

Weekly Energy Market Report

Commentary

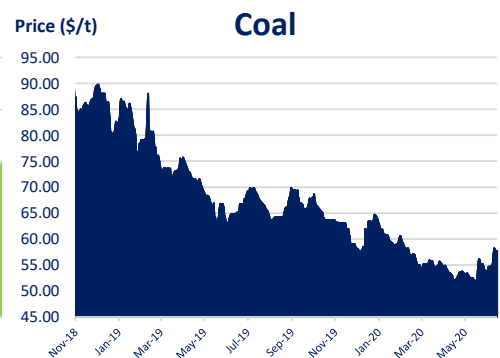
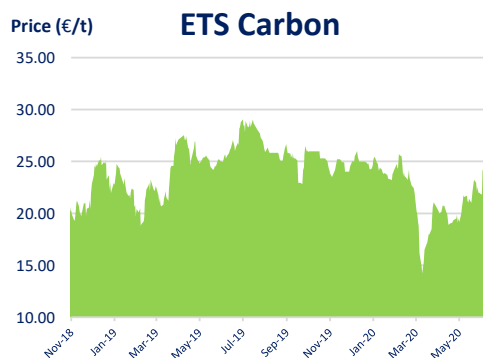
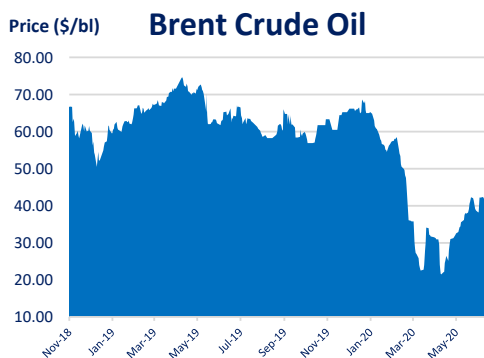
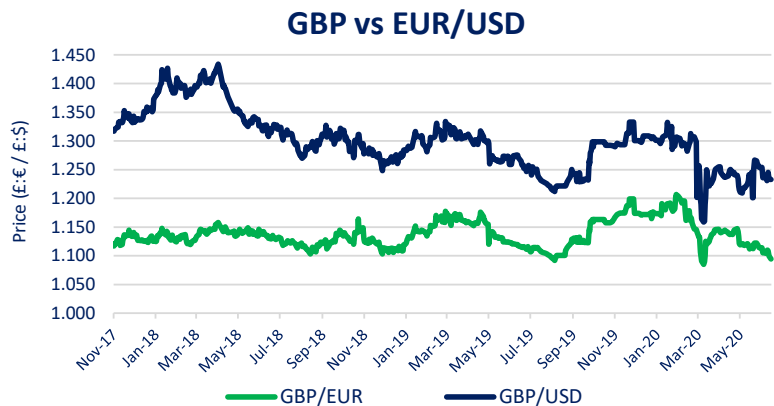
29/06/2020

A late flurry in prices, following a morning of mixed movements in gas and electricity prices, ensured that energy prices across the curve closed Friday up on the previous day's close. For near-curve prices, gas for power demand dropped as an increase in wind generation improved the short-term supply complex. Furthermore the heatwave coming to an end on Friday mitigated any potential air conditioning demand, which is typically low in the UK anyway. With industrial demand set to pick up in the coming weeks as the UK economy gradually opens up more, there is some upside risk associated to short term positions.

Carbon has eased away slightly from 4 months highs following a macroeconomic forecast from the IMF that suggests a sharp decline in global growth. Naturally, this would impact on European energy demand. The price continues to trade rangebound between 24 and 25 Euros/tonne. Elsewhere, Brent Crude Oil bounced back from losses posted earlier in the week as the market maintains a positive outlook on demand recovery across the globe. The result was an appreciation in price, impacting on mid-long term gas and electricity prices. Pound Sterling's ongoing trend of depreciation against the Euro and Dollar persists ahead of another round of Brexit trade negotiations. The currency starts the week with expectations of bearish movements continuing, markets responding to comments made by Prime Minister Boris Johnson that the UK would be prepared to accept an Australia-style Brexit trade deal. Such as deal would effectively be built on WTO terms and therefore would effectively be a 'no deal' Brexit, concerning an already pessimistic market.

Currency & Commodities

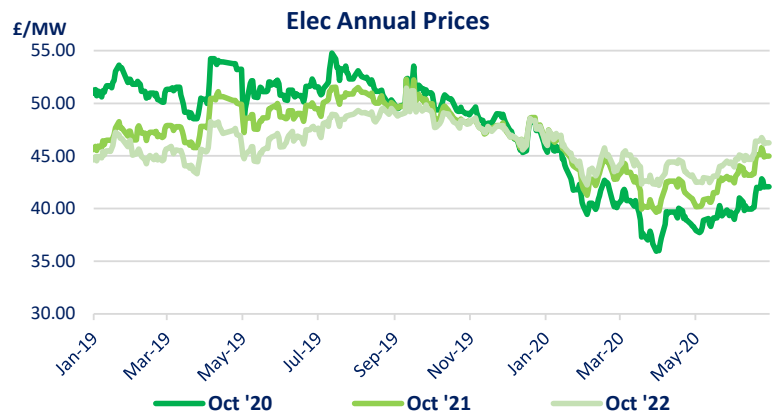
Pound vs Dollar (£:\$)	1.233
Pound vs Euro (£:€)	1.095
Brent Crude Oil (\$/bl)	40.78
EU ETS Carbon (€/t)	25.05
API2 Coal (\$/t)	57.75



