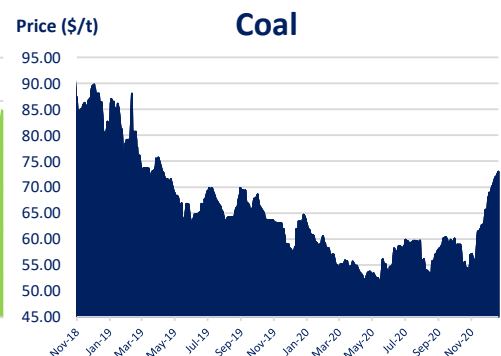
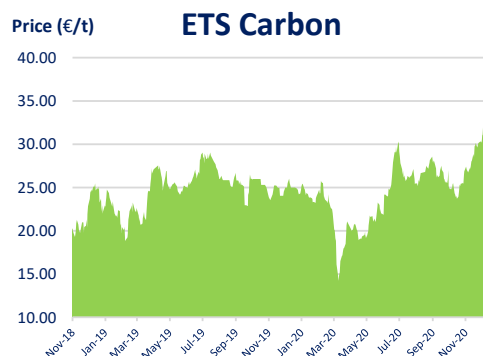
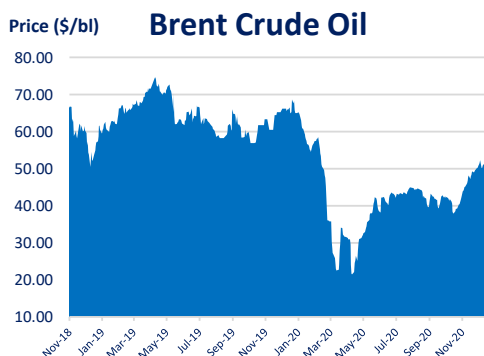
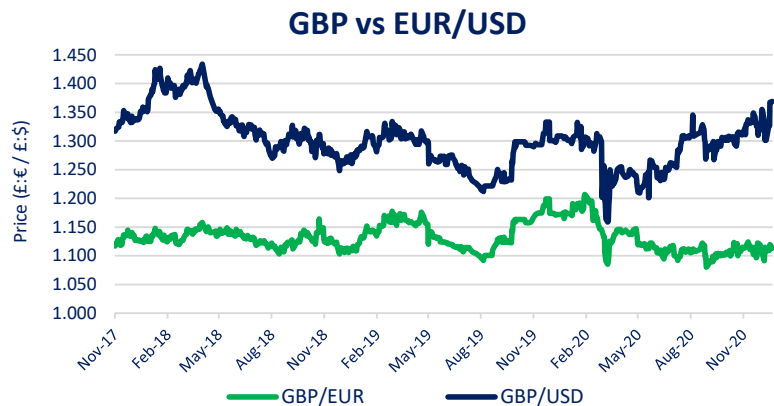


The first Monday morning of 2021 is currently witnessing a undersupplied gas system at present, as demand increases above seasonal normal levels amid cold conditions. Indeed, temperatures are at around 2C across the UK today and are forecast to dip to 0C by Saturday. Wind generation is steady and contributing c. 25% of power generation at time of writing, but gas still makes up the majority share at 47% through CCGT. LNG Gas send out is at lows and with Asian LNG prices still surging, it is unlikely we will see much LNG hitting UK shores in the short term until China's winter supply measures are expected to kick in to avoid a repeat of winter 2017. Despite this shortage, gas storages have been making up deficits during the holiday period, with sendout peaking at 70mscm. IUK has also been contributing with flows this morning at 45mscm having had a subdued 2020.

Global commodity markets ended 2020 strongly, with demand recovering and widespread stimulus packages buoying prices after a roller coaster ride caused by the global coronavirus pandemic. Despite a strong finish, crude prices lost more than a fifth of their value in 2020, as lockdowns to combat the coronavirus sent oil markets reeling. Rollouts of vaccines to combat the virus and trillions of dollars' in fiscal support are expected to boost investment and spending in 2021. Elsewhere, the UK will launch its own Carbon emissions trading scheme this year, moving away for the EU ETS. With the announcement coming in late December, carbon prices will continue to mirror those seen with EU ETS, but with the UK announcing more ambitious reduction targets than their European counterpart, the UK can expect some bullish pressure in the coming years. The British Pound starts 2021 by rallying in value against the Euro and Dollar, having given a lacklustre response to news of a post-Brexit trade agreement being reached by the EU and UK on Christmas Eve. UK-EU trade faces a potentially significant structural shift to its current relationship now that the UK has exited the EU's internal market. While trade will still be tariff free, EU companies exporting goods into the UK will have to sign up with HMRC for the purposes of VAT, and some companies have already said they are discontinuing exports as a result. Due to the UK's natural current account deficit (as a net importer), any disruption to foreign capital inflow will be a detriment to the UK economy and hence Sterling's value.

