

Weekly Energy Market Report

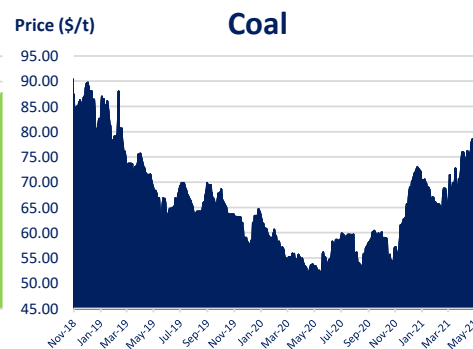
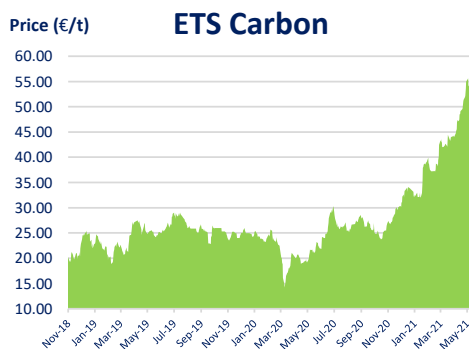
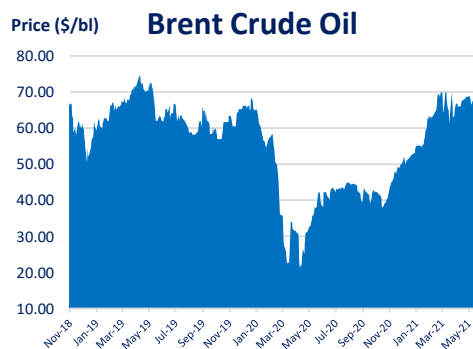
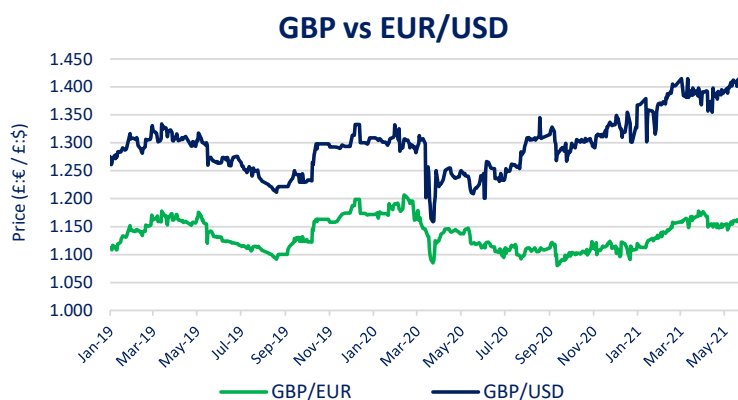
Commentary

01/06/2021

Temperatures rising from their dreary lows to now sit above seasonal normal levels has notably reduced gas demand across the UK, with heating demand plummeting. Norwegian pipeline flows into the UK are operating at close to full capacity and LNG send out is also contributing to the UK's gas supply mix effectively. Adding upside risk to the near-curve, wind generation levels are markedly low, placing greater impetus on gas-fired generation levels in making up over half of the fuel mix at the time of reporting. As has been the case for a number of weeks now, the EUA Carbon price continues to operate as the main driver for UK and European gas and electricity prices. Indeed, today's market has seen prices across the curve lift significantly and currently trade just below the 53 €/t mark for Europe. Liquidity in the UK market for carbon remains rather thin, with little trading activity, though the price remains inflated nonetheless. Elsewhere, Brent Crude Oil prices hit three-month highs after an OPEC committee meeting concluded that it expected that the return of Iranian oil to global markets would not have a material effect on price stability. Direction for the Pound is seemingly entirely dependent on whether or not the UK is released from all COVID-19 restrictions on 21st June, and this week appears to be crucial as to whether the UK will be able to return to relative normality at the proposed June date. The decision appears to hinge on the Indian variant and the UK's effectiveness in dealing with it and there appears to be some genuine caution emanating from the Government that there may be a delay in proceedings. This week will be key in determining the delay (or not) to the final hurdle in the UK's roadmap.

Currency & Commodities

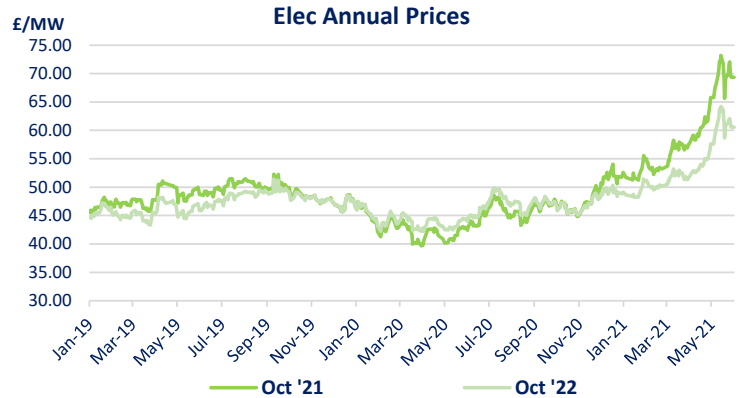
Pound vs Dollar (£:\$)	1.419
Pound vs Euro (£:€)	1.160
Brent Crude Oil (\$/bl)	70.92
EU ETS Carbon (€/t)	52.81
API2 Coal (\$/t)	81.95



