0.29	-0.67%	▼
01 April 2018 - 12 Months		£41.80	£41.60	0.205	0.49%	▲	42.98	43.17	-0.20	-0.45%	▼
01 April 2018 - 24 Months		£40.72	£40.50	0.22	0.54%	▲					
01 Oct 2018 - 12 Months		£40.84	£40.58	0.26	0.64%	▲	42.43	42.53	-0.10	-0.24%	▼

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 02/06	Fri 26/05					Fri 02/06	Fri 26/05	
Coal \$ Per Ton	67.50	66.40	1.1	1.66%	▲	Demand MCM	64	59	8.97%
Carbon Euros Per Ton	5.16	5.19	-0.03	-0.58%	▼	Rough Stock (MCM)	98.43	98.56	-0.13%
Brent Crude Front Month \$ Per Barrel	49.95	52.15	-2.2	-4.22%	▼	LNG Send out MCM	8.00	19.00	-57.89%



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