

Weekly Energy Market Report

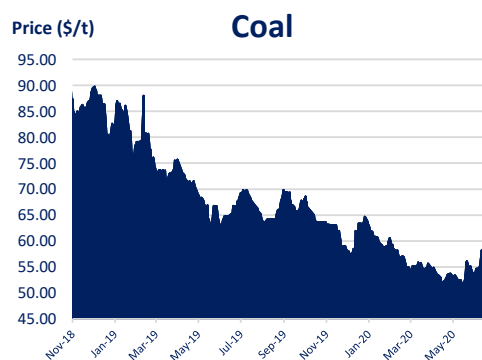
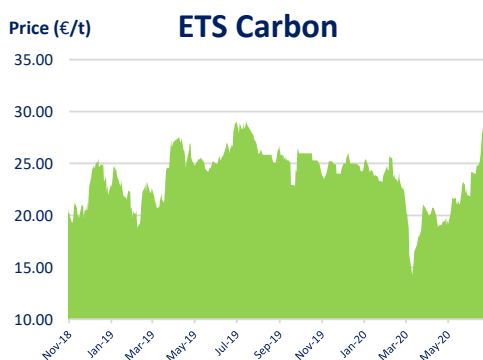
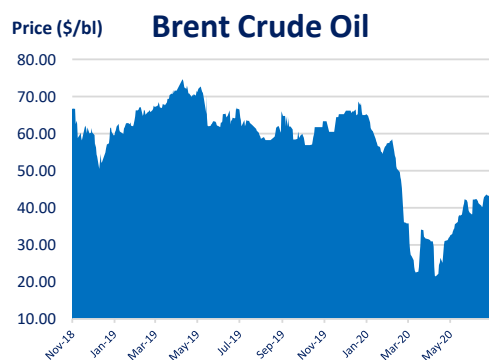
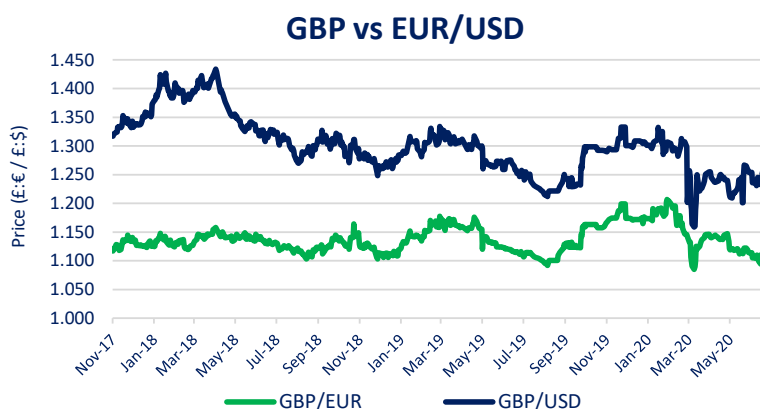
Commentary

13/07/2020

The UK's gas system was oversupplied throughout the course of Friday, the 8th consecutive day in fact, outweighing demand and ensuring some downward movements on the near curve. Milder temperature forecasts over the weekend forced prices downwards and the promise of a further two LNG tankers over the remainder of the month, further bolstered the supply outlook. Elsewhere, the gas storage picture in Europe and the UK is fairly positive. Indeed European gas storage facilities are roughly 80% full compared to a typical 60% for this time of year. It's worth noting that the increased potential for delayed gas maintenance to be actioned during this period is adding some upside risk to prices. Brent Crude Oil prices fell on Thursday, pushing mid-far curve prices downwards on Friday. This came following reports of rising numbers of Coronavirus cases in the US, with 42 out of 50 states reporting increases. The consequent drop in demand forecasts for the commodity in the US led to a c. \$1/bbl drop. Elsewhere, however, EUA Carbon remained a bullish presence in the UK energy mix. The commodity held above the 29EUR/tonne level on Friday and has moved bullishly thus far this morning, closing in on 30EUR/tonne. Mid-Far curve contracts have strengthened as a result. Pound Sterling ended the week on a positive note, climbing to 3 week highs against the Euro, with Sterling reacting positively to the new financial measures introduced to aid a recovery to the economy. Furthermore positive signs coming out of trade talks with the European Union also aided the outlook for the currency among investors, seeing the next stage of Brexit negotiations as key to the Pound's direction.

