

Weekly Energy Market Report

Commentary

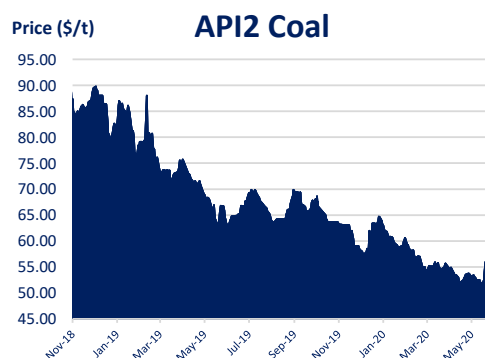
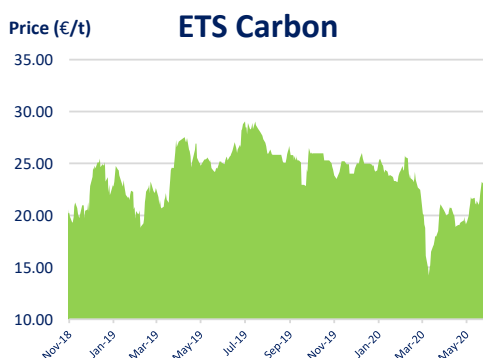
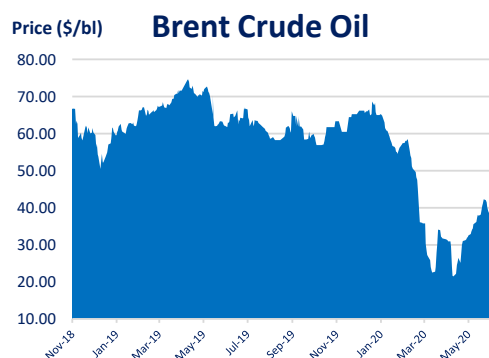
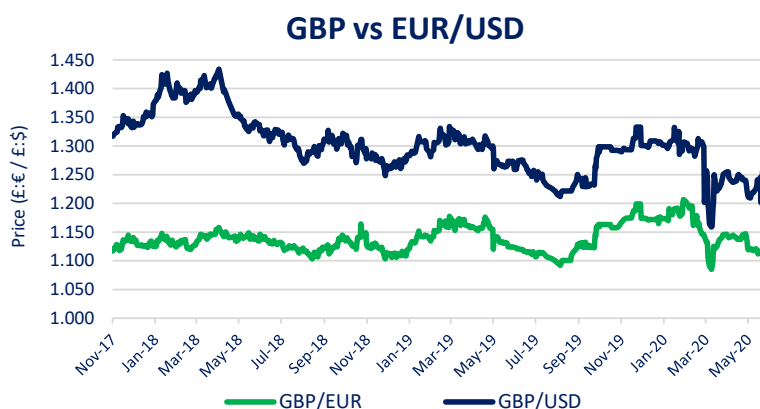
15/06/2020

An oversupplied gas system added some downward pressure to near-curve prices on Friday and weak demand forecasts for this week also fuelled some bearish movement for short term contracts. Indeed, strong forecasted levels of wind and solar generation also furthered bearish sentiment on the prompt. The expectation of some cooler temperatures in the latter part of the week did, however, bolster gas demand forecasts. The gradual economic restart currently being witnessed in the UK and Europe should also see demand forecasts begin to increase.

A decline in Oil prices on Thursday pressured gas and electricity prices on Friday and indeed in this morning's session. The prospect of a potential second wave of the COVID-19 outbreak globally and in China made investors particularly wary of further impingements to the global demand outlook for the commodity. Additionally, an increase in US oil stockpiles also added bearish pressure to the commodity price and for mid/long-term gas and electricity contracts. While currency commentators and traders had begun to view the Pound's outlook positively, the possibility of a second global wave of coronavirus infections, added renewed pessimism to the fold. The Pound, sensitive to the global economy given the UK's reliance on global banking performance, would likely trend downwards were such an outbreak to occur, a move that would bolster gas and electricity prices along the curve.

Currency & Commodities

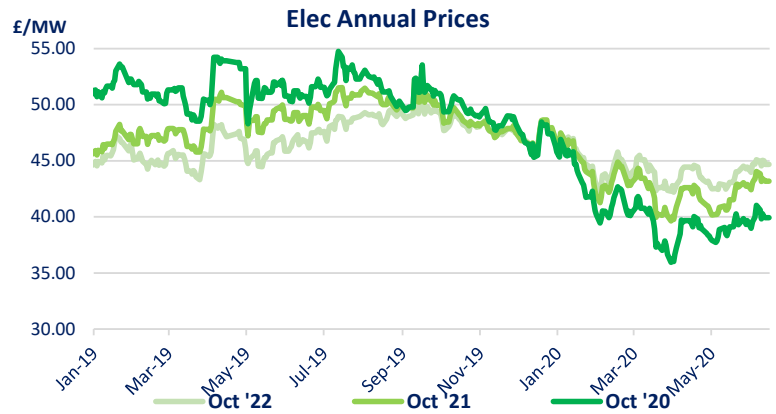
Pound vs Dollar (£:\$)	1.255
Pound vs Euro (£:€)	1.114
Brent Crude Oil (\$/bl)	38.24
EU ETS Carbon (€/t)	21.82
API2 Coal (\$/t)	53.90



