

UK Natural Gas & Power Market: Week Commencing 20-02-2017

A bullish coal market at the beginning of the week lifted prices on Monday despite an oversupplied gas network and a mild weather outlook. Prices went on to reverse Tuesday. Strong wind generation, falling demand and improved weather conditions all contributed. Having hit a circa 3-week high, coal prices also receded 1% (or \$0.75 per ton). Mid-week, the markets continued to trend down with the majority of products failing to track the higher spot market: the GB Pound performed stronger against the Euro with French polling data pointing towards increased support for anti-EU establishment, Marine Le Pen. Prices rose Thursday boosted by reduced supply and a rise in demand that day, also Coal and Oil prices trended up. By the end of the week, markets closed mixed, with some annual contract periods settling higher week-on-week and others settling slightly down.

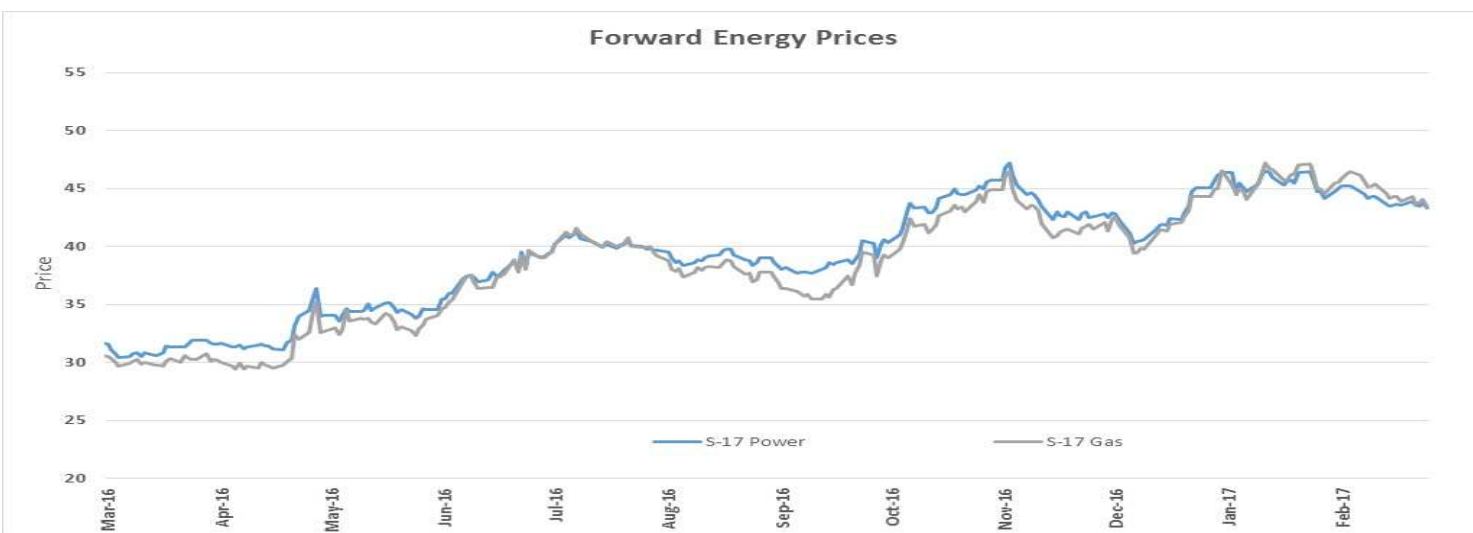
Outlook and drivers: Week Commencing 27-02-2017

UK gas production is generally strong compared to previous years and this is likely to continue into March. LNG sendout is forecast to increase from the current levels of 8mcm to 20mcm in March. However, a similar forecast for February failed to materialize with outages at LNG producing facilities. If the expectations around the number of cargoes once again falls short this will be a potential bullish driver. Oil has been stable since early December despite the OPEC announcement to cut output, although the impact of this has been stemmed by a higher US rig count. The Pound has been gaining against the Euro since mid-January. We thus have a stable trajectory on the Oil and an upward trajectory when it comes to the performance of the Pound. How political events unfold in France will contribute. The likelihood of the national front leader, Marine Le Penn, being elected could weaken the Euro further.

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 24/02	Fri 17/02				Fri 24/02	Fri 17/02			
01 April 2017 - 12 Months		£45.56	£45.65	-0.09	-0.20%	▼	46.48	46.92	-0.44	-0.94%	▼
01 April 2017 - 24 Months		£44.08	£44.05	0.03	0.07%	▲	46.13	46.15	-0.02	-0.04%	▼
01 April 2017 - 36 Months		£42.75	£42.41	0.34	0.80%	▲	-	-	-	-	-
01 October 2017 - 12 Months		£44.09	£44.08	0.02	0.03%	▲	46.17	46.33	-0.16	-0.35%	▼
01 October 2017 - 24 Months		£42.81	£42.46	0.35	0.82%	▲	45.80	45.52	0.28	0.62%	▲
01 October 2017 - 36 Months		£41.73	£41.36	0.37	0.89%	▲	-	-	-	-	-
01 April 2018 - 12 Months		£42.60	£42.45	0.15	0.35%	▲	45.78	45.38	0.4	0.88%	▲
01 April 2018 - 24 Months		£41.34	£40.80	0.55	1.35%	▲	-	-	-	-	-

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 24/02	Fri 17/02					Fri 24/02	Fri 17/02	
Coal \$ Per Tonne	68.25	67.15	1.1	1.64%	▲	Demand MCM	201	180	11.67%
Carbon Euros Per Tonne	5.36	4.98	0.38	7.63%	▲	Rough Fullness	14.30%	14.55%	-1.72%
Brent Crude Front Month \$ Per Barrel	55.99	55.81	0.18	0.32%	▲	LNG Send out MCM	8.00	5.00	60.00%



Catalyst Commercial Services' independent approach enables clients to manage their exposure to energy price risk, while at the same time benefiting from a first class service from a range of major and independent suppliers. Catalyst Commercial Services' procurement solutions make it simple, so contact a member of the team to discuss requirements.