

Weekly Energy Market Report

Commentary

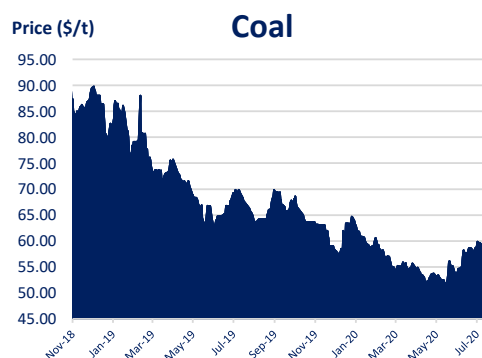
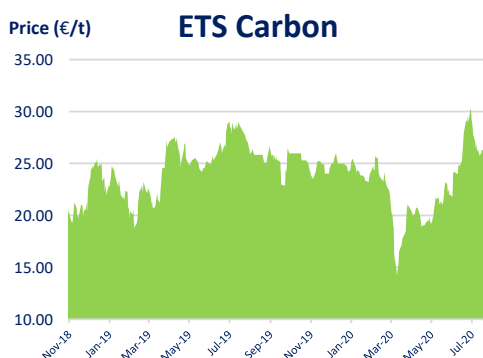
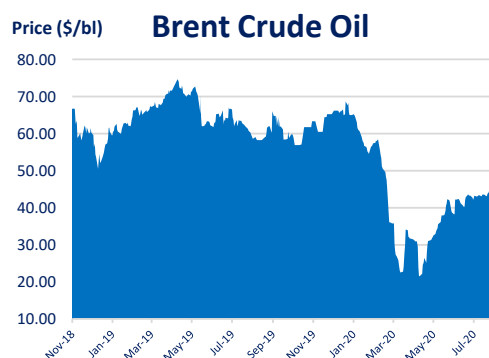
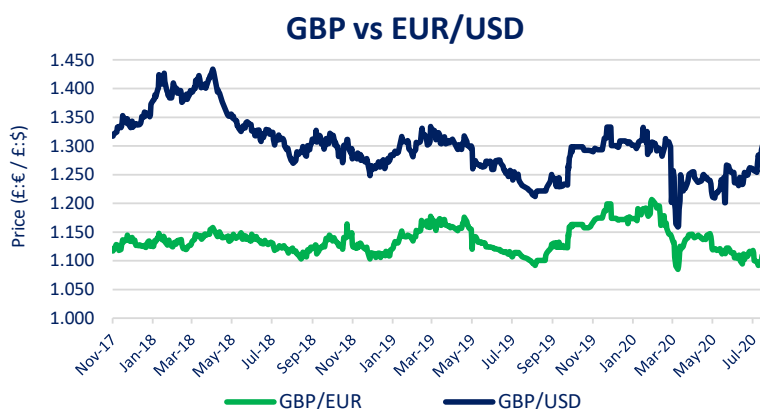
10/08/2020

Bullish sentiment continued to build during Friday's session, despite gas-for-heating demand being largely minimised by warmer than seasonal normal temperatures. Lower levels of wind generation in fact drove gas-for-power demand higher and an increase in air conditioning demand across Northern Europe also bolstered prices, with a prolonged period of warmth expected to last until the middle of this week. Additionally, the key Langeled pipeline remained restricted due to ongoing maintenance, which increased the UK's reliance on LNG imports and storage withdrawals. Solar generation levels did report strong figures which alleviated some of the short-term supply pressures being placed on short term prices.

Brent Crude came under some pressure on Thursday evening/Friday morning as global markets responded to news that the US and China could enter a renewed trade war, focused on the technology/software sector. The escalation of such a trade conflict would further dampen global growth forecasts and global commodity demand forecasts. Since then, a recovery in price has been seen, built on hopes of a stimulus deal being issued by the US Treasury to bolster their economic recovery and Iraq's pledge to increase its crude oil supply cuts. The short to mid-term outlook for Pound Sterling has improved recently, courtesy of the Bank of England's stance in not reducing interest rates below 0% at this stage. Reducing rates below this level remains a possibility but the Bank have reiterated that such a policy shift would be resorted to only if absolutely necessary. Furthermore, the perceived increased likelihood of a Brexit trade deal being agreed in the Autumn has also boosted the currency's outlook.

Currency & Commodities

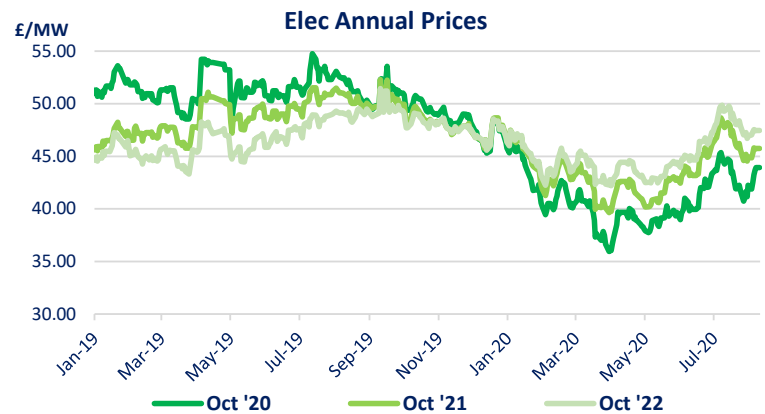
Pound vs Dollar (£:\$)	1.306
Pound vs Euro (£:€)	1.111
Brent Crude Oil (\$/bl)	44.84
EU ETS Carbon (€/t)	27.1
API2 Coal (\$/t)	59.50



