

# Weekly Energy Market Report

## Commentary

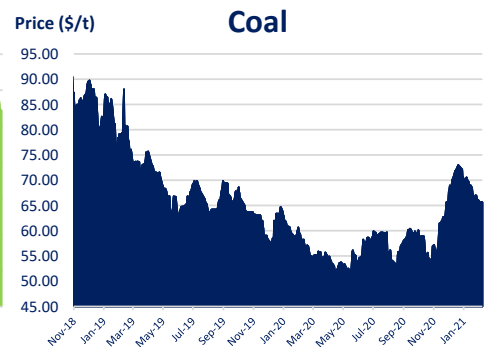
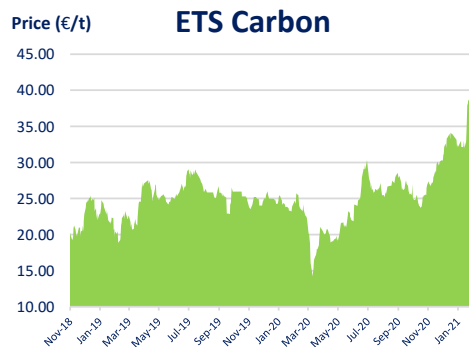
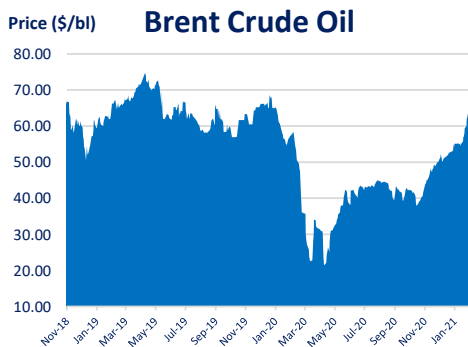
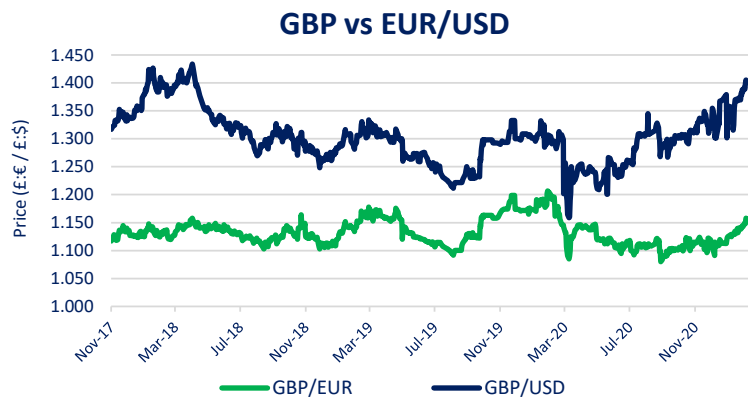
22/02/2021

The UK Gas system has opened short this morning but is expected to be healthily supplied with strong Norwegian flows meeting below average demand levels. Indeed, National demand is 57mscm below normal for the time of year, with temperatures forecasts at 8°C above seasonal norms and remaining mild through the week. Renewable generation is weak this morning with wind contributing a lowly 12% to the stack but is expected to reach near capacity at 15GW tomorrow. Stock levels in the UK are at 49% of medium range capacity, just below the 5yr average. European stocks are nearing the lower ranges of the last 5 years at 39%.

EUA Carbon prices continue to drop this morning, following on from Friday's dip, falling further from the all-time high levels seen early last week as observers remain conflicted on where carbon prices will go next. Oil prices have risen this morning as the slow return of U.S. crude output cut by frigid conditions serve as a reminder that the supply situation was tight, just as demand recovers from the depths of the COVID-19 pandemic. It's estimated the abnormally cold weather in Texas and the Plains states forced the shutdown of up to 4 million barrels per day (bpd) of crude production along with 21 billion cubic feet of natural gas output, both cuts adding some pressure to further out energy prices. All eyes turn to the PM's announcement this evening and unveiling of the government's roadmap out of lockdown. So far this year, the Pound has cemented its status as the best performing major currency of 2021, seeing gains recorded against all its G10 peers with the UK's rapid vaccination programme being one crucial pillar of support for the currency's advance. However, the currency could lose its competitive edge should the UK exit lockdown too slowly. Should the UK be able to exit lockdown for a sustained period and successfully unlock the economy, demand levels are expected to increase dramatically having a bullish impact on currency but also energy prices. A strong Pound would mean a higher propensity to import energy supplies though the same factors driving Pound strength would also be bolstering energy demand in the UK.

