

## UK Natural Gas & Power Market: Week Commencing 21-08-2017

Volatility returned to the market last week despite strong Norwegian gas flows towards the end of the week. With British wholesale gas prices surging on Wednesday on news that lower production from the Troll field would provide reduced Norwegian imports in September. NBP spot gas price increased by 0.45 pence, or 1%, at 44.75 p/therm. Further along the curve, the gas contract for Winter 2017 delivery traded 0.80 pence, or 1.66%, higher at 48.84 p/therm. With surges in seasonal gas prices coupled with an Expected decline in wind and nuclear production, lifted the forward curve electricity prices. With winter 2017 breaking the £50/MWh price range. Carbon prices also hit a new 6-month high last week, surging by 2.9% on higher volume, to extend the previous week's gains. By the end of the week most of the forward gas prices dropped on Friday, due to an oversupplied system as Norwegian flows increased, this helped calm the market before it entered a national bank holiday. With British NBP day-ahead price falling almost 1.5% to close at 43.80 p/therm and Winter 2018 delivery contracts trading 0.06% lower at 48.32 p/therm.

## Outlook and drivers: Week Commencing 28-08-2017

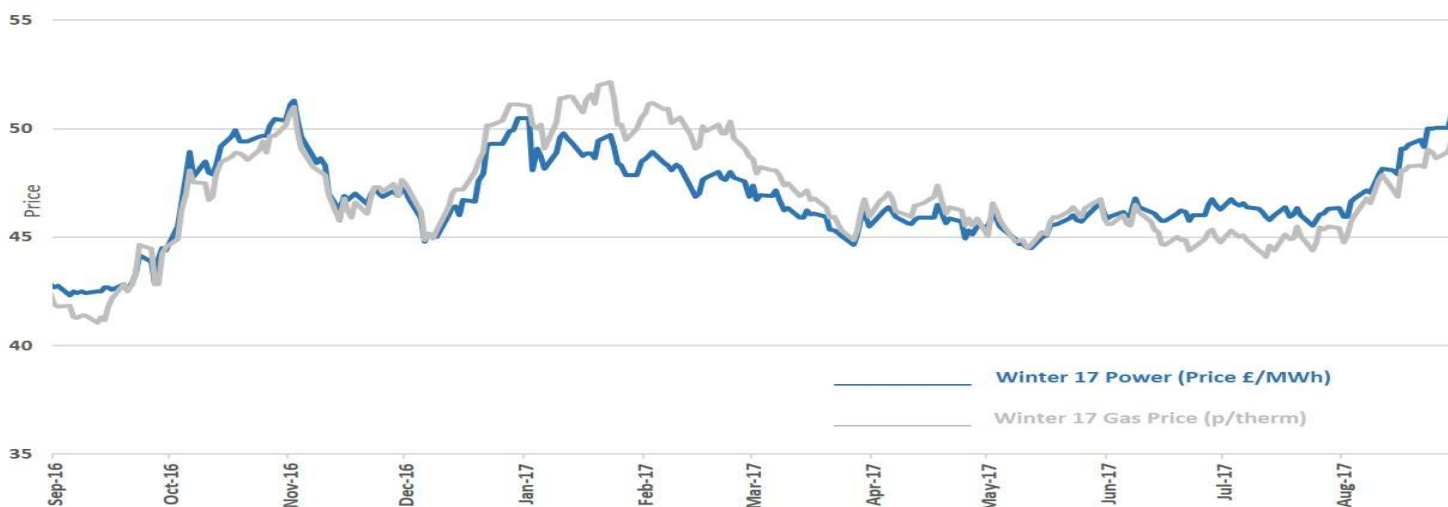
We expect further volatility this week over short term gas flows, and the after effects of Hurricane Harvey. With oil prices rising and the US dollar further weakened following the biggest storm to affect United States mainland in more than a decade. Oil production facilities and other infrastructure is not yet returned to full capacity. In addition to this milder weather is set to return mid-week and supply and demand fundamentals are also having some bearing on seasonal contracts.

## 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 25/08	Fri 18/08				Fri 25/08	Fri 18/08			
01 October 2017 - 12 Months		£45.80	£45.60	0.205	0.45%	▲	£44.85	44.62	0.235	0.53%	▲
01 October 2017 - 24 Months		£44.66	£44.67	-0.01	-0.02%	▲	£44.78	44.59	0.195	0.44%	▲
01 April 2018 - 12 Months		£44.35	£44.40	-0.04	-0.10%	▲	44.64	44.71	-0.06	-0.15%	▲
01 April 2018 - 24 Months		£43.61	£43.76	-0.15	-0.34%	▼					
01 Oct 2018 - 12 Months		£43.70	£43.75	-0.05	-0.11%	▼	0.00	44.56	-44.56	-100.00%	▼

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 25/08	Fri 18/08					Fri 25/08	Fri 18/08	
Coal \$ Per Ton	78.65	78.52	0.13	0.17%	▲	Demand MCM	62.59	61.22	2.24%
Carbon Euros Per Ton	6.08	5.81	0.27	4.65%	▲	Rough Stock (MCM)	97.67	97.68	-
Brent Crude Front Month \$ Per Barrel	52.41	52.72	-0.31	-0.59%	▼	LNG Send out MCM	14.00	12.00	16.67%



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