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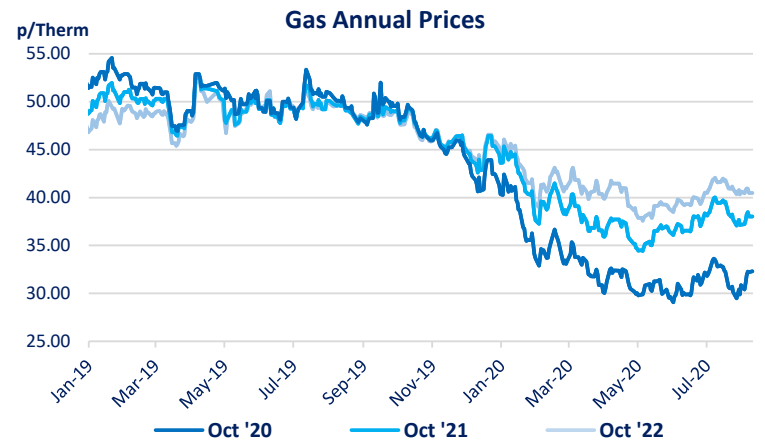
Electricity Analysis

Elec Futures	Price	Change	% Change
Sep-20	39.98	0.84	2.16%
Oct-20	40.35	0.85	2.15%
Nov-20	48.60	0.85	1.78%
Dec-20	50.35	0.85	1.72%
Q4 20	46.25	1.10	2.38%
W 20	43.92	-0.10	-0.23%
S 21	40.76	0.01	0.02%
W 21	48.57	0.24	0.50%
Oct 20 Annual	42.34	-0.05	-0.10%

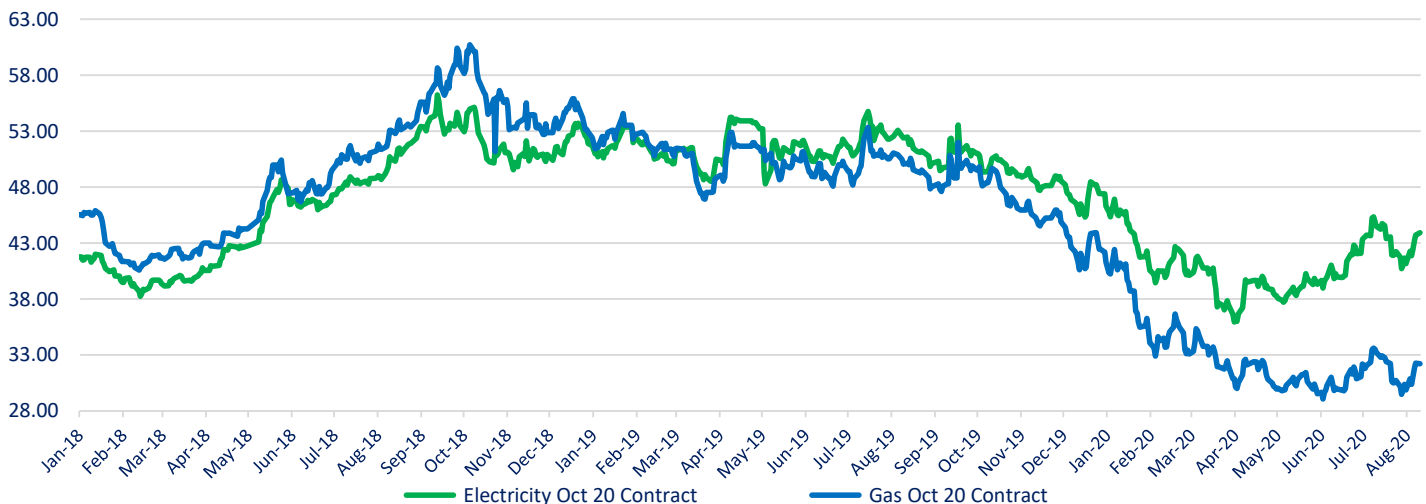


Gas Analysis

Gas Futures	Price	Change	% Change
Sep-20	22.47	0.65	2.98%
Oct-20	24.74	0.63	2.61%
Nov-20	32.52	0.49	1.55%
Dec-20	36.88	0.38	1.03%
Q4 20	31.37	0.50	1.62%
W 20	34.68	0.41	1.21%
S 21	30.48	0.36	1.21%
W21	41.40	0.33	0.81%
Oct 20 Annual	32.58	0.39	1.21%



Elec / Gas October 2020 Annual Prices



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