## Currency & Commodities

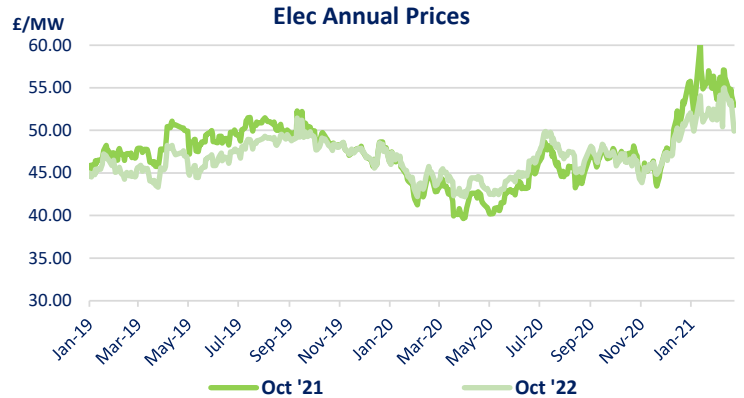
<b>Pound vs Dollar (£:\$)</b>	1.404
<b>Pound vs Euro (£:€)</b>	1.157
<b>Brent Crude Oil (\$/bl)</b>	63.27
<b>EU ETS Carbon (€/t)</b>	37.15
<b>API2 Coal (\$/t)</b>	65.65



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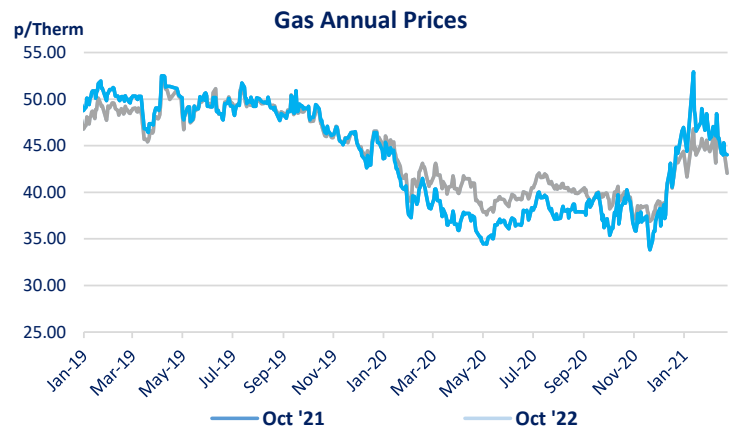
## Electricity Analysis

Elec Futures	Price	Change	% Change
Mar-21	51.60	-1.85	-3.46%
Apr-21	51.25	-1.33	-2.53%
May-21	47.35	-1.35	-2.77%
Q2 21	51.40	-1.25	-2.37%
Q3 21	50.20	-0.45	-0.89%
S 21	50.60	-0.30	-0.59%
W 21	58.55	-0.11	-0.19%
S 22	47.28	0.07	0.15%
Oct 21 Annual	52.92	-0.02	-0.02%

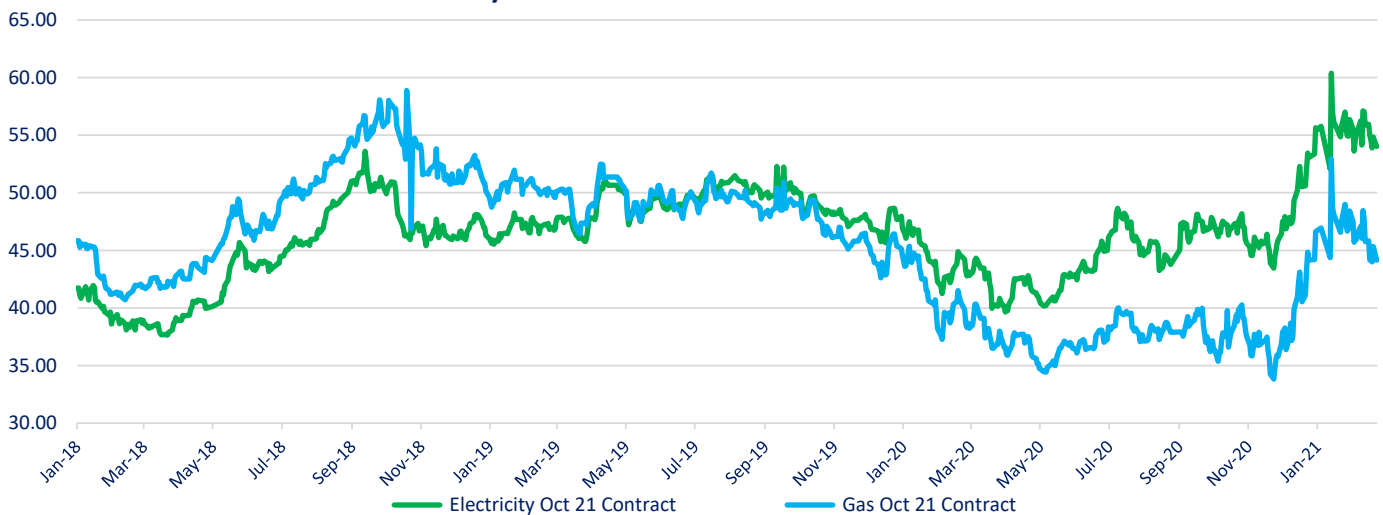


## Gas Analysis

Gas Futures	Price	Change	% Change
Mar-21	40.67	-1.43	-3.40%
Apr-21	39.89	-1.35	-3.27%
May-21	38.29	-1.27	-3.21%
Q2 21	38.75	-1.26	-3.15%
Q3 21	38.89	-1.10	-2.75%
S 21	38.86	-1.14	-2.85%
W 21	48.45	-1.00	-2.02%
S 22	38.03	-0.54	-1.40%
Oct 21 Annual	43.24	-0.77	-1.71%



### Elec / Gas October 2021 Annual Prices



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