

UK Natural Gas & Power Market: Week Commencing 06-02-2017

Improved weather-related forecasts was the main bearish driver for prices during the week along with progressively lower consumption day-on-day. Mid-week, a rise in US fuel inventories and stalling demand in China contributed to an easing Oil price which attained the \$54 range during the week having hit as high as the \$56 range at the end of the previous week. The Pound recovered mostly during the week following weakness after the Parliamentary vote to trigger Article 50. Therefore, more favourable Currency and Oil markets did feed through to UK gas and power products along with improved market fundamentals. Norwegian gas imports through the Langeled gas line was at near capacity at the end of week. With temperatures also expected to turn milder across Europe in week commencing 13th February, prices closed the week down overall.

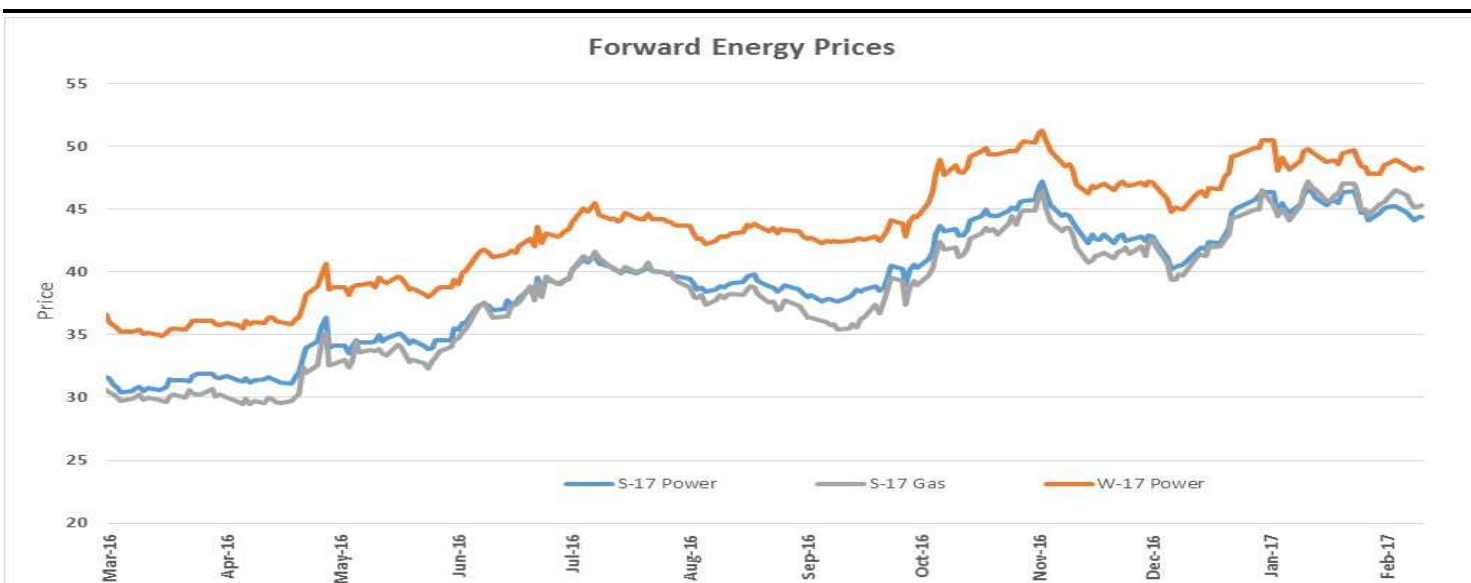
Outlook and drivers: Week Commencing 13-02-2017

Domestic consumption is expected down around 12%. The average temperature last week was 2.2 degrees Celsius. For week commencing 13th February, Met. office forecasts suggests an average of 5.6 degrees Celsius. UK gas production is expected higher with some outages coming to an end. However, production is expected to ease back on Monday as there is planned maintenance at St Fergus. Gas Imports to the UK are expected to remain unchanged barring any unplanned outages and events. One LNG cargo is expected to head to the UK in the last week of February which could result in some send-out from the Dragon LNG terminal. A strong dip in wind power is expected after Monday and the dip may last for a few days. Given this demand from power producers to generate using gas in lieu of renewable sources may rise but this is not expected to impact prices too much in view of a robust supply outlook and a reduction in national demand.

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 10/02	Fri 03/02				Fri 10/02	Fri 03/02			
01 April 2017 - 12 Months		£46.30	£47.11	-0.81	-1.72%	▼	47.95	48.85	-0.90	-1.84%	▼
01 April 2017 - 24 Months		£44.48	£44.99	-0.51	-1.13%	▼	46.30	47.64	-1.34	-2.81%	▼
01 April 2017 - 36 Months		£42.74	£43.06	-0.32	-0.74%	▼	-	-			
01 October 2017 - 12 Months		£44.53	£44.90	-0.37	-0.82%	▼	46.94	47.50	-0.56	-1.18%	▼
01 October 2017 - 24 Months		£42.71	£43.17	-0.46	-1.07%	▼	46.23	46.61	-0.38	-0.82%	▼
01 October 2017 - 36 Months		£41.56	£41.72	-0.16	-0.38%	▼	-	-			
01 April 2018 - 12 Months		£42.67	£42.87	-0.2	-0.47%	▼	46.00	46.43	-0.43	-0.93%	▼
01 April 2018 - 24 Months		£40.96	£41.03	-0.07	-0.17%	▲	-	-			

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates	Dates	% Change
	Fri 10/02	Fri 03/02					Fri 10/02	Fri 03/02	
Coal \$ Per Tonne	65.75	67.20	-1.45	-2.16%	▼	Demand MCM	272	198	37.37%
Carbon Euros Per Tonne	5.12	5.16	-0.04	-0.78%	▼	Rough Fullness	16.90%	19.58%	-13.69%
Brent Crude Front Month \$ Per Barrel	56.70	56.81	-0.11	-0.19%	▼	LNG Send out MCM	8	5	60.00%



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