

Weekly Energy Market Report

Commentary

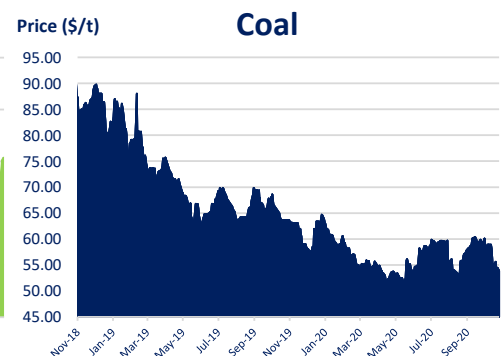
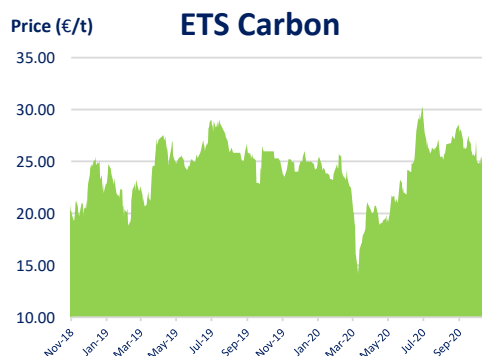
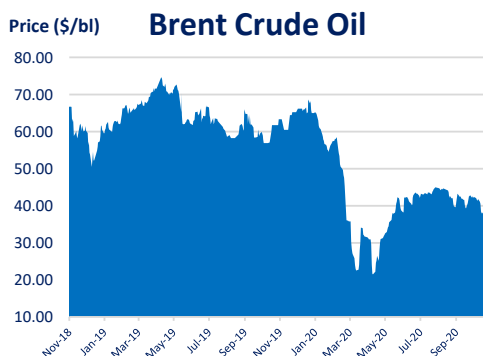
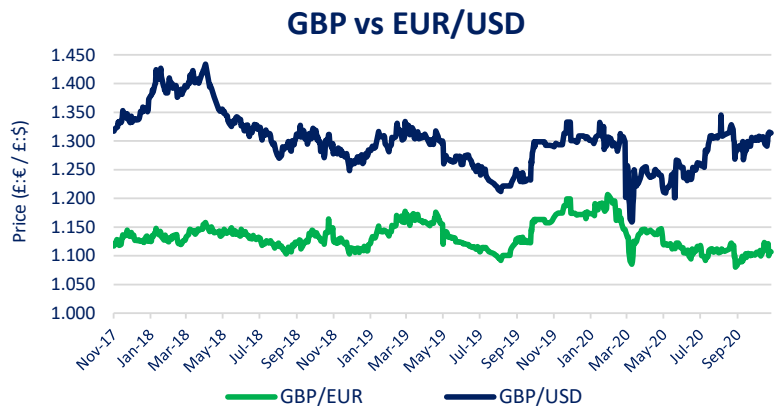
09/11/2020

This morning's gas system has opened undersupplied despite reduced demand due to lockdown measures and higher than seasonal normal temperatures, almost 4 degrees celsius above normal. Indeed, temperatures are forecast to remain above normal November levels for the next ten days, helping to reduce demand requirements for heating. Elsewhere, renewable generation has made a slow start to the week, currently contributing a lowly 14% to the generation stack amid cloudy but still conditions across the UK. LNG sendout has declined significantly over the weekend but Norwegian gas flows remain healthy and steady.

Renewed lockdown measures introduced across Europe in a bid to contain the rising Covid 19 cases continue to weigh on an already weak oil demand outlook. Indeed, Gas and Power prices across Europe have witnessed some bearish pressure inline with the global commodity, which is often used to measure global economic health and as a barometer of price direction across energy-related commodities. EUA carbon prices pulled back on Friday following a big three-day rally, with prices consolidating below €26 on profit-taking and a weak auction result and to notch a 7.2% weekly gain. Despite legal challenges from the Trump administration, stock markets gained over recent days as it looked increasingly certain that Biden would win the US election. The benefit of improved stock markets directly influence the health of the Pound due to the UK's investment primarily coming from external sources and the general reliance that the UK economy has on its financial services sector. However, uncertainty of Sterling's direction still remains directly linked to the Brexit negotiations outcome. Analysts remain optimistic that a deal can be made in the mid-November deadline, but the currency could drop should this deadline be extended further.

Currency & Commodities

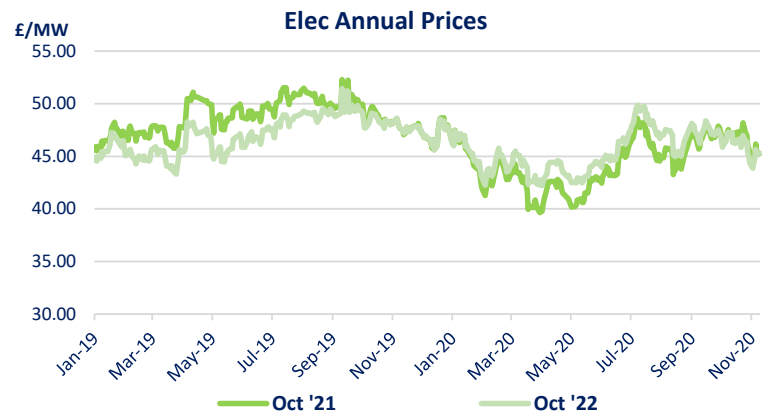
Pound vs Dollar (£:\$)	1.301
Pound vs Euro (£:€)	1.105
Brent Crude Oil (\$/bl)	42.11
EU ETS Carbon (€/t)	24.78
API2 Coal (\$/t)	58.22



