

Weekly Energy Market Report

Commentary

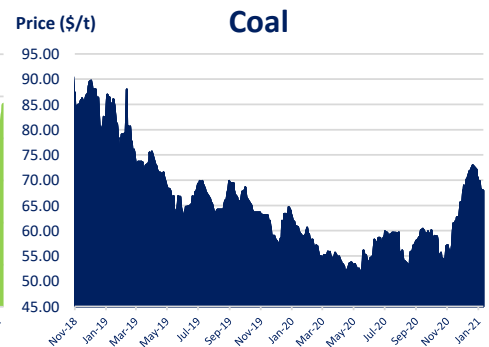
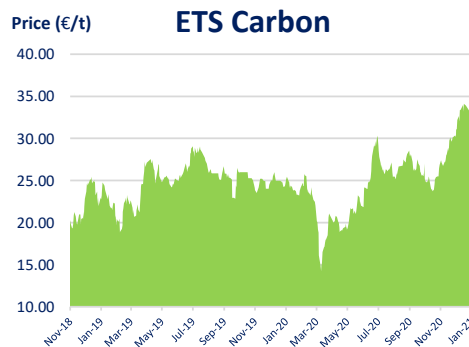
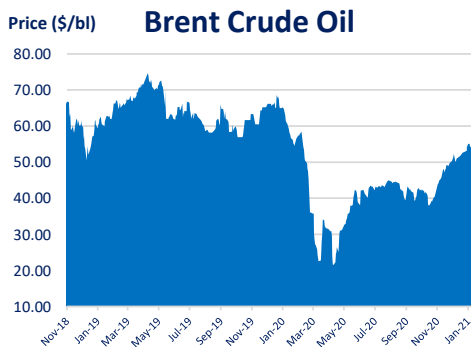
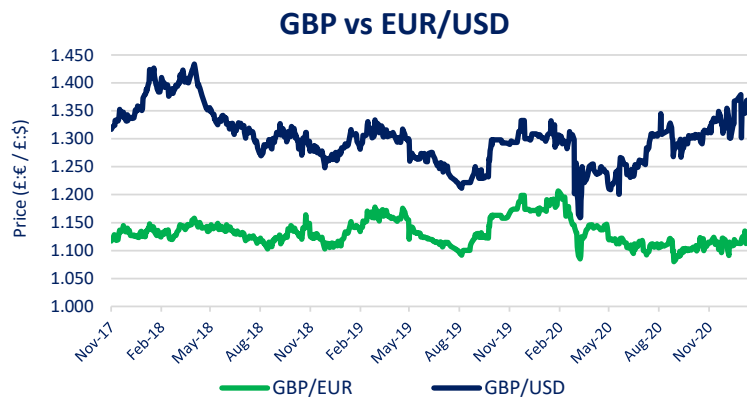
25/01/2021

Below seasonal normal temperatures are forecast from the 2nd of February onwards and expected to last around a week so, driving some nearcurve upside risk. In the nearer term, the UK entered another period of colder weather on Friday which lifted gas for heating demand, ensuring total demand is currently sat above seasonal norms. Indeed, the cold conditions coupled with most households being home bound have pushed demand levels above those seen in previous years despite reduced demand levels from non-essential shops, pubs and restaurants in the national lockdown. Storage withdrawals and imports from Europe have increased to make up the deficit somewhat.

Oil prices have edged upwards this morning after a volatile week but remain weighed by fresh concerns about global fuel demand from renewed lockdowns. Chinese Lockdowns are currently driving demand fears, as well as an unexpected build in crude inventories. However, expectations on the implementation of a big US stimulus package has add some support in the hope that it will boost the US economy. Elsewhere, EUAs inched higher above €34 on Friday as gas prices again provided a boost. EU foreign ministers could next week back Denmark's call for the creation of a global alliance to phase out coal-fired power and fossil fuel subsidies while the US gets set to announce a climate leaders' summit in April. Pound Sterling has started the new week marginally firmer, edging higher alongside global stock markets as investors opt to look through some of the near-term concerns regarding the covid-19 pandemic and focus on U.S. stimulus measures. Should the Biden administration's support package be approved this week, global investment sentiment would likely prop up, which in turn would boost the Pound.

Currency & Commodities

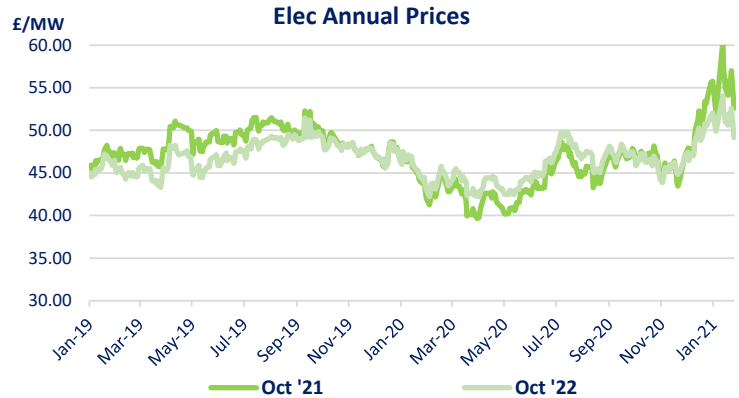
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|-------------------------|-------|
| Pound vs Dollar (£:\$) | 1.301 |
| Pound vs Euro (£:€) | 1.105 |
| Brent Crude Oil (\$/bl) | 42.11 |
| EU ETS Carbon (€/t) | 24.78 |
| API2 Coal (\$/t) | 58.22 |