## Currency & Commodities

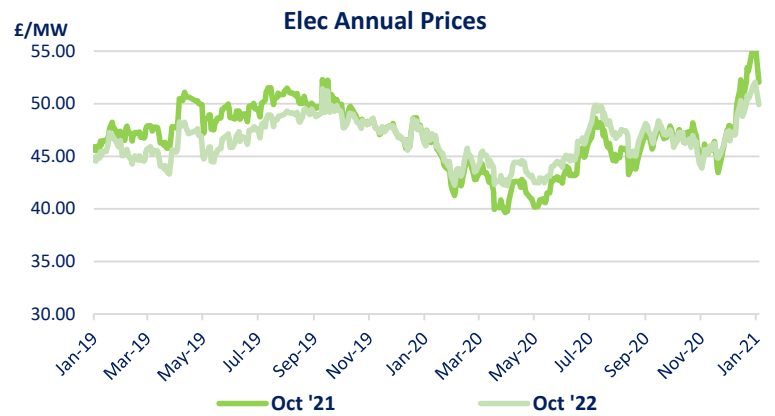
<b>Pound vs Dollar (£:\$)</b>	1.301
<b>Pound vs Euro (£:€)</b>	1.105
<b>Brent Crude Oil (\$/b)</b>	42.11
<b>EU ETS Carbon (€/t)</b>	24.78
<b>API2 Coal (\$/t)</b>	58.22



# Weekly Energy Market Report

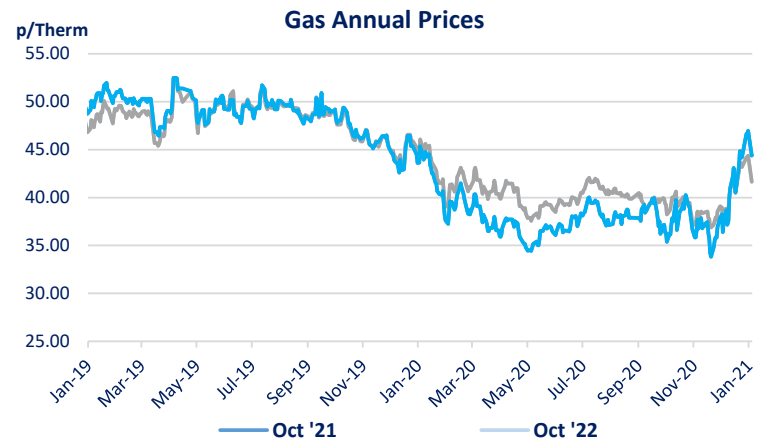
## Electricity Analysis

Elec Futures	Price	Change	% Change
Feb-21	69.40	0.90	1.31%
Mar-21	61.38	1.88	3.16%
Apr-21	57.03	-0.62	-1.08%
Q2 21	64.15	2.90	4.73%
Q3 21	50.50	-4.80	-8.68%
S 21	62.39	2.10	3.48%
W 21	64.56	2.15	3.44%
S 22	47.45	1.50	3.26%
Oct 21 Annual	56.01	1.83	3.35%

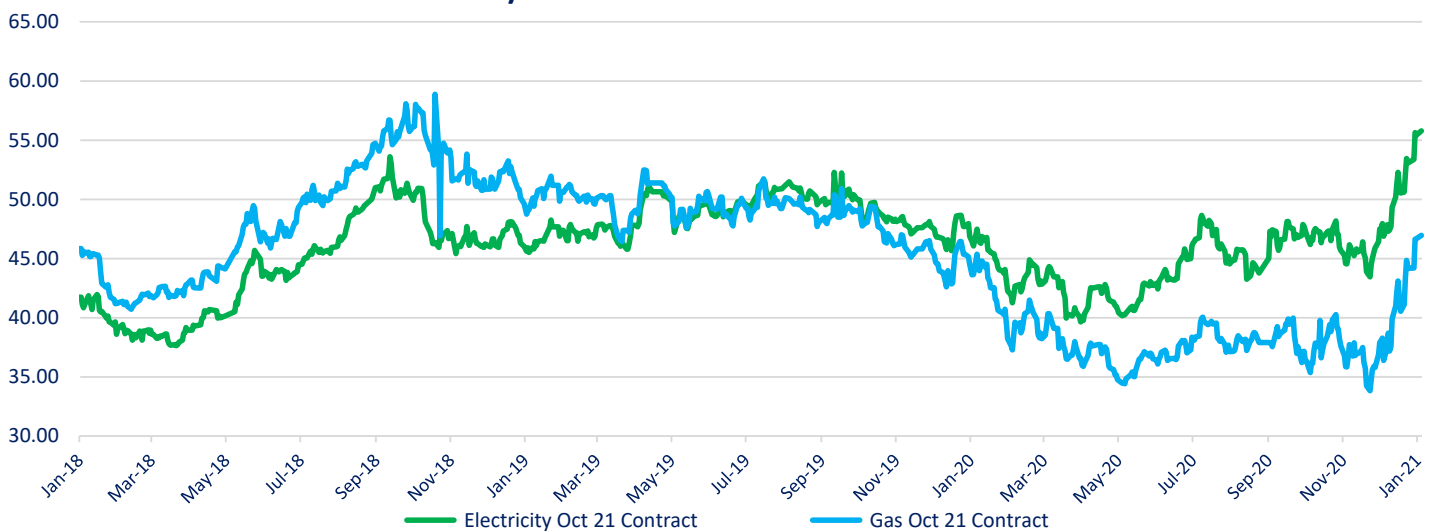


## Gas Analysis

Gas Futures	Price	Change	% Change
Feb-21	60.26	3.86	6.84%
Mar-21	55.52	3.21	6.14%
Apr-21	49.06	2.21	4.72%
Q2 21	45.37	1.80	4.13%
Q3 21	42.41	1.32	3.21%
S 21	43.58	1.53	3.64%
W 21	51.27	1.32	2.64%
S 22	39.85	1.10	2.84%
Oct 21 Annual	45.56	1.21	2.74%



### Elec / Gas October 2021 Annual Prices



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