

Weekly Energy Market Report

Commentary

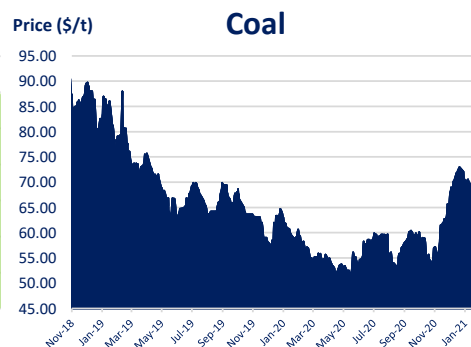
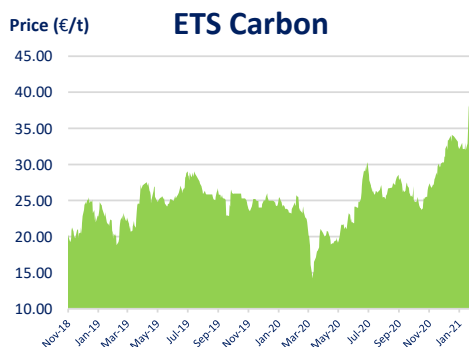
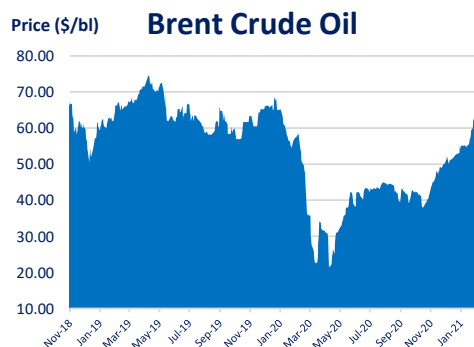
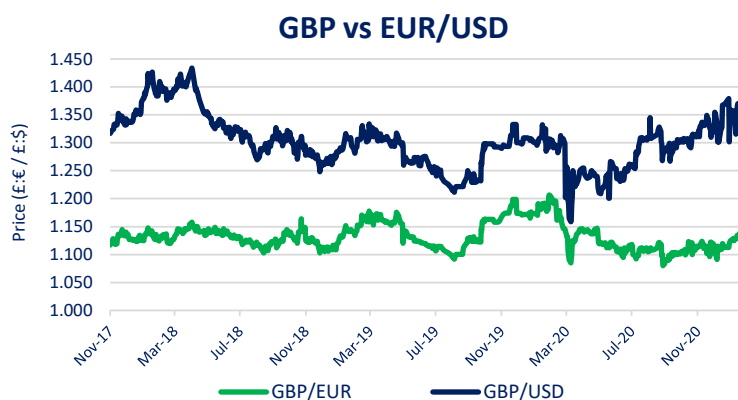
15/02/2021

Gas prices this morning are down for the coming months due to forecasts for the rest of the month being revised milder over the course of the weekend. Indeed, this morning alone the gas system milder temperatures see forecast gas demand below seasonal normal, much healthier levels than those seen during last week's cold spell which saw demand sit 25% above seasonal norms. Norway flows have dipped over the course of the weekend to 97mscm at present as we see much reduced sendout from storage facilities relative to last week. Prompt power contracts are also soft as the mild temperatures are forecast to coincide with strong wind generation which is currently contributing 21% to the generation stack.

Despite European energy prices dropping over the past week on the back of revised forecasts, Oil and Carbon markets remain firmly in bullish trends. In fact, Brent broke through the \$63 mark on Friday before retracing downward whilst EUA Carbon prices are trading at all-time highs once again. Friday's session saw profit taking in crude oil, helping prices retrace from highs seen after 10 consecutive days of gains and movement into overbought territory. This pause in the rally has also been driven by OPEC and IEA comments about risks to demand recovery posed by new coronavirus strains. EUAs rebounded to hit a new record above €40 on Friday, clawing back ground lost late on Thursday as traders dismissed the prospects of regulators curbing speculative trade anytime soon. Indeed, Bloomberg ran an article explaining that that the EU may consider speculative curbs on activity in the carbon market, a move which saw prices drop in response. The British Pound recorded a new nine-month high against the Euro and a new 34-month best against the Dollar at the start of the new week, driven by rising global stock markets and expectations that the UK economy was on the cusp of a strong vaccine-lead recovery. Sterling's fundamental backdrop has improved since the signing of the UK-EU trade deal in December, but gains have been further aided by the UK's leading role in the race to vaccinate its population against covid-19.