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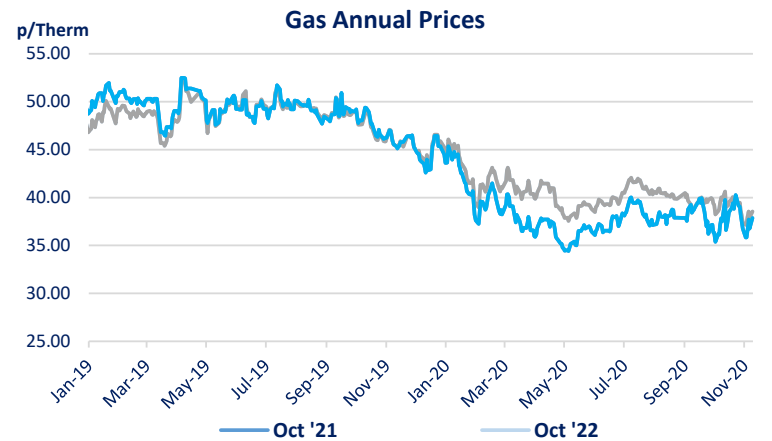
Electricity Analysis

Elec Futures	Price	Change	% Change
Dec-20	46.40	-0.50	-1.07%
Jan-21	51.88	1.07	2.11%
Feb-21	51.93	1.09	2.14%
Q1 21	48.73	-0.01	-0.02%
Q2 21	41.33	-0.02	-0.05%
S 21	42.96	0.08	0.19%
W 21	48.82	0.46	0.95%
S 22	41.65	0.02	0.05%
Oct 21 Annual	45.24	0.24	0.50%

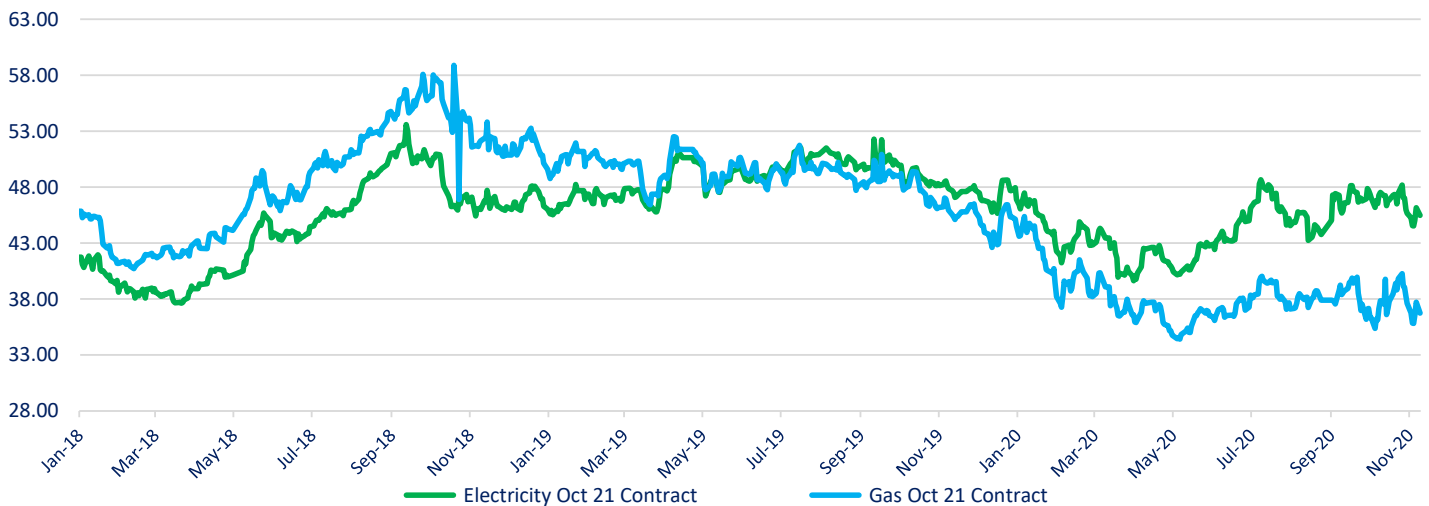


Gas Analysis

Gas Futures	Price	Change	% Change
Dec-20	39.26	-0.73	-1.83%
Jan-21	40.70	-0.67	-1.62%
Feb-21	40.94	-0.66	-1.59%
Q1 21	40.03	-0.59	-1.45%
Q2 21	34.25	-0.29	-0.84%
S 21	33.38	-0.40	-1.18%
W21	41.55	-0.14	-0.34%
S 22	33.80	-0.20	-0.59%
Oct 20 Annual	37.68	-0.17	-0.46%



Elec / Gas October 2020 Annual Prices



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