

Weekly Energy Market Report

Commentary

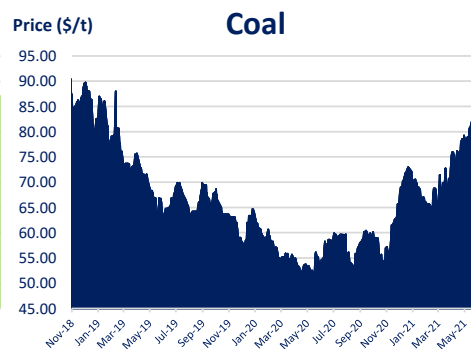
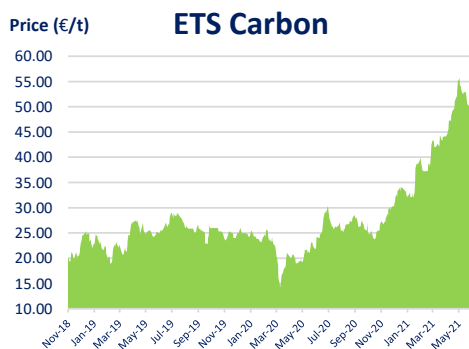
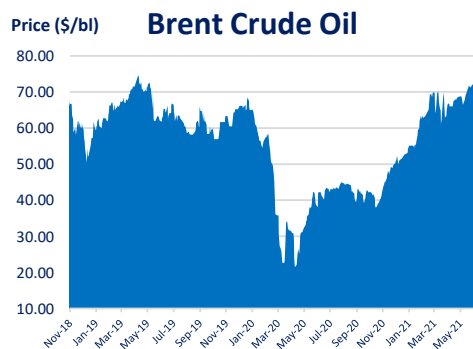
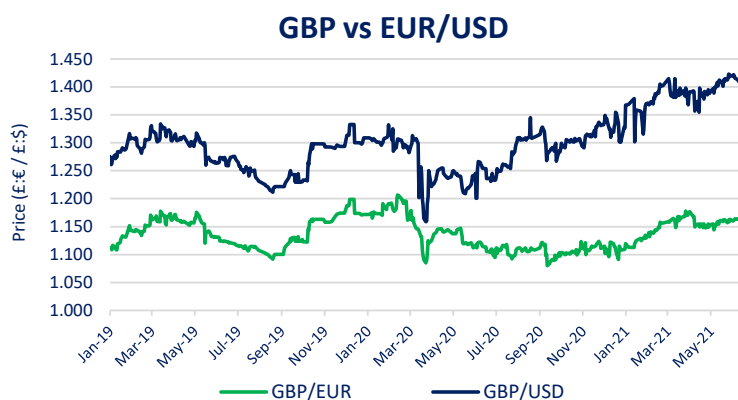
21/06/2021

An unplanned outage at the Karsto processing facility in the North Sea lifted near-curve prices on Friday, exacerbating an already tight demand/supply dynamic. This added greater weight to concerns that the storage build over the remainder of June may not bode well for supply during Winter 21. Further uncertainty in this regard is also derived from the rather weak LNG import outlook for UK and Europe, with much supply continuing to be diverted to the more lucrative East Asian market at the moment. During today's opening session, the UK's gas system is operating in undersupply following another unexpected outage. News also filtered through that the reforecasting of temperatures for this week, to about 1.5 degrees Celsius below seasonal normal levels, may actually be bearish for short term prices by reducing air conditioning demand without precipitating a switch on of gas-for-heating demand.

The wider commodity mix has added further bullish impetus to energy price curves during both Friday's and this morning's session. Indeed, positive sentiment in Brent Crude and EUA Carbon prices were the key drivers. Regarding the former, the US National Hurricane Centre issued a tropical storm warning for the Gulf Coast, which may disrupt supply in the area and hence supply availability in the global market. Furthermore, indications that the US summer driving season (and its usual uplift in fuel consumption) has been strong thus far. News that Iranian nuclear deal talks could be delayed for ten days has also edged Brent higher, encouraged by the delay to any impending increase in Iranian supply 'flooding' the market. EUA Carbon prices bounced upwards after spending three consecutive sessions below the 20 day moving average. The immediate outlook for traders of currency and, in particular commentators on Pound Sterling, has shifted towards perceptions of any potential forthcoming changes to the Bank of England's Monetary Policy Committee's stance on interest rates and economic growth in the UK. Indeed, this Thursday's meeting doesn't appear to be the catalyst for any change in interest rates, but the noises coming from the meeting regarding the committee's assessment of the UK economy and any harbingers of August's meeting – where a policy shift would be far more likely – will be telling.