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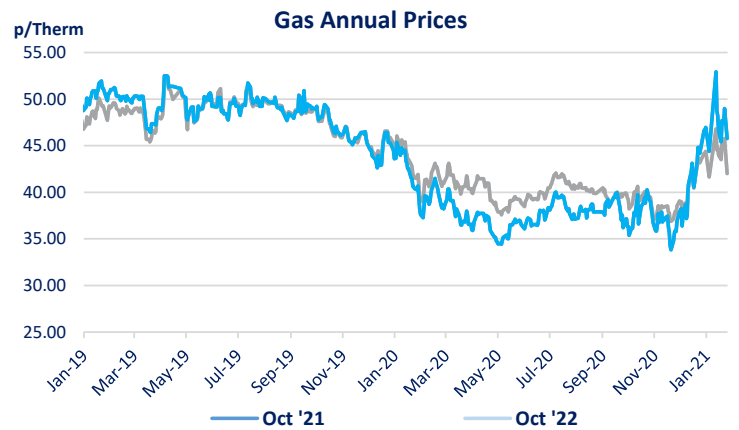
Electricity Analysis

| Elec Futures | Price | Change | % Change |
|---------------|-------|--------|----------|
| Feb-21 | 71.25 | 0.25 | 0.35% |
| Mar-21 | 63.50 | -1.13 | -1.75% |
| Apr-21 | 57.63 | -1.14 | -1.94% |
| Q2 21 | 54.48 | -0.01 | -0.02% |
| Q3 21 | 52.28 | -0.03 | -0.05% |
| S 21 | 54.20 | -0.25 | -0.46% |
| W 21 | 60.21 | -0.10 | -0.17% |
| S 22 | 46.15 | -0.05 | -0.11% |
| Oct 21 Annual | 53.18 | -0.08 | -0.14% |

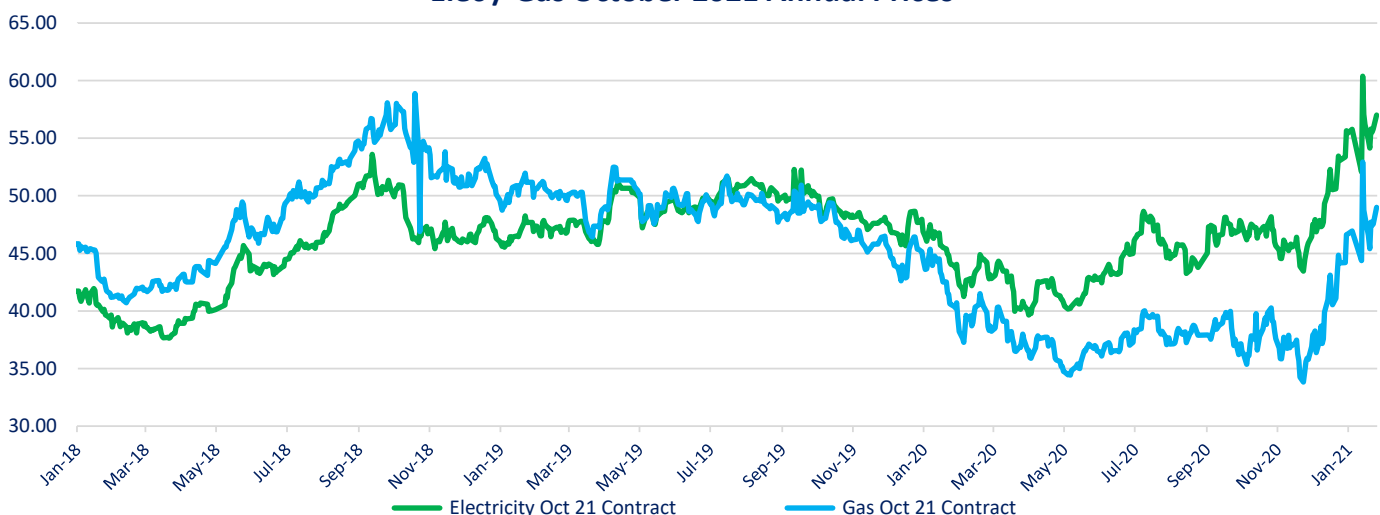


Gas Analysis

| Gas Futures | Price | Change | % Change |
|---------------|-------|--------|----------|
| Feb-21 | 59.40 | -0.76 | -1.26% |
| Mar-21 | 55.93 | -0.89 | -1.57% |
| Apr-21 | 47.89 | -0.79 | -1.62% |
| Q2 21 | 44.79 | -0.53 | -1.17% |
| Q3 21 | 42.49 | -0.30 | -0.70% |
| S 21 | 43.57 | -0.48 | -1.09% |
| W 21 | 51.53 | -0.53 | -1.02% |
| S 22 | 39.26 | -0.18 | -0.46% |
| Oct 21 Annual | 45.40 | -0.36 | -0.74% |



Elec / Gas October 2021 Annual Prices



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