

Weekly Energy Market Report

Commentary

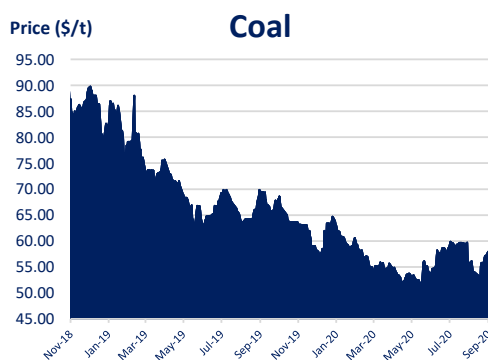
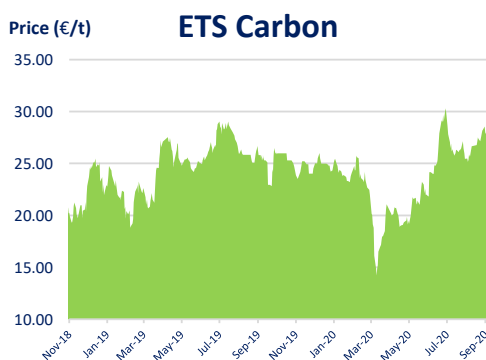
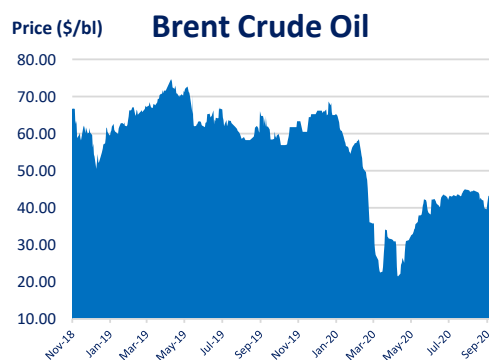
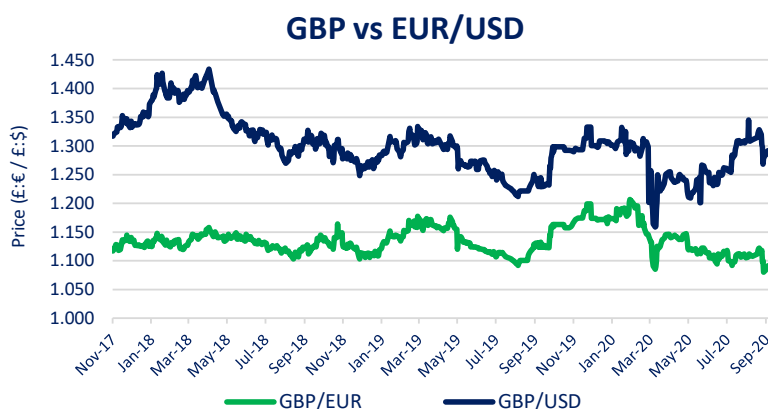
21/09/2020

Gas and electricity prices softened slightly on Friday, though these minimal movements did little to reverse the bullish trend that prevails in both commodity's respective markets. Indeed, warmer conditions that persisted into the weekend and early next week weakened heating demand, softening short term prices, and improving Norwegian flows complemented supply levels effectively. It's worth noting, however, that colder temperatures are on the horizon with a cooler week forecasted just prior to the onset of Winter 20 (starting in October). Maintenance at key North Sea gas infrastructure is likely to persist heading into October, adding some volatile uncertainty to short-term price movements.

EUA prices fell to a one-week low on Friday, trading below €28/t after a weak auction for emission allowances furthered the bearish mood in the market following this week's release of the EU's climate plan. A revision to the emission target program forecasted a drop in demand in the market, with reduced emissions naturally meaning fewer allowances are required to operate. Elsewhere, Brent Crude moved in bullish fashion, adding some support to gas and electricity prices across the curve. This came as a result of news emerging that OPEC would be looking to crack down on members who are not willing to comply with current production cut measures. A supposed greater adherence to the cuts should naturally tighten supply in the market. In the coming days, Pound Sterling is likely to be very sensitive to news of a potential reimposition of lockdown in the UK (following a rise in Coronavirus cases) and the outcome of finalizing Brexit trade-deal talks. Recent choppiness in the Pound swung bearishly and bullishly in response to expectations of a no-deal Brexit and then the increased likelihood of a softer sortie, respectively. EU Commission President Ursula Von der Leyen revealed that she was "convinced" that a trade deal could be concluded ahead of the mid-October deadline, sentiment received positively by traders of the currency.

