

# Weekly Energy Market Report

## Commentary

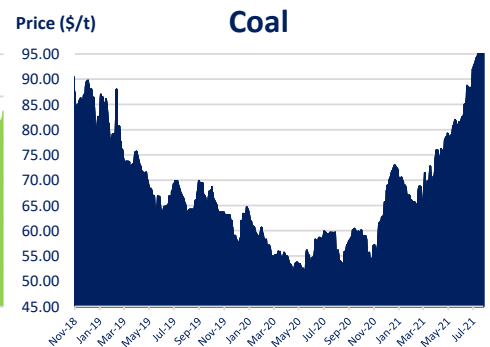
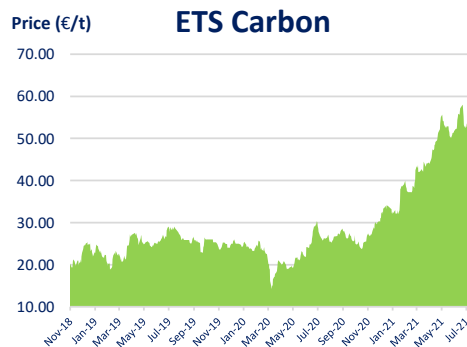
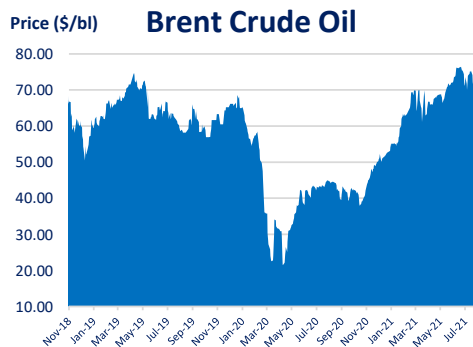
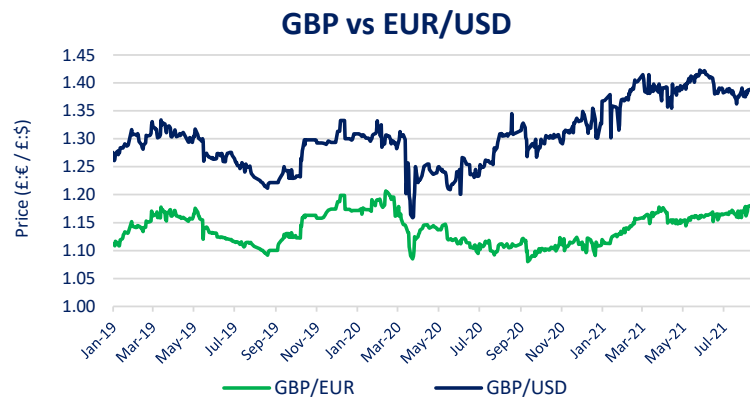
09/08/2021

UK gas demand forecasts sit well below seasonal norms today, ensuring the system is in oversupply which should aid further storage injections through the day. Temperatures continue to sit at seasonal norms despite cloudy conditions which have restricted solar generation somewhat. Additionally, today's wind forecasts sit much lower than we've seen in previous sessions requiring gas to make up 45% of the generation stack. UK storage injections increased toward the end of last week, easing some of the supply pressure heading into Winter. However, European levels still remain well below previous years, which has proven to be one of the key drivers for the current market's escalation.

Media outlets across the world are covering the findings of the latest report published by the Intergovernmental Panel on Climate Change (IPCC). Released within the last hour, the report shows that the impact of humanity's damage is a statement of fact. For the first time, the report has stated current weather extremes as being directly caused by global warming, where previously the report shied from any such correlation. The impact of this report has escalated the need for accelerated global action, which in turn will lead to further Carbon restrictions. Elsewhere, Oil prices have fallen more than 2% this morning, extending last week's steep losses on the back of a rising U.S. dollar and concerns that new pandemic curbs in Asia may set back the global recovery in fuel demand. Additional risk has restricted downward movements somewhat as increased geopolitical tensions in the middle east saw a tanker off the coast of Oman attacked on Thursday, which has sparked further conflict between Israel and Iran. Sterling has opened the week in positive fashion, continuing it's trajectory from the back-end of last week. Investors in the currency continue to support the Pound's strength against main counterparts. The Bank of England's announcement that future interest rate hikes – likely to occur in 2022 to curb inflation levels – will curtail its quantitative easing programme have fueled confidence in the UK economy's short/mid-term growth trajectory.

