

Weekly Energy Market Report

Commentary

30/11/2020

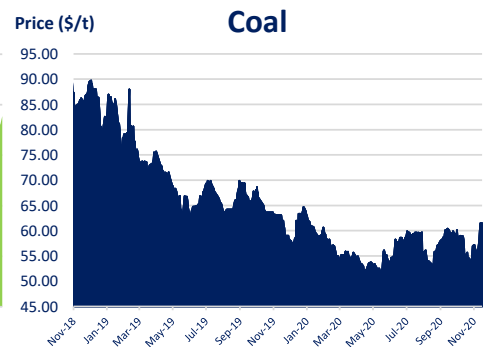
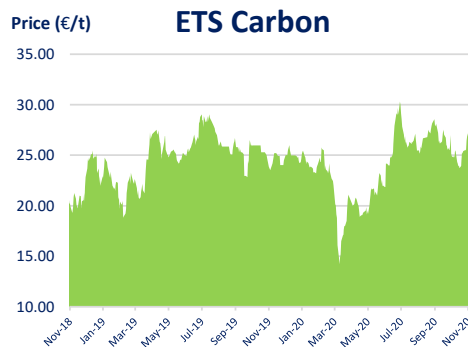
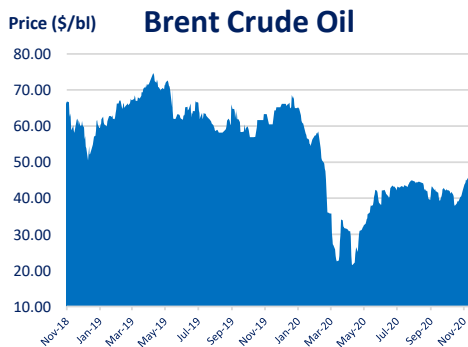
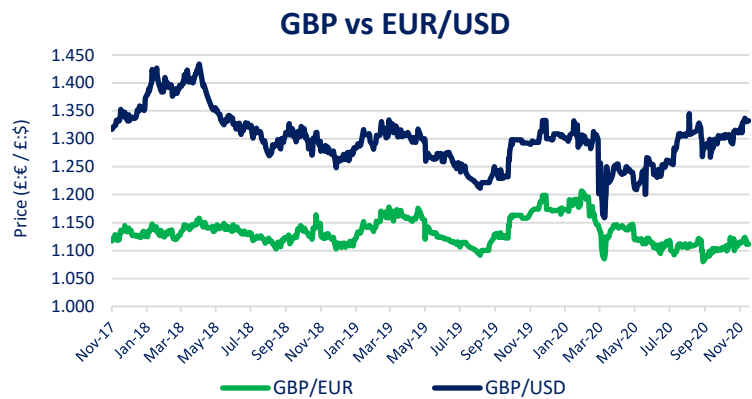
This morning's gas system is heavily oversupplied with demand levels sitting well above seasonal norms as we delve into the last few days of imposed total lockdown measures and courtesy of temperatures sitting above seasonal norms. In addition, Renewables have picked up from low levels last week, namely Wind generation which currently makes up 22% of the generation stack. Norwegian flows are at high levels this morning despite an ongoing strike by security guards at the Nyhmana plant, which caused the site to close over the weekend. UK Storage remains at high levels similar to those seen last year, ensuring the supply outlook remains healthy.

EUA Carbon prices reached a two-month high on Friday before easing back towards a 5.2% weekly gain as delays to 2021 carbon auctions continue to drive bullish sentiment. Indeed, the distribution of free EU carbon allowances for 2021 will be delayed until at least Q2 next year due to the protracted process to set ETS emissions benchmarks and calculate allocation quotas, the European Commission confirmed on Friday. Crude oil prices have tumbled so far this morning, as markets await the decision of producer group OPEC+ to extend large output cuts to balance global markets, but vaccine hopes helped keep benchmarks on track to rise more than a fifth in November.

Some bullish pressures came courtesy of the Pound's weakness last week, closing as the second-worst performing major currency amid ongoing differences in Brexit negotiations between the UK and EU. Sterling has started firmer this week and could pick up in the coming days as the EU and UK move closer toward finalising a deal. Negotiations continue through this week with one of the major sticking points in discussion being fisheries, with suggestions that the EU's current offer being 15-18% control over fish caught by EU fleets in British Waters.

