

Weekly Energy Market Report

Commentary

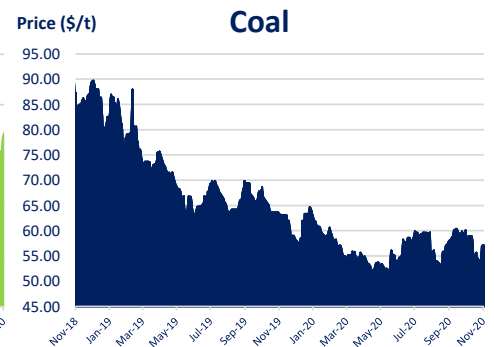
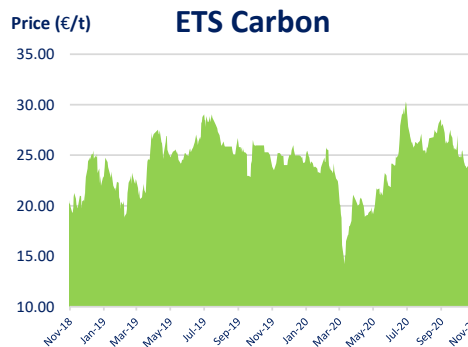
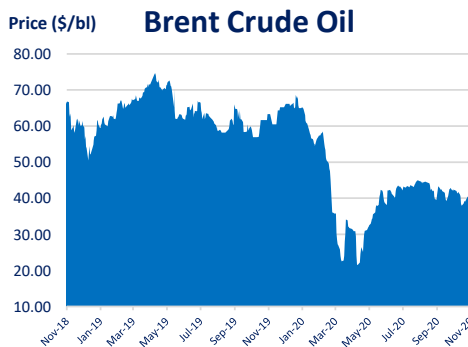
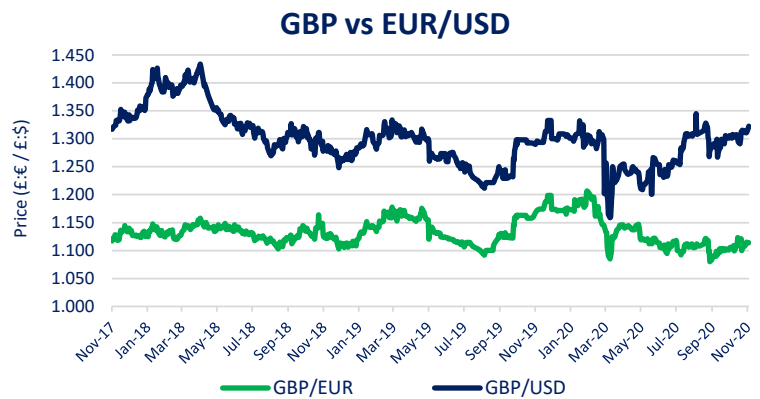
17/11/2020

This morning's market has seen prices open slightly lower on the back of an oversupplied gas system and healthy renewable generation. Indeed, gas supplies remain healthily adequate to match a lower than normal demand, due to the UK's ongoing lockdown measures as well as milder than expected temperatures – reducing demand for heating somewhat. Norwegian gas flows continue to contribute the bulk of supply with LNG imports contributing much less. Elsewhere, renewable generation remains high on the back of strong wind which is currently contributing 34% of the generation stack this morning. Temperatures are expected to drop through the week, more in line with seasonal norms, but windy conditions will continue with some brighter days helping to aid the renewable outlook short term.

EUA carbon prices spiked to a six-week high yesterday on the news of another promising coronavirus vaccine. Likewise, Oil prices have edged up thus far this morning on expectations OPEC and its allies will extend oil production cuts for at least three months, as well as the second major announcement of positive COVID-19 vaccine results in the past week. Equity markets gained on hopes of a quicker economic recovery after Moderna Inc MRNA.O said its experimental COVID-19 vaccine was 94.5% effective in preventing infection based on interim late-state data. Britain's chief Brexit negotiator David Frost has told PM Boris Johnson to expect a Brussels trade deal "early next week" but talks could still collapse over fishing and red tape. The PM last night said he would not row back on his Brexit red lines amid claims cabinet members are pushing for a climbdown. Carbon pricing and the UK's climate policy are understood to be among the remaining obstacles. Still, experts say any progress on a Brexit deal would likely inject positive sentiment into the EU carbon market and potentially lift EUAs further.