Currency & Commodities

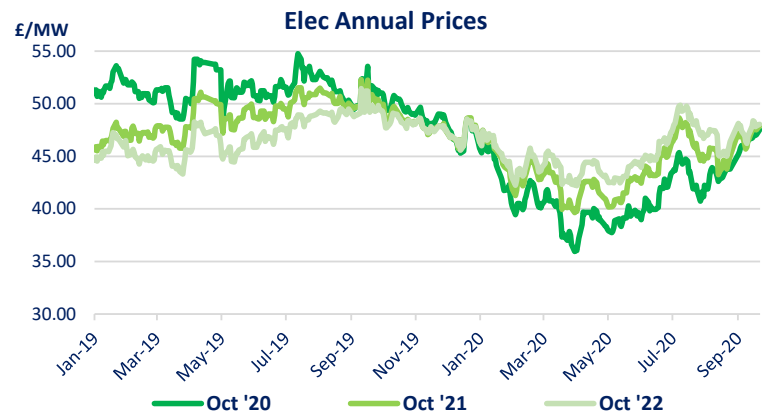
Pound vs Dollar (£:\$)	1.285
Pound vs Euro (£:€)	1.090
Brent Crude Oil (\$/bl)	42.46
EU ETS Carbon (€/t)	27.22
API2 Coal (\$/t)	58.70



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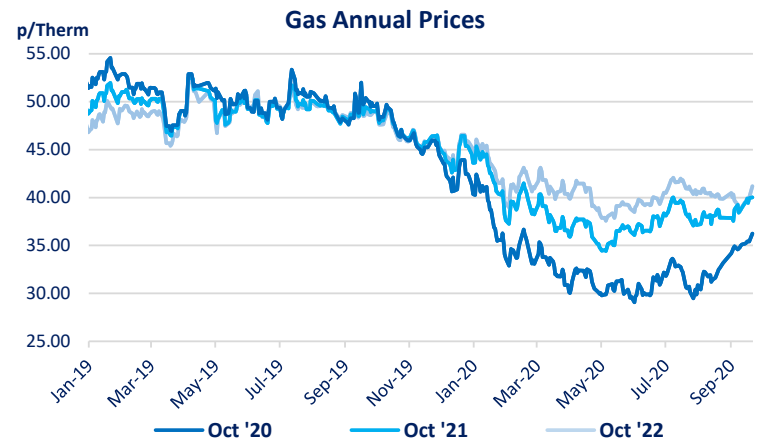
Electricity Analysis

Elec Futures	Price	Change	% Change
Oct-20	43.13	-0.01	-0.01%
Nov-20	52.75	0.97	1.87%
Dec-20	50.73	-0.16	-0.30%
Jan-21	52.28	-0.15	-0.29%
Q4 20	48.08	-0.15	-0.31%
W 20	52.88	-0.10	-0.19%
S 21	43.88	0.13	0.30%
W 21	51.15	0.29	0.57%
Oct 20 Annual	48.38	0.02	0.05%

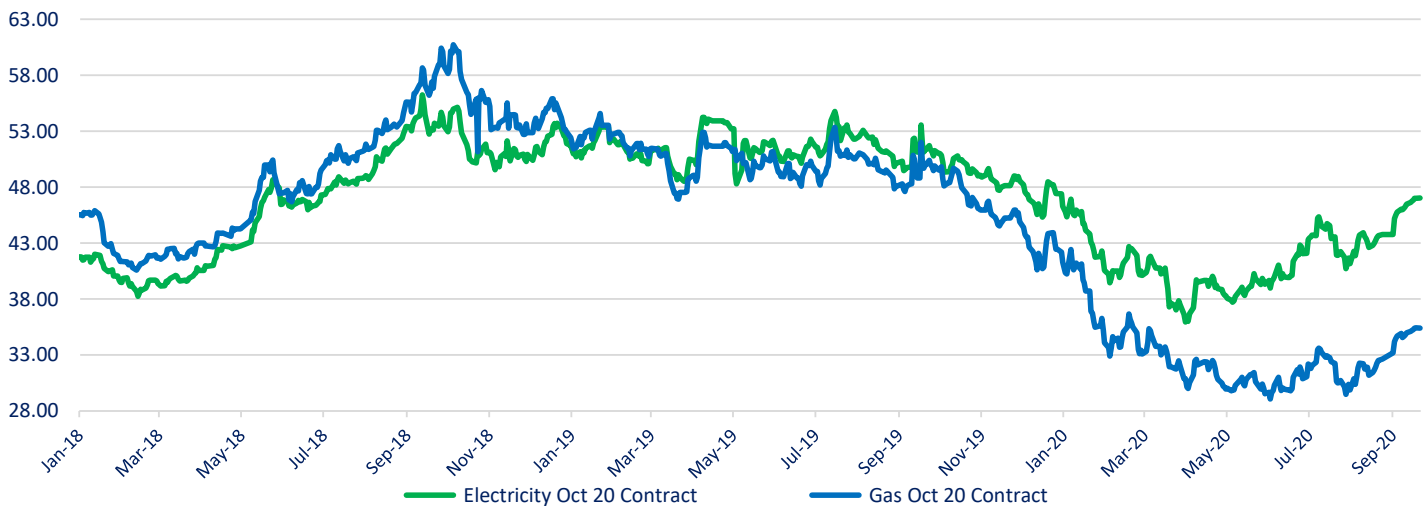


Gas Analysis

Gas Futures	Price	Change	% Change
Oct-20	30.96	0.60	1.98%
Nov-20	36.66	0.17	0.48%
Dec-20	40.10	0.20	0.49%
Jan-21	42.05	0.00	0.00%
Q4 20	35.90	0.33	0.91%
W 20	38.63	0.24	0.64%
S 21	33.72	-0.25	-0.74%
W21	43.62	-0.24	-0.55%
Oct 20 Annual	36.18	0.00	-0.05%



Elec / Gas October 2020 Annual Prices



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