



MOBILE TELECOMMUNICATIONS

FIXED LINE

PBX & NETWORKING

ENERGY

CONVERGED SOLUTIONS

## **Catalyst Commercial Services Energy Market Report: October 2011**

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 - 2011 Catalyst Commercial Services Limited. - All Rights Reserved.

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

Supply and demand fundamentals were the major contributing driver to softening prices over the last month, as above normal seasonable weather and healthy supplies fed through to the market. This was compounded by the continuing global economic uncertainty and concerns over future energy investment. But the other big news to impact the UK energy market this month is the immediate cut in the feed in tariff for solar power projects. Renewable industry experts and campaigners blamed the Treasury for failing to recognise the economic growth that green energy investments could deliver, and said the proposed solar cuts, the third such change in less than a year, undermined confidence across the green energy industry.

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

Following the recent announcement that an investment fund of between £100 and £200 billion pounds will be required to upgrade our ageing electrical infrastructure. Suppliers will start to increase profit margins in preparation of this requirement. This investment needs to support the UK's long term energy requirements, which will include nuclear and forms of renewable energy.

### **Views and Recommendations**

As weather conditions start to change, we will begin to see how well our supply situation will respond. This is likely to be key to prices over the next few months as prices gain direction from increased demand. We believe that you should closely monitor both the gas and electricity markets at the moment, and select an opportunity to secure offers at a time when prices present a good offer for your exact requirements, and allow for budget certainty. 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.