

UK Natural Gas & Power Market: Week Commencing 24-07-2017

Prices opened lower on Monday. Norwegian gas flows were higher and LNG send-out during the week was expected stronger with cargo arrivals to the UK in August. Overall, national demand was expected stable with only a small week-on-week change to UK weather temperatures. Markets open down on Tuesday despite the UK gas network being undersupplied and despite a lower-than-expected LNG send out. However, prices did recover with maintenance at Kollsnes being extended. The oil price rose over the \$50 mark following an announcement from Saudi Arabia that it would cut its exports to help accelerate the rebalancing of global oil market. The main bullish factor for price gains on Wednesday was confirmation that Kollsnes would stay offline until early October having had its expected return date delayed on several occasions. Prices directions were mixed on Thursday. Total consumption was higher and the coal price traded up. Despite the outage extension at Kollsnes, Norwegian gas flows were higher alongside UK gas production. The GB Pound gained against the Euro and the Oil price receded a little during the morning's session. By Friday, prices closed higher overall with the October-17 annual electricity & gas contracts settling higher 0.79% and 1.13% respectively when compared to the previous Friday.

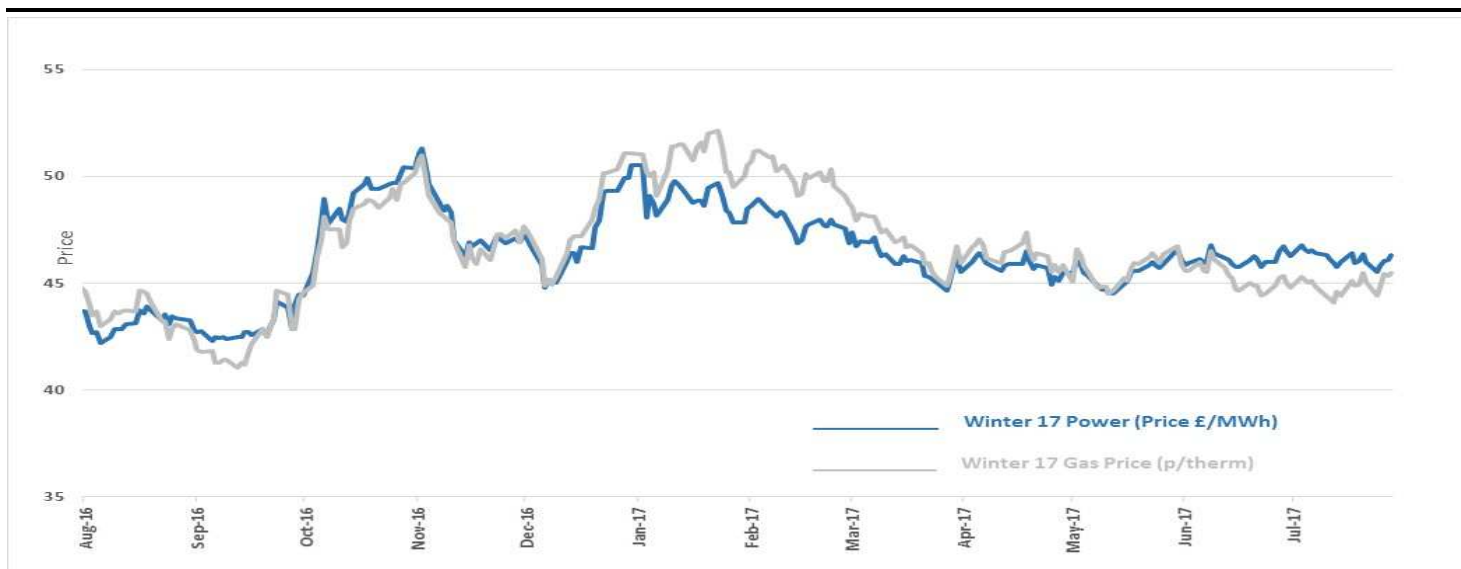
Outlook and drivers: Week Commencing 31-07-2017

UK gas production is expected to fall due to the start of major maintenance work at the Forties platform. Norwegian flows are also expected come down but only a small reduction is expected despite the extension of maintenance at the Kollsnes gas field. LNG send-out is expected to rise with circa five cargoes coming into the main UK LNG terminal (South Hook) for the month of August. Exports of gas from the UK to the continent are expected to remain high.

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 28/07	Fri 21/07				Fri 28/07	Fri 21/07			
01 October 2017 - 12 Months		£43.17	£42.83	0.34	0.79%	▲	42.50	42.03	0.475	1.13%	▲
01 October 2017 - 24 Months		£42.78	£42.43	0.355	0.84%	▲	43.01	42.60	0.41	0.96%	▲
01 April 2018 - 12 Months		£42.69	£42.28	0.415	0.98%	▲	43.23	42.98	0.25	0.58%	▲
01 April 2018 - 24 Months		£42.34	£41.84								
01 Oct 2018 - 12 Months		£42.40	£42.03	0.37	0.88%	▲	43.52	43.18	0.345	0.80%	▲

Wider Fuel Complex					Summary				
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates	Dates	% Change
	Fri 28/07	Fri 21/07					Fri 28/07	Fri 21/07	
Coal \$ Per Ton	74.25	74.00	0.25	0.34%	▲	Demand MCM	64.78	61.89	4.67%
Carbon Euros Per Ton	5.17	5.08	0.09	1.77%	▲	Rough Stock (MCM)	97.68	97.68	-
Brent Crude Front Month \$ Per Barrel	52.52	48.06	4.46	9.28%	▲	LNG Send out MCM	18.00	15.00	20.00%



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