

UK Natural Gas & Power Market: Week Commencing 27-03-2017

Gas prices trended down on Monday on weaker demand and strong incoming Norwegian gas flows. This was despite an unplanned outage at the South Hook LNG terminal and the Oil price closing just over 1% higher. On Tuesday, a deficit of gas supply against UK demand resulted in prices gaining. A drop in Norwegian supply contributed mostly to system tightness along with gas volumes from the UK being shipped to the continent through the interconnector pipeline. Contracts further along gained: the Oil price shifted upwards, caused by disruption to Libyan output. The GB Pound also faltered against the Euro on the Scottish Parliamentary vote. Mid-week, the rising price trend lingered with higher demand, reduced LNG and Norwegian gas flows adversely driving. The Oil price continued to gain and the Pound continued to weaken on the triggering of Article 50 although currency movements did improve during the day. Although demand dropped on the penultimate day (thanks to hot weather) Brent Crude hit a (high) price point, one not seen in 16-days, on lower than envisaged U.S. crude stocks. The week overall closed higher because of more bullish trading days than not.

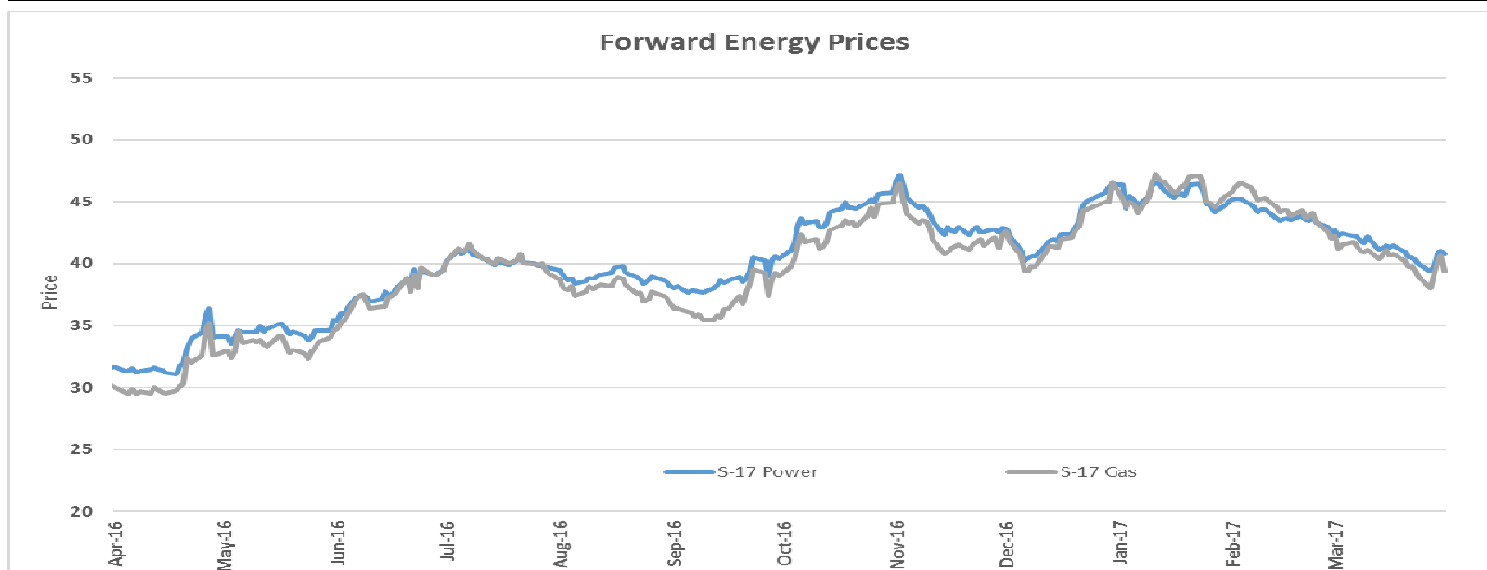
Outlook and drivers: Week Commencing 03-04-2017

Lower imports from Norway and higher demand are bullish drivers this week. More LNG cargo arrivals for the month of April is possible which is a counterbalancing bearish factor. The disruption to Libyan output seems to have steadied. Protracted OPEC cuts are likely but this does not necessarily translate into immediate rises in the Oil price with stocks and inventories still perceived to be high. Oil is however evidently prone.

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 31/03	Fri 24/03				Fri 31/03	Fri 24/03			
01 April 2017 - 12 Months		£43.16	£42.50	0.66	1.55%	▲	42.68	42.10	0.58	1.38%	▲
01 April 2017 - 24 Months		£42.27	£41.58	0.695	1.67%	▲	43.31	42.35	0.96	2.27%	▲
01 April 2017 - 36 Months		£41.51	£40.96	0.55	1.34%	▲	-	-			
01 October 2017 - 12 Months		£42.30	£41.65	0.65	1.56%	▲	43.35	42.30	1.05	2.48%	▲
01 October 2017 - 24 Months		£41.46	£40.93	0.54	1.32%	▲	43.26	42.43	0.83	1.96%	▲
01 October 2017 - 36 Months		£40.92	£40.51	0.41	1.01%	▲	-	-			
01 April 2018 - 12 Months		£41.39	£40.65	0.74	1.82%	▲	43.95	42.55	1.4	3.29%	▲
01 April 2018 - 24 Months		£40.69	£40.20	0.49	1.22%	▲	-	-			

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 31/03	Fri 24/03					Fri 31/03	Fri 24/03	
Coal \$ Per Ton	66.35	64.15	2.2	3.43%	▲	Demand MCM	114	178	-35.96%
Carbon Euros Per Ton	4.69	4.77	-0.08	-1.68%	▼	Rough Fullness	10.52%	11.03%	-0.51%
Brent Crude Front Month \$ Per Barrel	52.83	50.80	2.03	4.00%	▲	LNG Send out MCM	19.00	23.00	-17.39%



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