

Weekly Energy Market Report

Commentary

12/02/2024

The UK system has opened this morning slightly short. Norwegian piped export nominations are marginally up, helped by the unplanned outages at Nyhamna and Troll gas field ending towards the end of last week. UKCS total terminal receipts are nominated flat, whilst maintenance at Barrow North gas terminal has once again been extended. Temperatures in the UK have fallen during the weekend to seasonal norm but should see their minimum today for the next ten days. Towards the end of this week's workdays, they are forecast to rise by more than 5°C. On the Continent, temperatures remain above seasonal norm. Currently, 6 LNG deliveries are planned for the UK in February, with a healthy number of ships also bound for mainland Europe.

Oil prices fell in early Asian trade on Monday after Israel said it had "concluded" a series of strikes in southern Gaza, slightly easing concerns about supply from the Middle East. Geo-political risks including a feared broadening of the Israel-Palestinian conflict across the region and potential oil supply disruption in the Middle East pushed prices up by about 6% last week. Logistics disruptions in the Red sea remained front and centre of investor concerns. The United Kingdom Maritime Trade Operations (UKMTO) agency said early on Monday it had received a report of a ship being attacked by two missiles south of Yemen's Al Mukha. The Pound to Euro exchange rate remains well supported by an abundance of technical support levels, but it will take a blow-out set of UK economic data releases to deliver fresh 2024 highs in the coming week. There is no shortage of opportunities for UK data to surprise to the upside, with inflation, wages, GDP, and retail sales releases all on the docket. The figures will offer markets another chance to recalibrate expectations for when the Bank of England will move to cut interest rates, with positive surprises pushing back the expected start time and underpinning the Pound. Should the data disappoint, we would look for weakness to be relatively shallow owing to the significant technical support levels that reside nearby.