Currency & Commodities

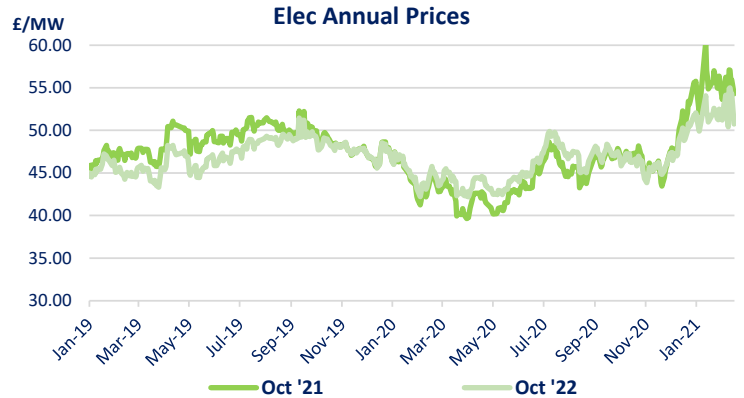
Pound vs Dollar (£:\$)	1.391
Pound vs Euro (£:€)	1.146
Brent Crude Oil (\$/bl)	63.21
EU ETS Carbon (€/t)	39.89
API2 Coal (\$/t)	65.93



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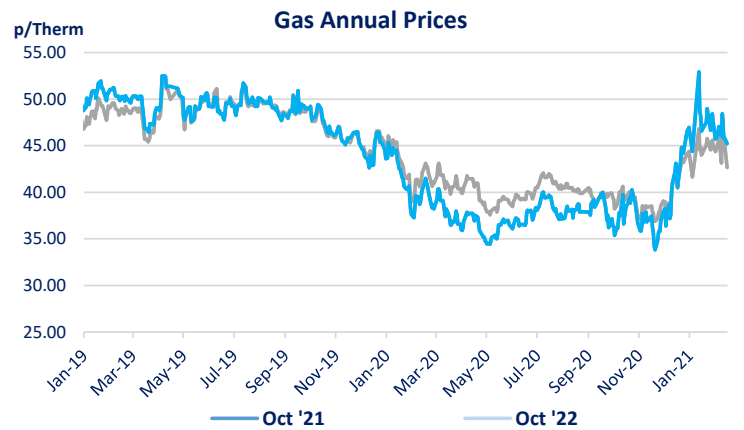
Electricity Analysis

Elec Futures	Price	Change	% Change
Mar-21	53.25	-2.00	-3.62%
Apr-21	52.30	-1.90	-3.51%
May-21	48.40	-1.78	-3.55%
Q2 21	52.75	-0.84	-1.57%
Q3 21	51.55	-0.15	-0.29%
S 21	51.15	-0.15	-0.29%
W 21	58.36	-0.05	-0.09%
S 22	46.75	-0.02	-0.04%
Oct 21 Annual	52.56	-0.04	-0.06%

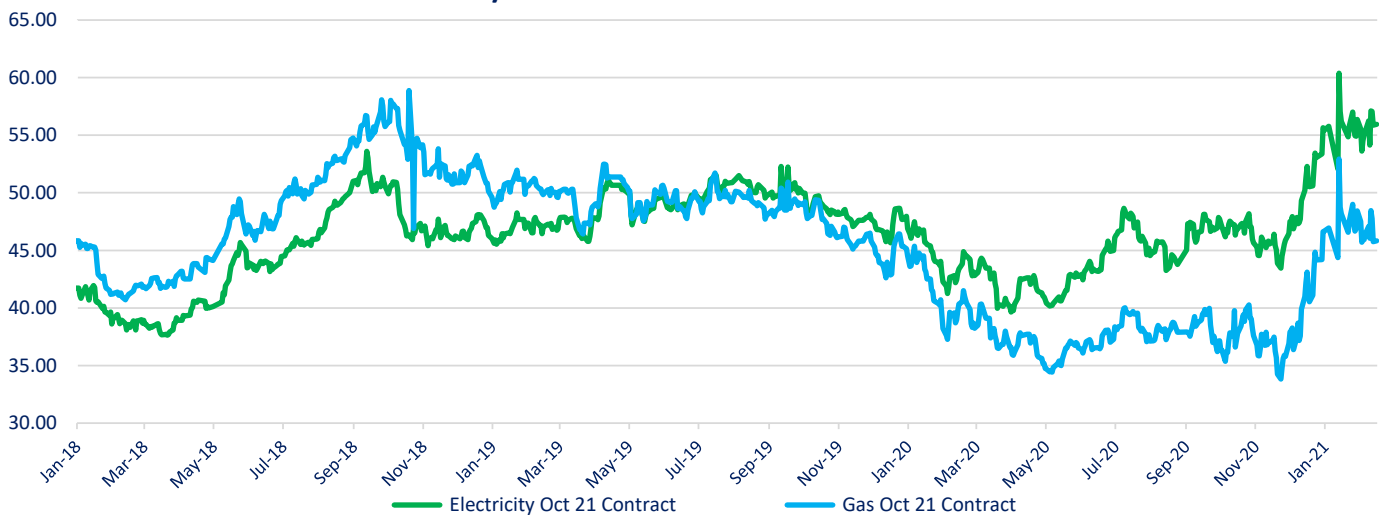


Gas Analysis

Gas Futures	Price	Change	% Change
Mar-21	42.65	-2.20	-4.91%
Apr-21	41.58	-1.49	-3.46%
May-21	40.38	-0.93	-2.25%
Q2 21	40.72	-1.07	-2.56%
Q3 21	40.71	-0.91	-2.19%
S 21	40.75	-0.95	-2.28%
W 21	50.15	-0.75	-1.47%
S 22	39.40	-0.11	-0.28%
Oct 21 Annual	44.78	-0.43	-0.88%



Elec / Gas October 2021 Annual Prices



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