

Catalyst Weekly Energy Element / Week 51



UK Natural Gas & Power Market: Week Commencing 11-12-2017

A surge in demand due to near freezing temperatures left the UK system struggling to cope with a shortfall of gas supplies on Monday. New and ongoing outages affected output from Rough, Morecambe, Teesside & Bacton Shell which added to system tightness. Reports of an explosion of a pipeline in Austria boosted prices considerably on Tuesday, especially on continental spot pricing which fed through to the UK market. Mid-week wholesale prices receded as the supply outlook looked set to improve. The Oil price fell with EIA data showing a rise in US gasoline stocks. The UK energy market showed signs of normalising further on Thursday, wiping out the very strong gains seen earlier in the week. Supply concerns eased with strong imports and reduced demand creating excess supply. Strong imports through the Interconnector and withdrawals from storage also contributing to oversupply coupled with a higher wind output. By Friday the April-18 annual electricity and gas products closed the week higher compared to the previous Friday (8th Dec) settling +2.17% and +2.97% respectively.

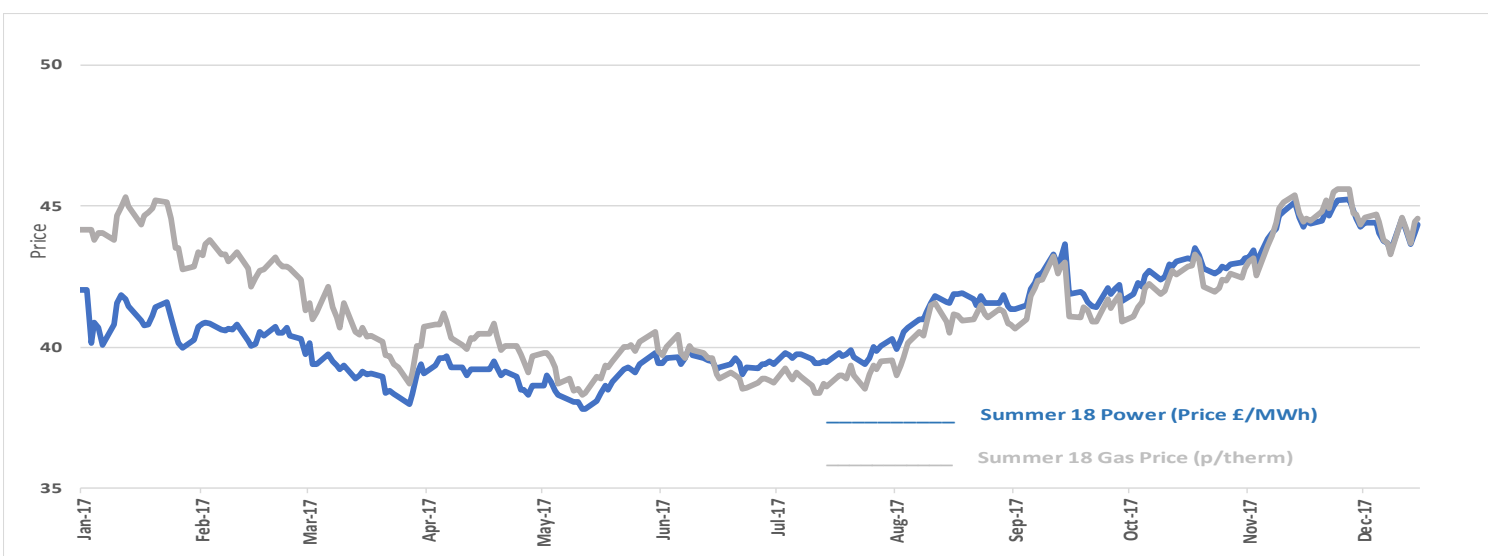
Outlook and drivers: Week Commencing 18-12-2017

Easing UK and continental consumption is the main bearish driver during the week. The shutdown of Forties is a lingering bullish risk, but the superseding driver is likely to be the mild weather. Nuclear output remains limited and wind power generation is forecast slightly down.

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 15/12	Fri 08/12				Fri 15/12	Fri 08/12			
01 April 2018 - 12 Months		£47.03	£46.03	1	2.17%	▲	£48.55	£47.15	1.4	2.97%	▲
01 April 2018 - 24 Months		£45.38	£44.64	0.74	1.66%	▲	£47.21	£46.05	1.1625	2.52%	▲
01 Oct 2018 - 12 Months		£45.05	£44.35	0.705	1.59%	▲	£47.10	£46.00	1.1	2.39%	▲
01 Oct 2018 - 24 Months		£44.14	£43.95	0.19	0.43%	▲	£46.28	£45.43	0.85	1.87%	▲
01 April 2019 - 12 Months		£43.73	£43.25	0.48	1.11%	▲					

Wider Fuel Complex					Summary				
Fuel	Settlement Price		Price Change	% Change	Direction	Item	Dates		% Change
	Fri 15/12	Fri 08/12					Fri 15/12	Fri 08/12	
Coal \$ Per Ton	90.00	87.35	2.65	3.03%	▲	Demand MCM	261.06	257.54	1.37%
Carbon Euros Per Ton	7.18	7.14	0.04	0.56%	▲	Rough Stock (MCM)	330.28	370.67	-10.90%
Brent Crude Front Month \$ Per Barrel	63.23	63.40	-0.17	-0.27%	▼	LNG Send out MCM	8.00	8.00	-



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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