## Currency & Commodities

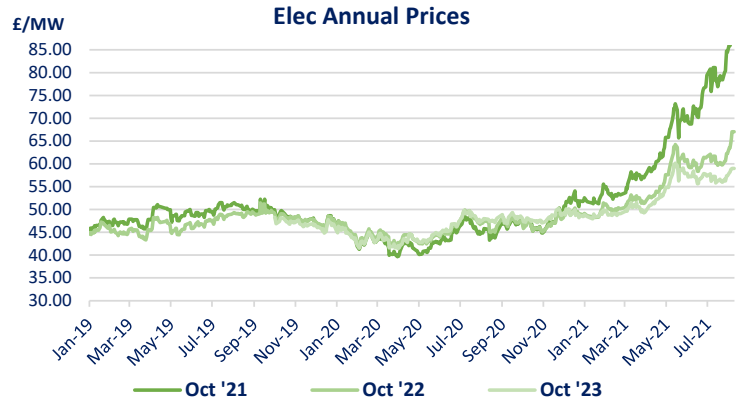
<b>Pound vs Dollar (£:\$)</b>	1.389
<b>Pound vs Euro (£:€)</b>	1.181
<b>Brent Crude Oil (\$/bl)</b>	67.74
<b>EU ETS Carbon (€/t)</b>	56.65
<b>API2 Coal (\$/t)</b>	99.50



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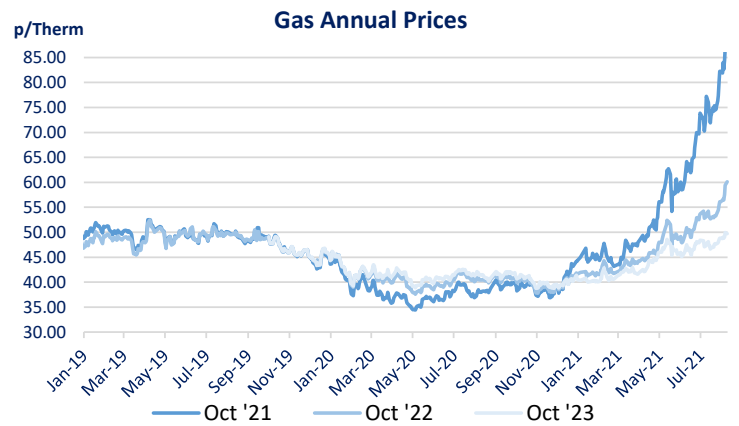
## Electricity Analysis

Elec Futures	Price	Weekly Change	
Sep-21	104.38	2.83	2.79%
Oct-21	104.53	2.63	2.58%
Nov-21	108.53	2.83	2.68%
Q4 21	119.05	14.65	14.03%
Q1 22	116.15	14.30	14.04%
W 21	108.80	5.68	5.51%
S 22	73.80	6.33	9.38%
W 22	79.01	5.28	7.16%
Oct 21 Annual	91.30	10.80	7.45%

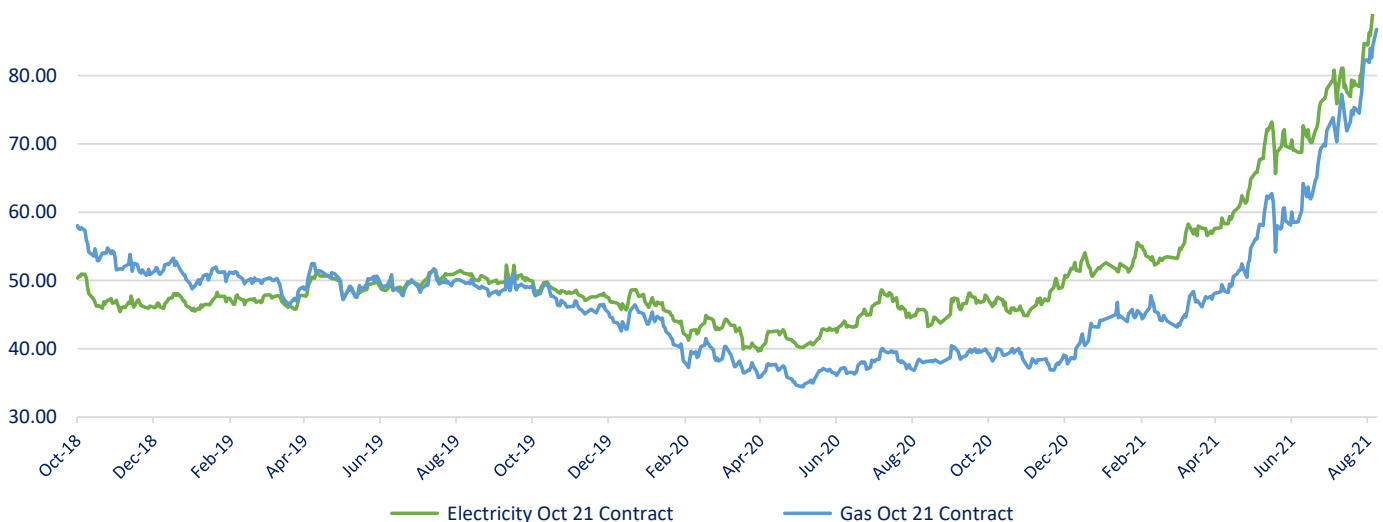


## Gas Analysis

Gas Futures	Price	Weekly Change	
Sep-21	107.37	-0.64	-0.59%
Oct-21	108.99	0.74	0.68%
Nov-21	111.54	1.72	1.57%
Q4 21	111.10	1.22	1.11%
Q1 22	107.60	5.07	4.94%
W 21	109.35	2.83	2.66%
S 22	66.90	5.46	8.89%
W 22	71.64	4.77	7.13%
Oct 21 Annual	88.13	12.38	16.34%



### Elec / Gas October 2021 Annual Prices



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