Currency & Commodities

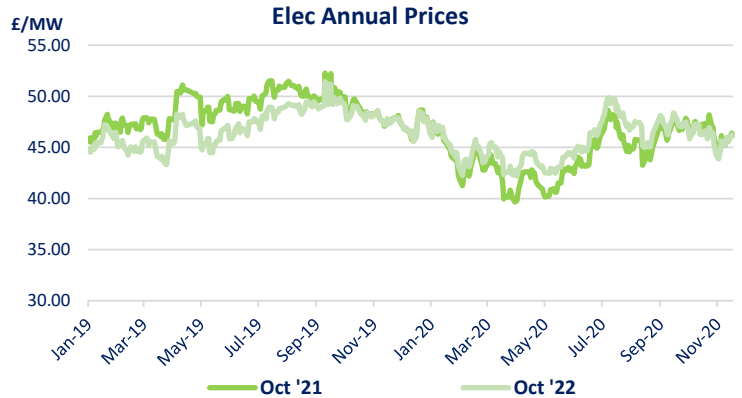
Pound vs Dollar (£:\$)	1.301
Pound vs Euro (£:€)	1.105
Brent Crude Oil (\$/bl)	42.11
EU ETS Carbon (€/t)	24.78
API2 Coal (\$/t)	58.22



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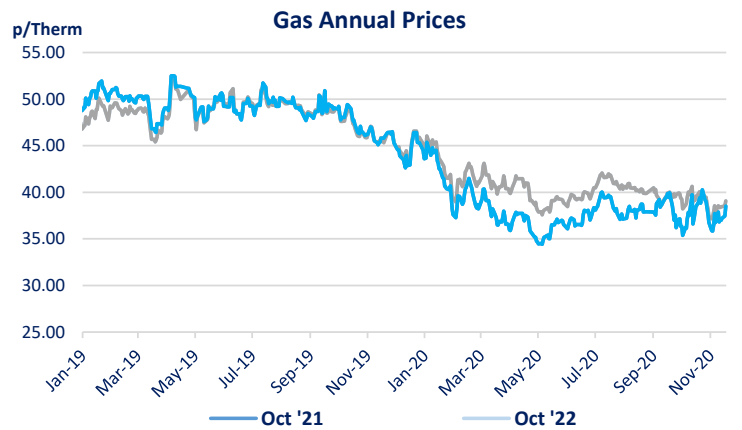
Electricity Analysis

Elec Futures	Price	Change	% Change
Dec-20	46.85	-0.50	-1.06%
Jan-21	51.35	-0.50	-0.96%
Feb-21	51.40	-0.50	-0.96%
Q1 21	49.40	-0.01	-0.01%
Q2 21	42.00	-0.05	-0.12%
S 21	43.38	-0.38	-0.87%
W 21	49.00	-1.00	-2.00%
S 22	42.61	-0.07	-0.16%
Oct 21 Annual	45.81	-0.54	-1.08%

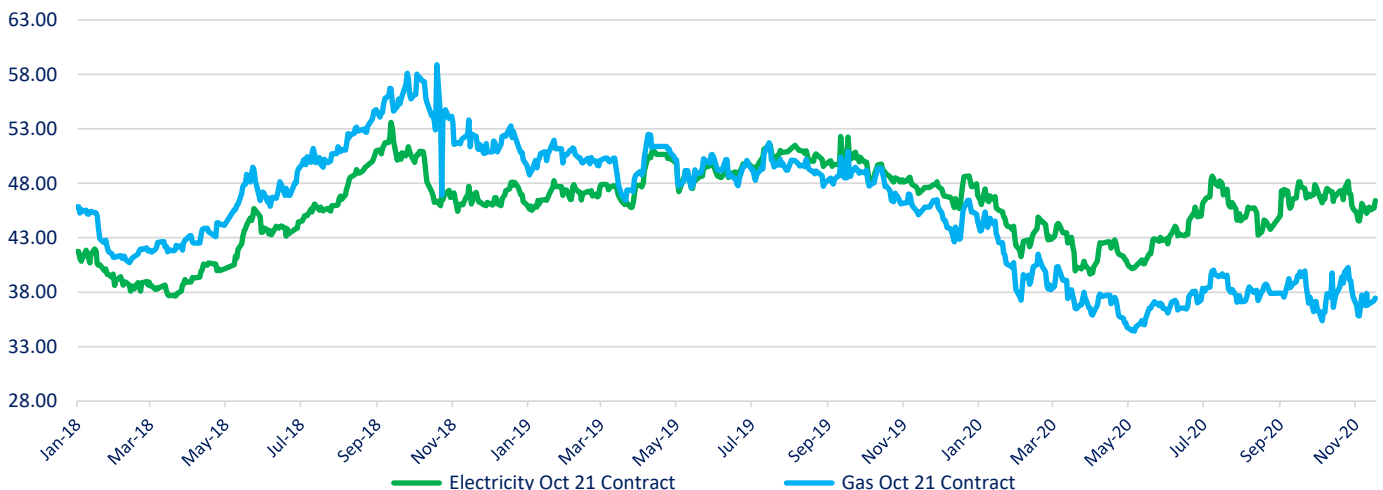


Gas Analysis

Gas Futures	Price	Change	% Change
Dec-20	40.14	-1.05	-2.55%
Jan-21	41.43	-0.92	-2.17%
Feb-21	41.70	-0.84	-1.97%
Q1 21	40.75	-0.83	-2.00%
Q2 21	34.45	-0.63	-1.80%
S 21	33.65	-0.65	-1.90%
W21	42.22	-0.14	-0.33%
S 22	34.43	-0.23	-0.66%
Oct 20 Annual	38.33	-0.19	-0.50%



Elec / Gas October 2020 Annual Prices



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