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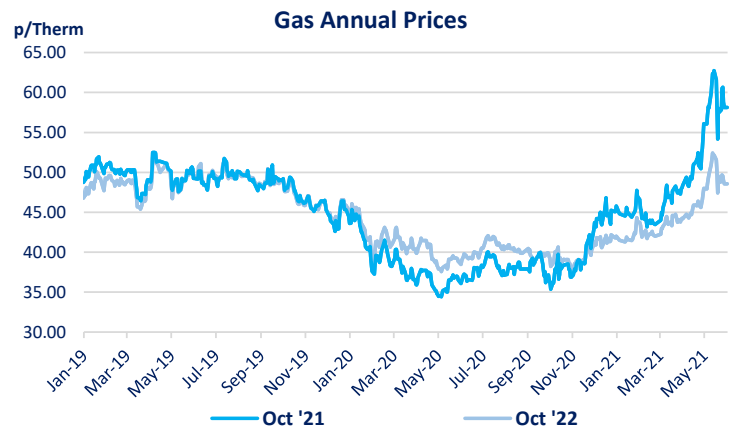
Electricity Analysis

Elec Futures	Price	Change	% Change
Jul-21	78.38	5.10	6.96%
Aug-21	77.53	6.88	9.74%
Sep-21	76.70	3.17	4.31%
Q3 21	73.38	3.12	4.44%
Q4 21	82.35	2.45	3.07%
W 21	80.95	0.70	0.87%
S 22	59.10	0.65	1.11%
W 22	68.70	0.72	1.06%
Oct 21 Annual	70.03	0.68	0.99%

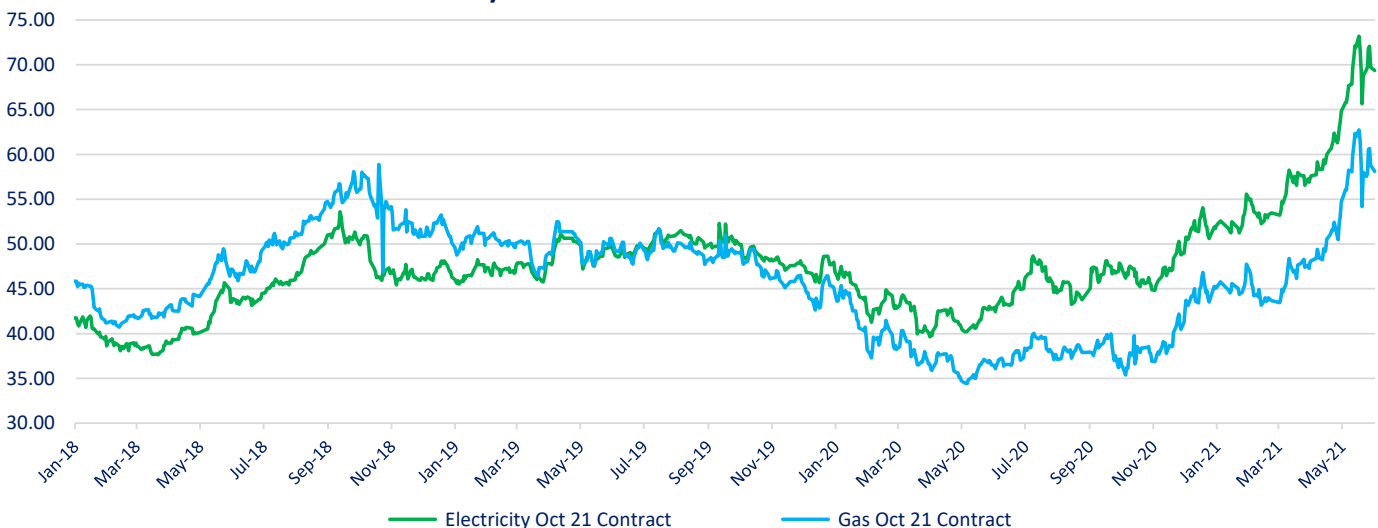


Gas Analysis

Gas Futures	Price	Change	% Change
Jul-21	63.76	3.08	5.08%
Aug-21	63.58	3.09	5.11%
Sep-21	64.15	3.18	5.22%
Q3 21	63.88	3.16	5.20%
Q4 21	70.55	3.12	4.63%
W 21	72.02	3.11	4.51%
S 22	48.69	1.44	3.05%
W 22	56.73	1.27	2.29%
Oct 21 Annual	60.36	2.28	3.92%



Elec / Gas October 2021 Annual Prices



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