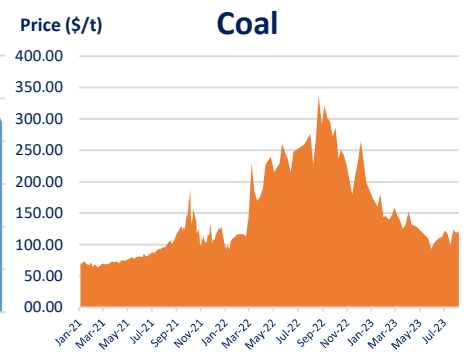
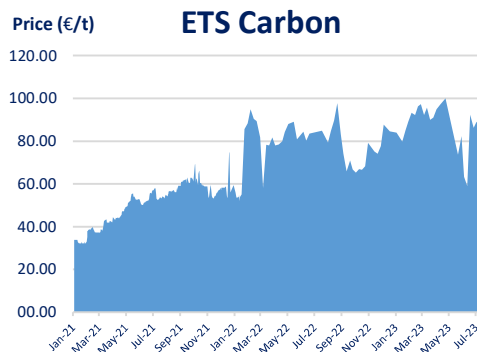
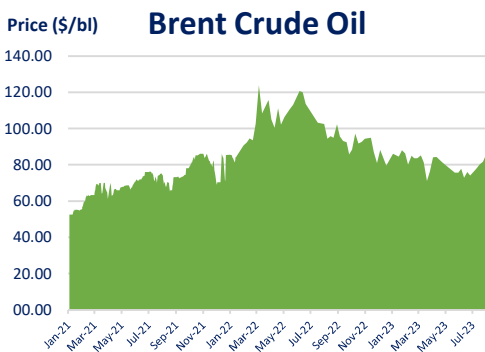
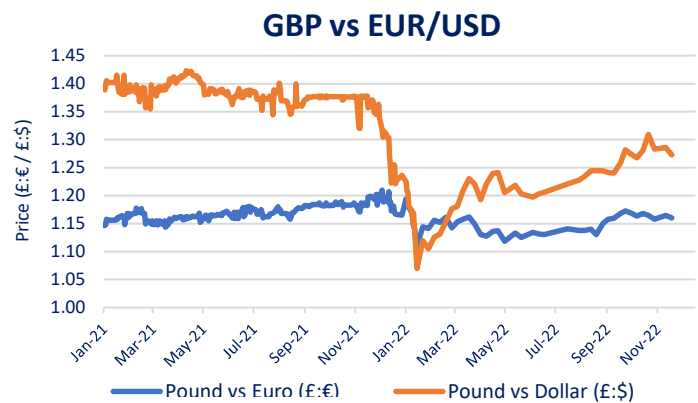


The UK's system opened the week in oversupply this morning, courtesy of an increase in Norwegian pipeline flows and an increase in send out from LNG stores. The demand picture has been eased thanks to an increase in the temperature forecast by around five degrees Celsius over the next few days, and the promise of stronger wind speeds supporting the renewable outlook. The outlook from an LNG perspective has also improved for the UK, with two LNG cargoes scheduled to arrive this week. In the build up to Winter 23, the European storage outlook is particularly comfortable in comparison to previous years but price risk does remain in the market should there be an immediate and considerable impingement on supply flows into the European market.

Oil prices ticked slightly downwards in Monday's morning session, reducing in value after posting six consecutive weekly gains. Brent Crude continued to trade above 86 \$/bl despite these early movements and a tighter supply outlook continues to influence movements. The Ukrainian attack on two Russian oil tankers in the Black Sea over the weekend has contributed to this outlook, but more broadly this has been driven by Saudi Arabia's decision to extend its unilateral production cuts into September and Russia's commitment to cut exports. Elsewhere, European Carbon closed the week bearishly, erasing the gains seen on Thursday to post a week-on-week decline. This was largely driven by a sharp drop in trading activity in the market, which extended into the UK allowance market which recorded its biggest weekly drop in nearly a year. The Bank of England has pushed back against expectations for interest rate cuts, which has proved supportive of the British Pound over the medium- to longer-term. The policy of holding at interest rates at this (albeit high) level rather than hiking further and cutting sooner appears to be the preferred approach by the Central Banks monetary policy committee. It's a move implemented in an aim to reduce market volatility, to appreciate the pound's value (in light of the reported national debt concerns that surround the UK), as well as supporting UK bond yields.

## Currency & Commodities

<b>Pound vs Dollar (£:\$)</b>	1.272
<b>Pound vs Euro (£:€)</b>	1.160
<b>Brent Crude Oil (\$/bl)</b>	85.58
<b>EU ETS Carbon (€/t)</b>	97.39
<b>API2 Coal (\$/t)</b>	121.10



# Weekly Energy Market Report

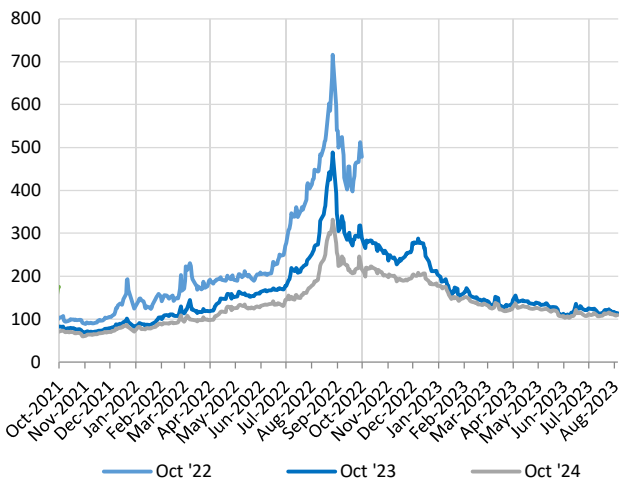
## Power Analysis

Power £/MWh	07/08/2023	Previous Day		Last Week		Last Month	
		04/08/2023	Change	31/07/2023	Change	07/07/2023	Change
Day Ahead	73	74	-0.34%	72	2.30%	88	-16.76%
Sep-23	79	76	3.06%	77	2.19%	92	-14.70%
Oct-23	82	84	-2.31%	83	-0.74%	95	-13.52%
Q4 23	108	108	0.41%	109	-1.14%	119	-9.20%
Q1 24	120	120	0.09%	123	-2.36%	135	-11.05%
Winter 23	113	114	-0.63%	116	-2.64%	127	-10.97%
Summer 24	107	107	-0.18%	111	-3.80%	116	-7.86%
Winter 24	126	114	10.80%	116	8.56%	127	-0.73%
Summer 25	95	95	-0.19%	97	-1.87%	99	-4.14%

## Gas Analysis

Gas p/th	07/08/2023	Previous Day		Last Week		Last Month	
		04/08/2023	Change	31/07/2023	Change	07/07/2023	Change
Day Ahead	70	71	-1.75%	67	5.18%	81	-13.31%
Sep-23	75	73	2.84%	71	6.01%	88	-14.77%
Oct-23	86	84	2.78%	83	4.40%	97	-11.38%
Q4 23	106	105	0.88%	107	-1.35%	123	-14.02%
Q1 24	129	128	0.67%	134	-3.54%	145	-11.21%
Winter 23	117	117	0.33%	121	-2.98%	134	-12.87%
Summer 24	123	122	0.66%	126	-2.53%	134	-7.87%
Winter 24	139	117	19.20%	121	15.26%	134	3.51%
Summer 25	110	110	-0.18%	109	1.35%	109	0.48%

### UK Power - Annual Prices (£/MW)



### UK Gas - Annual Prices (p/th)