Currency & Commodities

Pound vs Dollar (£:\$) 1.262

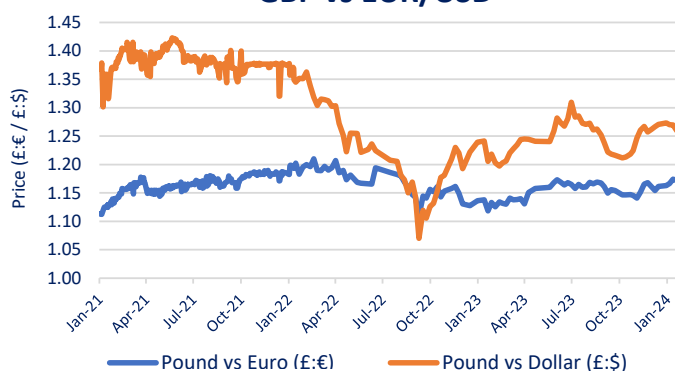
Pound vs Euro (£:€) 1.172

Brent Crude Oil (\$/bl) 81.39

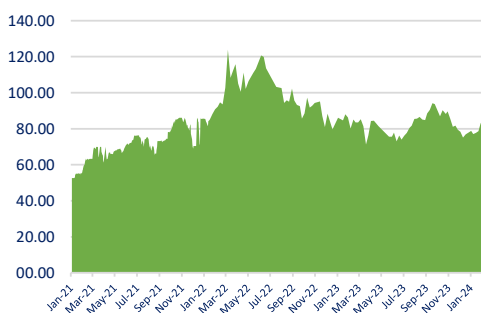
EU ETS Carbon (€/t) 60.28

API2 Coal (\$/t) 92.52

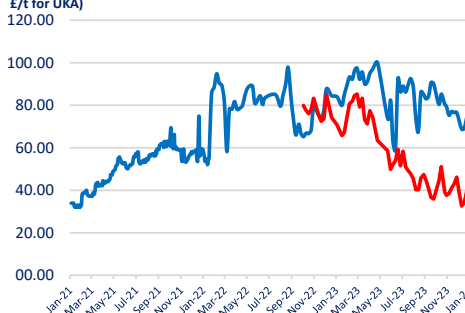
GBP vs EUR/USD



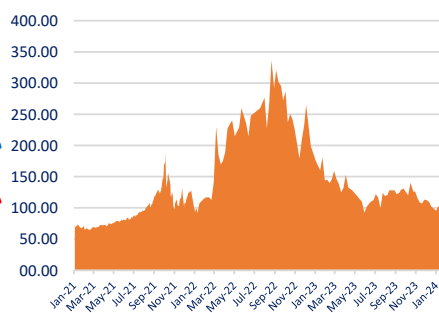
Price (\$/bl) Brent Crude Oil



Price (€/t for EUA £/t for UKA) — EUA Carbon — UK Carbon



Price (\$/t) Coal



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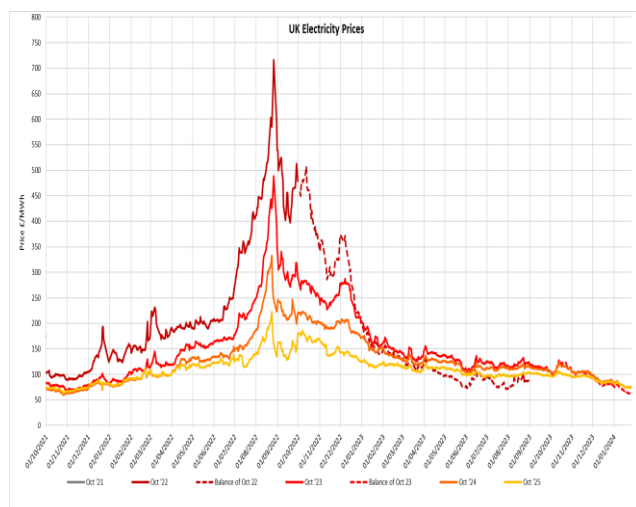
Power Analysis

Power £/MWh	12/02/2024	Previous Day		Last Week		Last Month	
		09/02/2024	Change	05/02/2024	Change	12/01/2024	Change
Day Ahead	64.25	68.00	-5.51%	76.00	-15.46%	76.90	-16.45%
Mar-24	62.00	62.20	-0.32%	65.90	-5.92%	72.65	-14.66%
Apr-24	59.25	61.50	-3.66%	65.35	-9.33%	70.65	-16.14%
Q2 24	60.63	60.22	0.69%	64.58	-6.12%	70.28	-13.73%
Summer 24	61.18	61.18	-0.01%	65.42	-6.48%	70.83	-13.63%
Winter 24	75.25	75.30	-0.07%	81.86	-8.07%	87.97	-14.46%
Summer 25	62.80	62.82	-0.03%	67.36	-6.77%	70.76	-11.25%
Winter 25	75.26	75.28	-0.03%	81.53	-7.68%	86.27	-12.76%

Gas Analysis

Gas p/th	12/02/2024	Previous Day		Last Week		Last Month	
		09/02/2024	Change	05/02/2024	Change	12/01/2024	Change
Day Ahead	67.55	67.55	0.00%	69.75	-3.15%	80.40	-15.98%
Mar-24	64.26	66.42	-3.25%	69.33	-7.31%	78.66	-18.31%
Apr-24	64.37	66.54	-3.26%	69.81	-7.79%	77.91	-17.38%
Q2 24	64.81	66.77	-2.94%	70.26	-7.76%	78.08	-17.00%
Summer 24	65.33	67.38	-3.04%	70.93	-7.90%	78.63	-16.91%
Winter 24	79.02	80.45	-1.77%	86.74	-8.90%	94.57	-16.45%
Summer 25	69.73	70.53	-1.13%	76.99	-9.43%	82.34	-15.31%
Winter 25	79.13	80.68	-1.92%	86.54	-8.56%	91.29	-13.32%

UK Power - Annual Prices (£/MW)



UK Gas - Annual Prices (p/Th)