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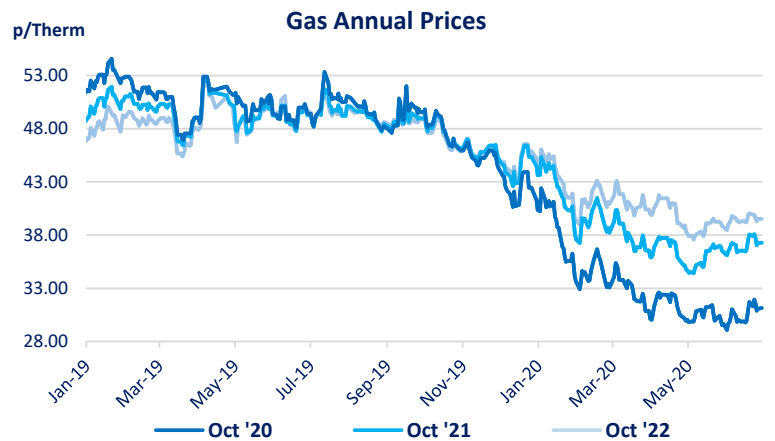
Electricity Analysis

Elec Futures	Price	Change	% Change
Aug-20	31.00	-0.25	-0.80%
Sep-20	34.24	-0.16	-0.47%
Oct-20	39.94	-0.16	-0.40%
Q3 20	33.35	0.00	0.00%
Q4 20	44.40	0.00	0.00%
W 20	35.85	-1.21	-3.38%
S 21	39.51	0.06	0.15%
W 21	48.00	0.55	1.16%
Oct 20 Annual	37.68	-0.57	-1.61%

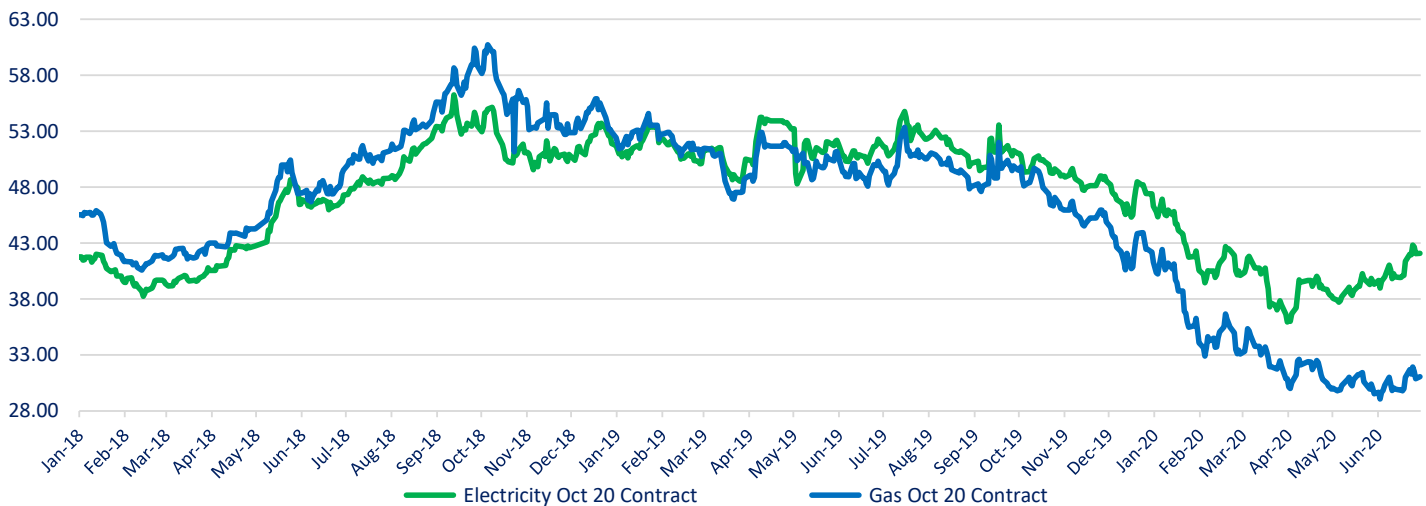


Gas Analysis

Gas Futures	Price	Change	% Change
Aug-20	14.78	0.48	3.36%
Sep-20	17.34	0.50	2.97%
Oct-20	21.20	0.45	2.19%
Q3 20	15.52	0.52	3.47%
Q4 20	29.29	0.57	1.98%
W 20	32.99	0.61	1.88%
S 21	30.21	0.51	1.73%
W21	40.66	0.47	1.18%
Oct 20 Annual	31.60	0.56	1.81%



Elec / Gas October 2020 Annual Prices



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