Currency & Commodities

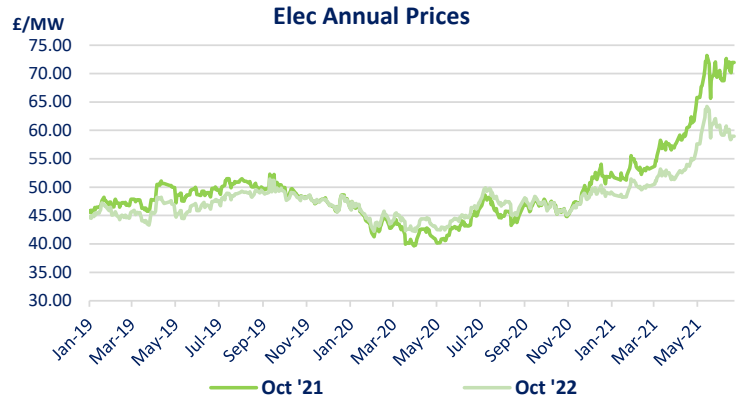
Pound vs Dollar (£:\$)	1.387
Pound vs Euro (£:€)	1.166
Brent Crude Oil (\$/bl)	73.82
EU ETS Carbon (€/t)	52.56
API2 Coal (\$/t)	82.60



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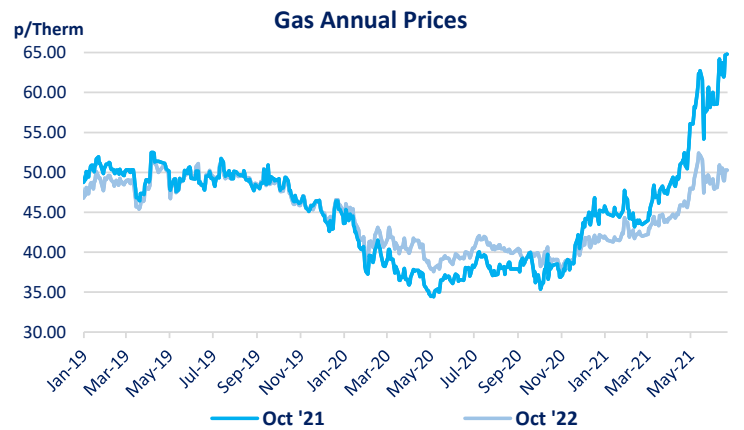
Electricity Analysis

Elec Futures	Price	Change	% Change
Jul-21	76.63	-0.15	-0.20%
Aug-21	76.85	0.54	0.71%
Sep-21	76.99	0.68	0.89%
Q3 21	76.60	0.95	1.26%
Q4 21	83.43	1.25	1.52%
W 21	84.90	1.20	1.43%
S 22	59.13	0.95	1.63%
W 22	68.70	0.85	1.25%
Oct 21 Annual	72.02	1.08	1.53%

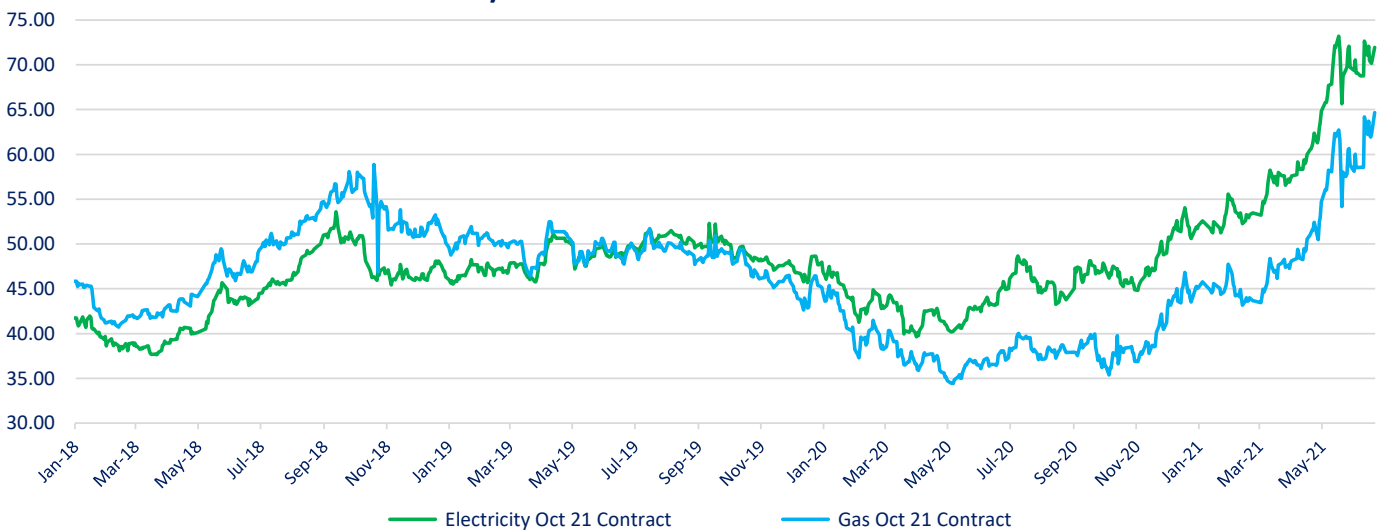


Gas Analysis

Gas Futures	Price	Change	% Change
Jul-21	73.86	2.03	2.83%
Aug-21	73.87	1.94	2.70%
Sep-21	74.61	1.90	2.61%
Q3 21	74.09	1.93	2.67%
Q4 21	79.70	1.92	2.47%
W 21	80.96	1.93	2.44%
S 22	51.13	0.88	1.75%
W 22	58.82	0.90	1.55%
Oct 21 Annual	66.05	1.41	2.17%



Elec / Gas October 2021 Annual Prices



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