Currency & Commodities

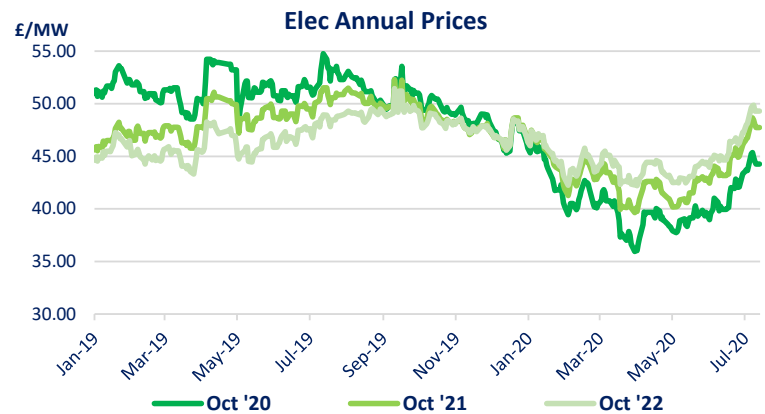
Pound vs Dollar (£:\$)	1.260
Pound vs Euro (£:€)	1.114
Brent Crude Oil (\$/bbl)	42.65
EU ETS Carbon (€/t)	30.36
API2 Coal (\$/t)	58.68



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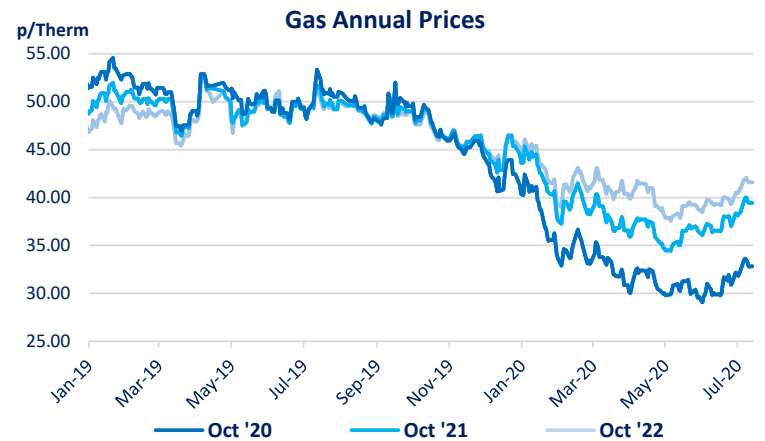
Electricity Analysis

Elec Futures	Price	Change	% Change
Aug-20	32.20	-0.30	-0.92%
Sep-20	35.45	-0.25	-0.70%
Oct-20	37.50	-0.20	-0.53%
Q4 20	45.28	1.40	3.18%
Q1 21	50.25	1.62	3.33%
Q2 21	43.01	1.63	3.93%
W 20	47.33	0.58	1.23%
S 21	42.58	0.80	1.91%
Oct 20 Annual	45.17	1.10	2.58%

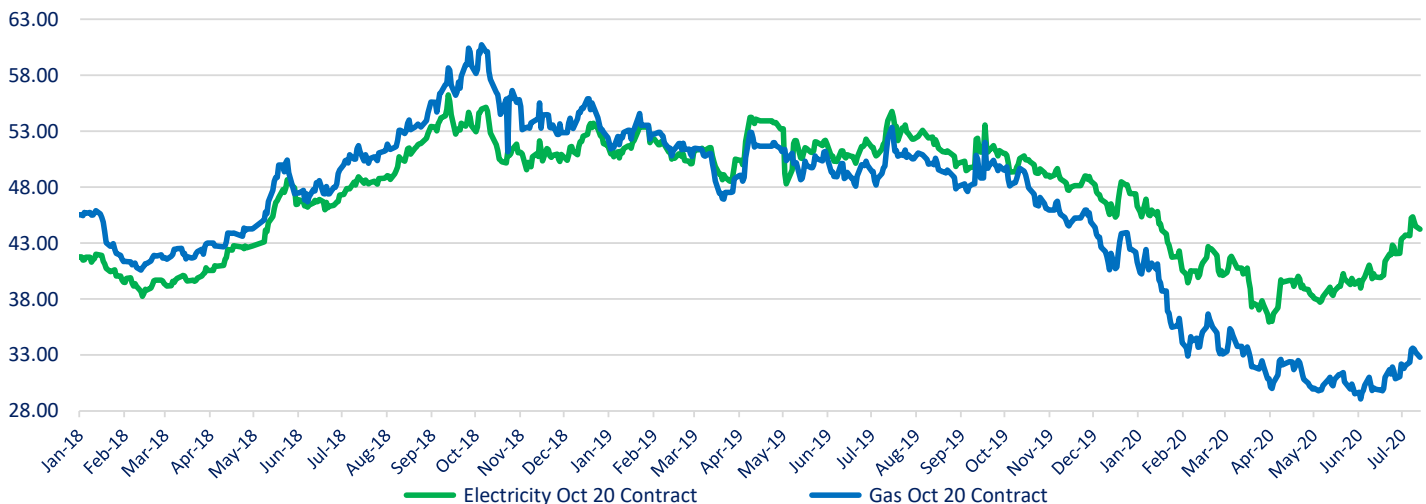


Gas Analysis

Gas Futures	Price	Change	% Change
Aug-20	13.63	-0.04	-0.33%
Sep-20	16.63	-0.02	-0.09%
Oct-20	21.52	0.32	1.51%
Q4 20	30.31	0.54	1.81%
Q1 21	38.90	0.53	1.37%
Q2 21	32.23	0.42	1.32%
W 20	34.56	0.54	1.57%
S 21	31.97	0.47	1.48%
Oct 20 Annual	33.39	0.48	1.45%



Elec / Gas October 2020 Annual Prices



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