

Weekly Energy Market Report

Commentary

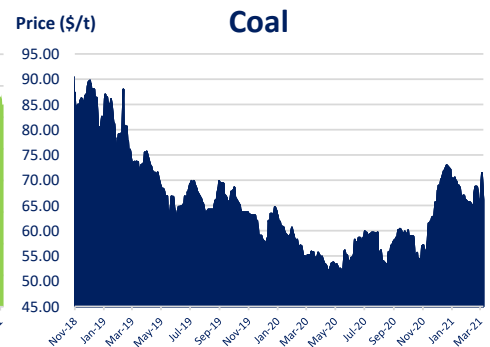
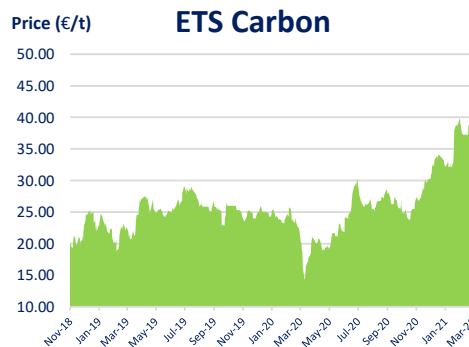
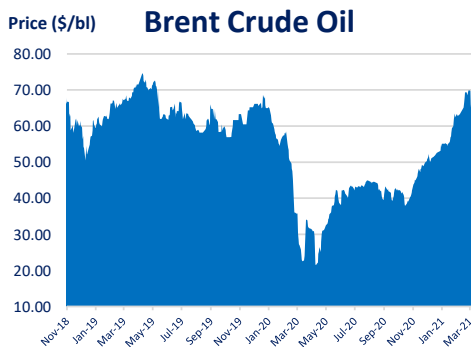
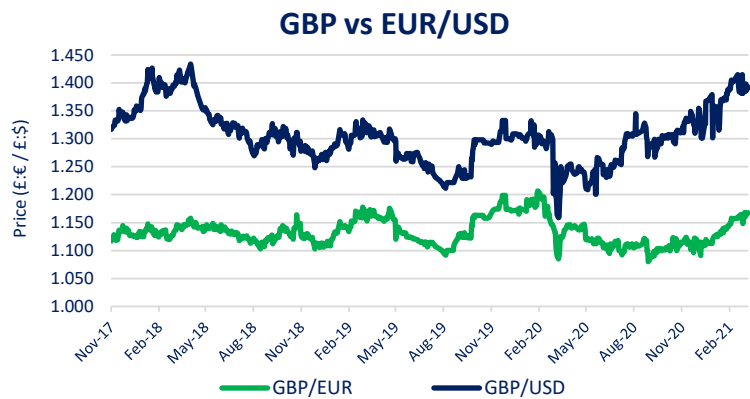
22/03/2021

A tick down in prices on Friday was precipitated by a number of cross-curve factors. For the shorter-term contract prices, a UK gas system operating in oversupply (despite an increase in UK demand forecasts) drove near-curve bearishness. Today, some market correction has taken place, though thus far movements have only corrected some of Friday's price shifts. Indeed, a day of rather weak wind generation is adding some upside risk to proceedings though the release of revised weather models have forecasted the UK's temperatures to remain above seasonal normal levels for the remainder of March. Additionally, LNG storage levels in the UK have increased considerably over the past week with seven tankers having arrived at UK ports. A further six more deliveries are expected in the UK before the end of the month.

Elsewhere, Brent Crude Oil prices shed some considerable value during the latter part of last week, responding to a correction of concerns regarding global demand recovery for the commodity, with increasing coronavirus cases in parts of Europe, Asia and North America, coupled with growing US stock levels, seeing the commodity price drop from being close to 70 \$/bl to 62 \$/bl. At the time of reporting the commodity trades between these levels, having recovered slightly in the last two days to around 64-65 \$/bl. EUA Carbon meanwhile also shed some value, owing to similar drivers in the emissions market. Pound Sterling is forecast to gain against the Euro and Dollar over coming months, though uncertainty surrounding a potential EU vaccine export ban will have some bearing. Sterling has been on a positive run, owing to the UK vaccinating its population at a much faster pace than the rest of Europe. Furthermore with a Brexit deal secured, volatility is reduced in Sterling somewhat as investors look to the UK's climb out of the pandemic being on surer footing than if a trade deal had not been agreed between the two parties.

