

# Catalyst Weekly Energy Element / Week 38



## UK Natural Gas & Power Market: Week Commencing 11-09-2017

Markets rose on Monday despite oversupply and strong wind power. Bullish drivers such as reduced flows of Norwegian gas and expectations for higher consumption during the week resulted price in gains. Whilst the oil price dipped during the day, the settlement level ended slightly higher than the previous working day. Markets recouped some of the gains on Tuesday despite consumption expected to remain high, Norwegian gas flows being further constrained and the oil price attaining \$54s. Interconnector exports of UK gas were lower-than-expected, gas demand from the power generation sector was stable and the GB Pound gained strongly. The main factor for higher prices on Wednesday was the rising oil price, a consequence of the EIA announcing it was seeing a reduction in the global excess of oil supplies. The markets were mixed Thursday with contracts further out falling, tracking the falling coal price. Nearer contracts gained however with continued unplanned outages on the Norwegian gas shelf and rising household consumption boosted by the much cooler weather. Overall by Friday, annual energy products lost value week-on-week with the October-17 annual electricity and gas contracts closing lower by 1.66% and 2.48% respectively.

### Outlook and drivers: Week Commencing 18-09-2017

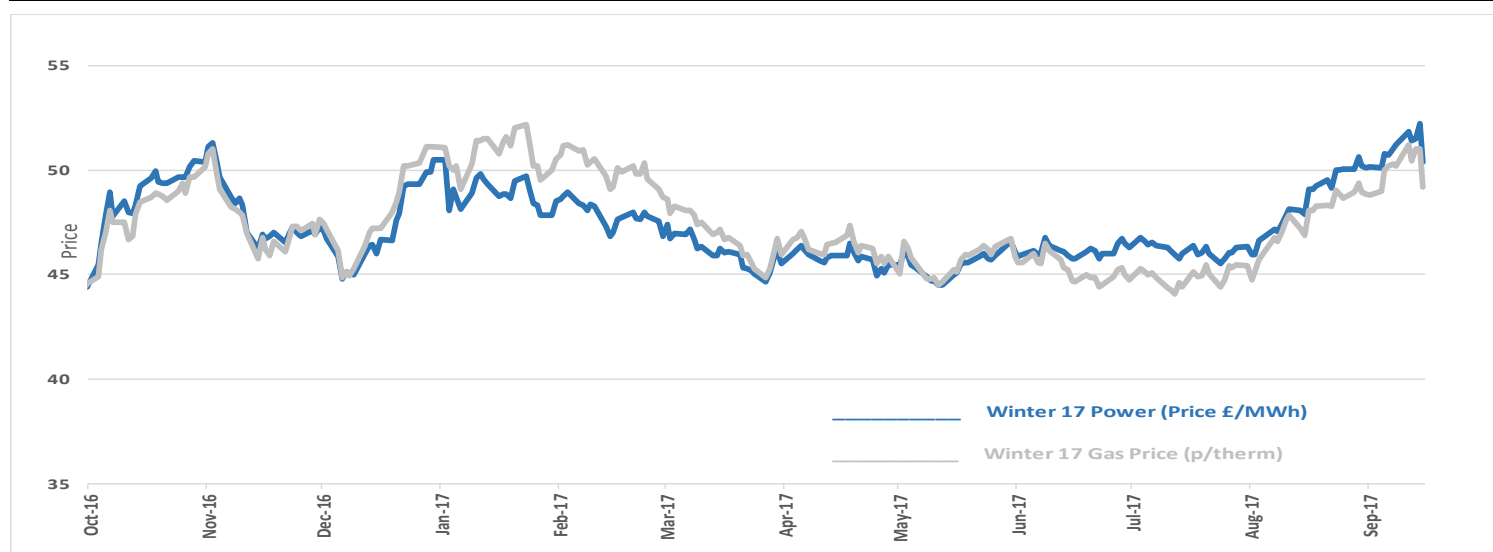
The end of Norwegian maintenance should reduce the amount of UK gas needed for continental demand. The UK gas network is expected to be less tight in supply with the end of maintenance at Troll/Kollsnes and Bacton. UK average temperatures are expected stable which should help to contain current offtake of UK gas, particularly in domestic sector.

### 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 15/09	Fri 08/09				Fri 15/09	Fri 08/09			
01 October 2017 - 12 Months		£46.15	£46.93	-0.78	-1.66%	▼	£45.15	£46.30	-1.15	-2.48%	▼
01 October 2017 - 24 Months		£44.83	£45.72	-0.89	-1.94%	▼	£44.78	£46.02	-1.24	-2.68%	▼
01 April 2018 - 12 Months		£44.45	£45.38	-0.93	-2.05%	▼	£44.97	£46.16	-1.19	-2.57%	▼
01 April 2018 - 24 Months		£43.46	£44.32	-0.85	-1.93%	▼					
01 Oct 2018 - 12 Months		£43.50	£44.50	-1.00	-2.25%	▼	£44.42	£45.73	-1.31	-2.86%	▼

Wider Fuel Complex						Summary			
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 15/09	Fri 08/09					Fri 15/09	Fri 08/09	
Coal \$ Per Ton	82.50	80.65	1.85	2.29%	▲	Demand MCM	99.50	75.76	31.34%
Carbon Euros Per Ton	6.94	6.89	0.05	0.73%	▲	Rough Stock (MCM)	97.68	97.68	-
Brent Crude Front Month \$ Per Barrel	55.62	53.78	1.84	3.42%	▲	LNG Send out MCM	9.00	12.00	-25.00%



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.

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