

Week Ending: 16 July 2021

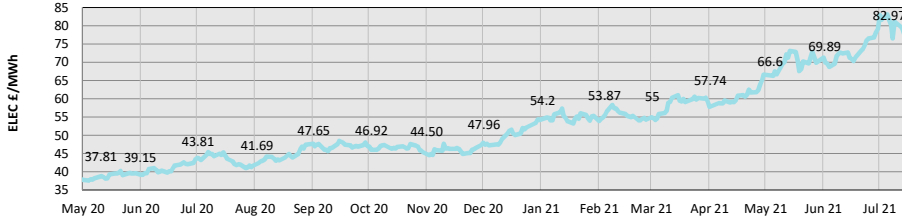
UK Baseload Electricity Prices

	Today	Last W/D	Last Week	Last Month	Last Year
Mth Ahead	£87.93	£86.65	£89.69	£77.09	£30.42
Qtr Ahead	£94.64	£93.31	£97.43	£77.95	£42.87
Season Ahead	£94.35	£92.92	£96.84	£84.23	£45.85
Year Ahead	£78.36	£77.67	£81.15	£71.40	£43.61



Electricity

Electricity Year Ahead Pricing Information



Electricity Cost Movement (£)

	Last W/D	Last Week	Last Month	Last Year
M	£1.28	-£1.76	£10.84	£57.52
Q	£1.33	-£2.79	£16.69	£51.78
S	£1.43	-£2.49	£10.12	£48.50
Y	£0.69	-£2.79	£6.96	£34.75

Insight

Despite increasing value at the end of last week, electricity contracts open up lower following the downward shift in the NBP Gas market. News of the planned maintenance on the Nord Stream 2 pipeline indicates an August finish which further reduces contract values, combined with a soft European carbon market. Higher wind generation forecasts contribute to the decline in electricity contracts throughout the week and the wider commodity markets continue on a downward trend. At the end of the week, electricity contracts make gains from the wider commodity market strength in part to injection demand.

Electricity Real Movement (%)

	Last W/D	Last Week	Last Month	Last Year
M	1.5%	-2.0%	14.1%	189.1%
Q	1.4%	-2.9%	21.4%	120.8%
S	1.5%	-2.6%	12.0%	105.8%
Y	0.9%	-3.4%	9.8%	79.7%

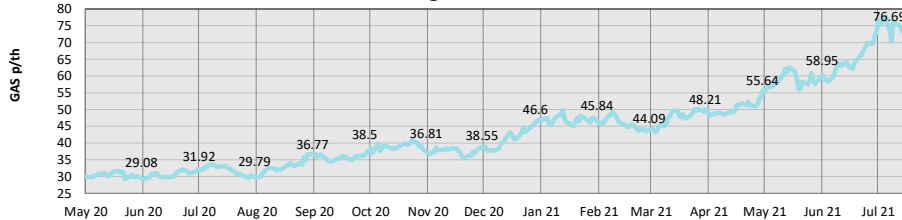
UK NBP Gas Prices

	Today	Last W/D	Last Week	Last Month	Last Year
Mth Ahead	£86.71	£84.49	£88.51	£70.74	£13.43
Qtr Ahead	£91.60	£89.37	£95.00	£71.09	£28.80
Season Ahead	£91.95	£90.15	£94.78	£78.05	£33.43
Year Ahead	£73.94	£72.73	£76.24	£63.76	£32.35



Gas

Gas Year Ahead Pricing Information



Gas Cost Movement (£)

	Last W/D	Last Week	Last Month	Last Year
M	£2.22	-£1.80	£15.97	£73.28
Q	£2.23	-£3.40	£20.52	£62.81
S	£1.80	-£2.83	£13.90	£58.52
Y	£1.21	-£2.31	£10.18	£41.59

Insight

Supply remains tight due to reduced LNG shipments although, news of the Nord Stream 2 commissioning in August increases supply outlook for the short term. NBP Gas contracts mirror the wider commodity market and open up lower at the start of the week as electricity demand decreases cause an oversupplied grid. The UK expects just one LNG shipment by 18th July continuing the tight supply levels that, combined with a strong European carbon market, slightly increases NBP Gas values. Contract gains are limited throughout the week due to an increase in Norwegian supply and a fall in demand. Towards the end of the week, NBP gas makes gains following storage injection demand and a strong wider commodity market.

Gas Real Movement (%)

	Last W/D	Last Week	Last Month	Last Year
M	2.6%	-2.0%	22.6%	545.6%
Q	2.5%	-3.6%	28.9%	218.1%
S	2.0%	-3.0%	17.8%	175.1%
Y	1.7%	-3.0%	16.0%	128.5%

Insight

The effects of the OPEC production quota agreement delay continue into this week with additional concern added as investors fear a drop in demand growth, due to increasing COVID-19 cases, which reduces Brent contract value. Throughout the week, crude oil supplies are controlled which limit significant losses. The IEA announce their expectations of tighter supply in the market due to the OPEC discussion conflicts that increase Brent oil value. OPEC has reportedly made an agreement that would continue current production until 2022 and further increase contract values. However, despite the value increases Brent remains below last week as COVID-19 cases still shadow the market.

Energy Commodities

Carbon €/t CO2	Coal \$/t	Oil \$/bbl	
52.89	148.6	73.59	Present
54.26	136.73	75.54	Last Week
-2.52%	8.68%	-2.58%	Movement

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