Currency & Commodities

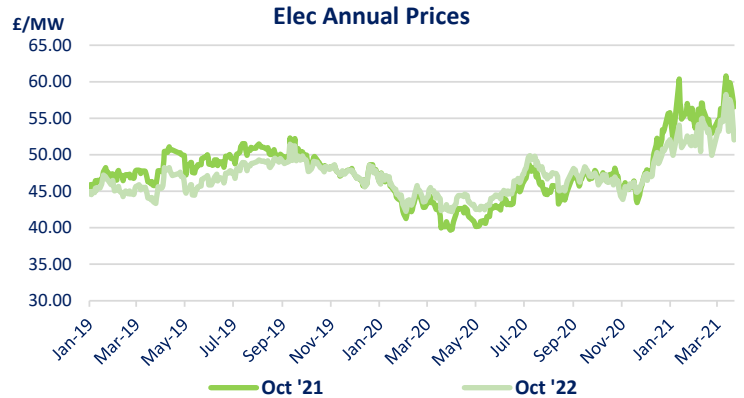
Pound vs Dollar (£:\$)	1.393
Pound vs Euro (£:€)	1.168
Brent Crude Oil (\$/bl)	69.89
EU ETS Carbon (€/t)	41.94
API2 Coal (\$/t)	66.10



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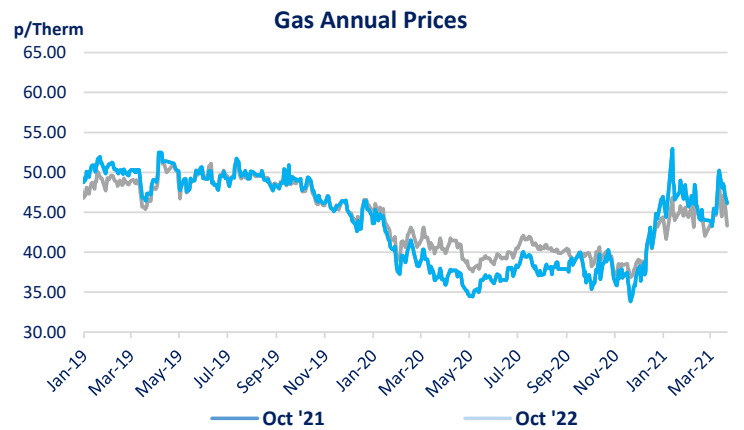
Electricity Analysis

Elec Futures	Price	Change	% Change
Apr-21	54.25	0.35	0.65%
May-21	52.00	0.25	0.48%
Jun-21	53.45	0.15	0.28%
Q2 21	53.25	0.25	0.47%
Q3 21	52.95	0.16	0.30%
S 21	53.65	0.15	0.28%
W 21	64.30	0.21	0.33%
S 22	49.80	0.08	0.16%
Oct 21 Annual	57.05	0.15	0.24%

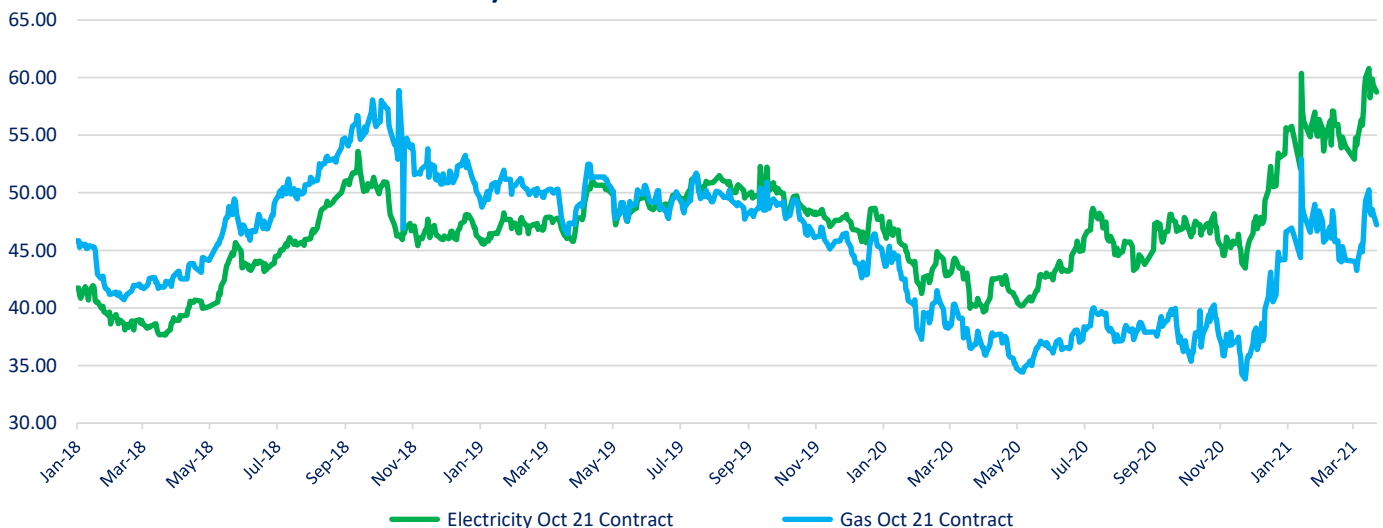


Gas Analysis

Gas Futures	Price	Change	% Change
Apr-21	44.21	1.11	2.58%
May-21	42.36	0.96	2.32%
Jun-21	42.68	0.77	1.84%
Q2 21	43.06	0.94	2.23%
Q3 21	42.82	0.84	2.00%
S 21	42.91	0.85	2.02%
W 21	52.91	0.58	1.11%
S 22	40.53	0.63	1.58%
Oct 21 Annual	46.72	0.61	1.31%



Elec / Gas October 2021 Annual Prices



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