

UK Natural Gas & Power Market: Week Commencing 28-08-2017

Markets rose on Tuesday on higher domestic demand and Norwegian maintenance being extended. Further bullishness spilled into Wednesday thanks to an undersupplied gas network but rises were capped following an announcement from Total that it had started production, earlier than scheduled, at two new gas fields. Although production is unlikely to ramp up until the back end of this year, the earlier than scheduled start of production does help towards containing some of the winter supply risk (often associated with the higher winter periods of December and January). The markets opened lower on Thursday but another unplanned outage impacted UK supplies that day. There were sharp rises in the oil price, particularly at the end of the week with a reduction in the US oil rig count. Limiting gains in this commodity was the restart of some US operations after Hurricane Harvey. Further restarts are also expected in week commencing 4th September or week 37. Overall by Friday, annual energy products fell week-on-week with the October-17 annual electricity and gas contracts closing lower by 0.11% and 0.27% respectively.

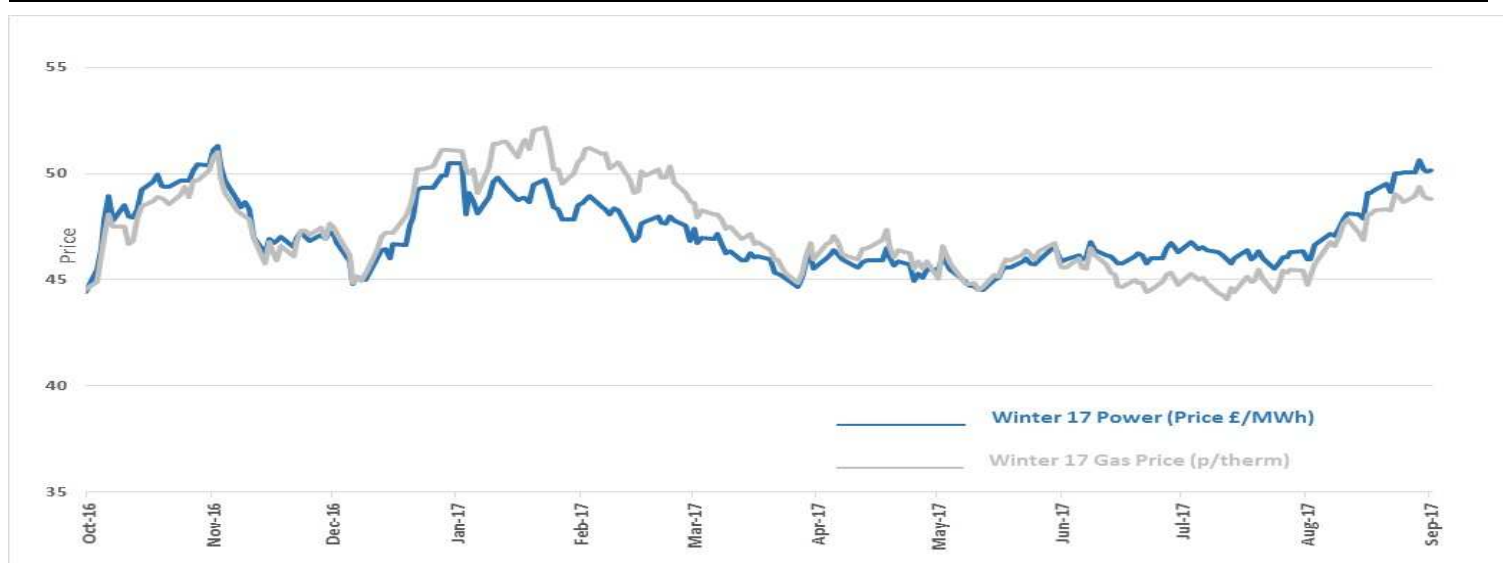
Outlook and drivers: Week Commencing 04-09-2017

Domestic demand is expected stable with a very small change to UK weather temperatures. Both UK and Norwegian gas production is expected lower week-on-week which is a strong bullish signal but decreases in supply may have already been factored into prices. LNG send out at the Dragon terminal is expected to pick up. Given this, total LNG send out for the week is also expected stable.

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 01/09	Fri 25/08				Fri 01/09	Fri 25/08			
01 October 2017 - 12 Months		£45.75	£45.80	-0.05	-0.11%	▼	£44.73	£44.85	-0.12	-0.27%	▼
01 October 2017 - 24 Months		£44.61	£44.75	-0.14	-0.31%	▼	£44.52	£44.78	-0.26	-0.57%	▼
01 April 2018 - 12 Months		£44.12	£44.35	-0.23	-0.52%	▼	£44.45	£44.76	-0.31	-0.69%	▼
01 April 2018 - 24 Months		£43.39	£43.61	-0.23	-0.52%	▼					
01 Oct 2018 - 12 Months		£43.47	£43.70	-0.23	-0.53%	▼	£44.32	£44.71	-0.39	-0.87%	▼

Wider Fuel Complex					Summary				
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 01/09	Fri 25/08					Fri 01/09	Fri 25/08	
Coal \$ Per Ton	78.10	78.65	-0.55	-0.70%	▼	Demand MCM	70.18	62.59	12.13%
Carbon Euros Per Ton	5.82	6.08	-0.26	-4.28%	▼	Rough Stock (MCM)	97.68	97.68	-
Brent Crude Front Month \$ Per Barrel	52.75	52.41	0.34	0.65%	▲	LNG Send out MCM	12.00	14.00	-14.29%



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