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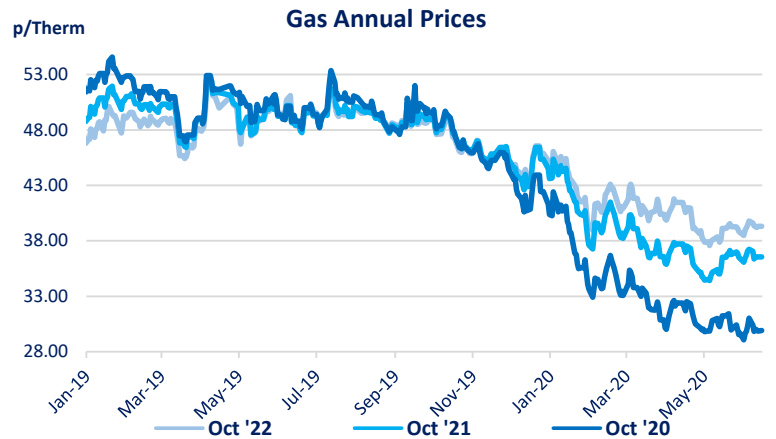
Electricity Analysis

Elec Futures	Price	Change	% Change
Aug-20	28.75	0.82	2.94%
Sep-20	32.25	0.47	1.48%
Oct-20	37.95	0.47	1.25%
Q3 20	29.88	0.63	2.14%
Q4 20	39.15	0.63	2.14%
W 20	38.80	-0.70	-1.77%
S 21	37.71	0.18	0.48%
W 21	45.78	0.06	0.13%
Oct 20 Annual	38.26	-0.26	-0.65%

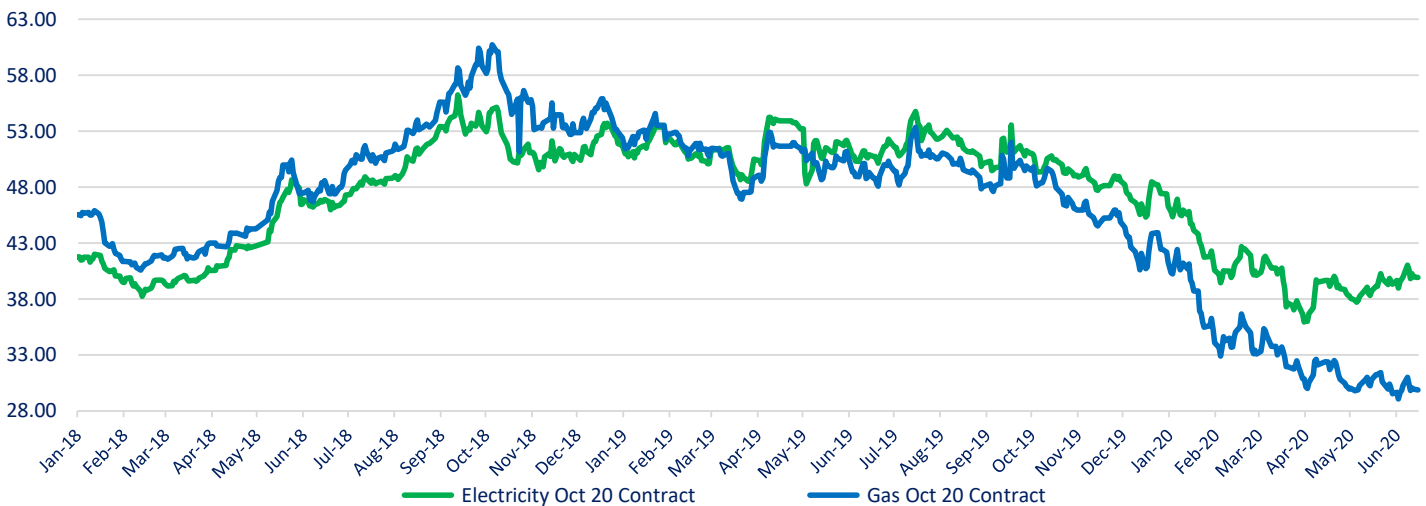


Gas Analysis

Gas Futures	Price	Change	% Change
Aug-20	15.29	0.82	5.67%
Sep-20	17.71	0.58	3.39%
Oct-20	20.53	0.40	1.96%
Q3 20	15.94	0.77	5.10%
Q4 20	27.49	-0.09	-0.31%
W 20	30.78	-0.09	-0.29%
S 21	28.75	-0.05	-0.17%
W21	39.05	-0.20	-0.52%
Oct 20 Annual	29.76	-0.07	-0.23%



Elec / Gas October 2020 Annual Prices



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