Currency & Commodities

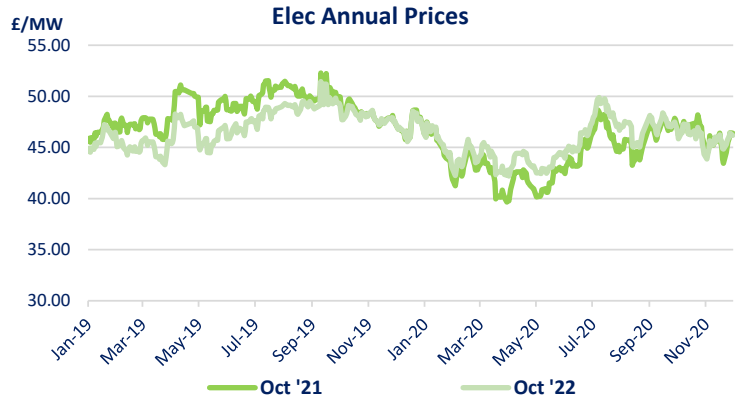
Pound vs Dollar (£:\$)	1.301
Pound vs Euro (£:€)	1.105
Brent Crude Oil (\$/bl)	42.11
EU ETS Carbon (€/t)	24.78
API2 Coal (\$/t)	58.22



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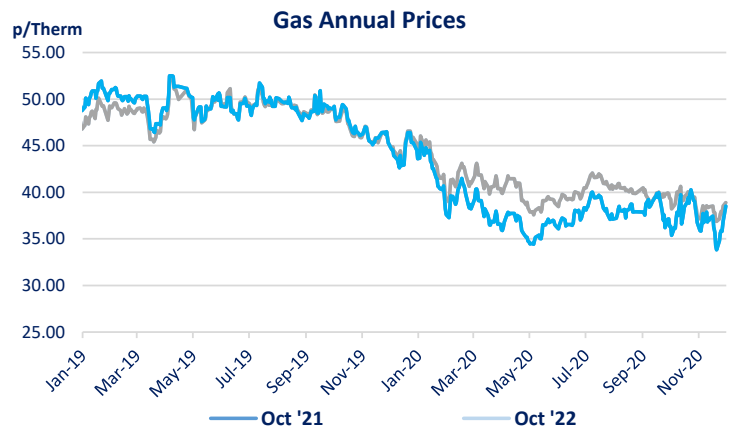
Electricity Analysis

Elec Futures	Price	Change	% Change
Jan-21	53.41	1.78	3.45%
Feb-21	53.45	1.82	3.53%
Mar-21	48.13	-2.86	-5.61%
Q1 21	51.25	0.62	1.22%
Q2 21	45.65	0.51	1.13%
S 21	43.61	0.46	1.07%
W 21	50.75	1.14	2.30%
S 22	42.76	-0.04	-0.09%
Oct 21 Annual	46.76	0.55	1.10%

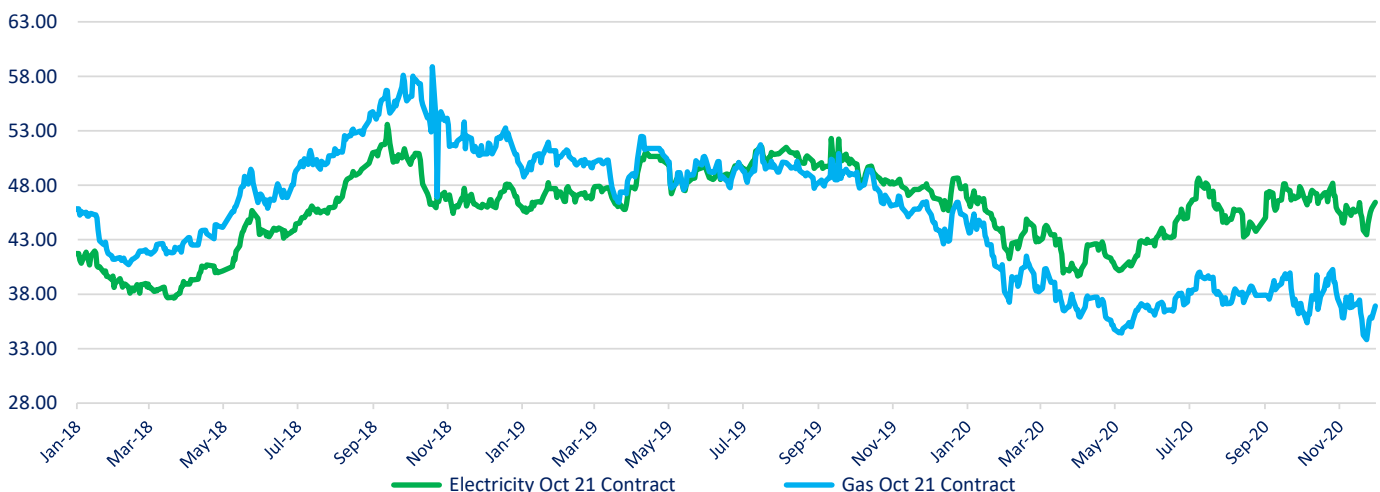


Gas Analysis

Gas Futures	Price	Change	% Change
Jan-21	43.19	0.95	2.25%
Feb-21	43.24	0.91	2.15%
Mar-21	40.23	0.90	2.29%
Q1 21	42.09	0.82	1.99%
Q2 21	35.09	0.75	2.18%
S 21	34.42	0.84	2.50%
W21	43.05	0.78	1.85%
S 22	35.05	0.30	0.86%
Oct 20 Annual	39.05	0.54	1.35%



Elec / Gas October 2020 Annual Prices



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