

Week Ending: 09 July 2021

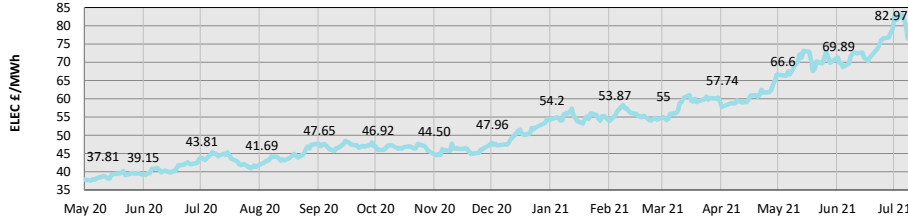
UK Baseload Electricity Prices

	Today	Last W/D	Last Week	Last Month	Last Year
Mth Ahead	£89.95	£83.50	£91.94	£76.03	£31.89
Qtr Ahead	£95.70	£90.91	£98.01	£77.37	£44.34
Season Ahead	£96.50	£90.18	£97.88	£85.29	£46.71
Year Ahead	£80.19	£76.55	£81.66	£72.38	£44.29



Electricity

Electricity Year Ahead Pricing Information



Electricity Cost Movement (£)				
	Last W/D	Last Week	Last Month	Last Year
M	£6.45	-£1.99	£13.92	£58.07
Q	£4.79	-£2.31	£18.33	£51.36
S	£6.32	-£1.38	£11.21	£49.79
Y	£3.64	-£1.47	£7.81	£35.90

Insight

UK electricity contracts open high at the start of the week due to reducing wind generation which forces reliance on fuel-powered demand. Contracts make additional gains as the wider commodity market strengthens with gains from the European carbon markets due to higher coal-generated electricity in the mix. Mirroring the wider commodity markets, electricity contracts fall as wind generation picks up and contributes to a larger proportion of the generation mix. Despite the low wind generation outlook, contract values are mixed but make an upward shift towards the end of the week.

Electricity Real Movement (%)				
	Last W/D	Last Week	Last Month	Last Year
M	7.7%	-2.2%	18.3%	182.1%
Q	5.3%	-2.4%	23.7%	115.8%
S	7.0%	-1.4%	13.1%	106.6%
Y	4.8%	-1.8%	10.8%	81.0%

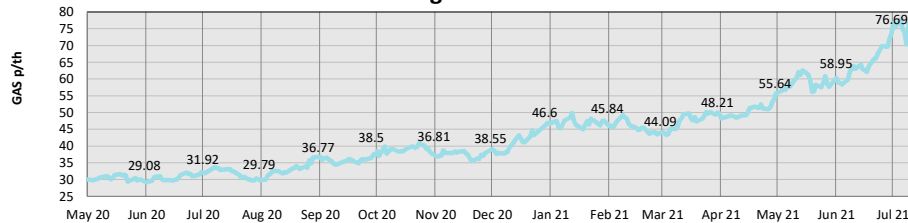
UK NBP Gas Prices

	Today	Last W/D	Last Week	Last Month	Last Year
Mth Ahead	£89.02	£79.64	£88.47	£68.66	£13.96
Qtr Ahead	£95.35	£84.95	£93.94	£69.03	£29.99
Season Ahead	£95.11	£84.97	£94.35	£76.81	£34.20
Year Ahead	£76.56	£70.28	£75.34	£63.02	£32.83



Gas

Gas Year Ahead Pricing Information



Gas Cost Movement (£)				
	Last W/D	Last Week	Last Month	Last Year
M	£9.38	£0.55	£20.36	£75.06
Q	£10.40	£1.41	£26.32	£65.37
S	£10.15	£0.77	£18.30	£60.91
Y	£6.28	£1.22	£13.54	£43.73

Insight

At the start of the week, NBP gas contracts open up high ahead of outages due to planned maintenance on the Yamal and Nord Stream pipelines. Supplies also remain thin due to limited expected LNG shipments into the UK. Following the European carbon markets, NBP gas trades lower with additional price drops supported by strong wind generation. Throughout the week, contracts continue to lose value after hitting a market peak earlier in the week despite the record low supply levels in Europe. Towards the end of the week, contracts recover from the downwards trend as wind generation falls and supplies stretch as the UK are yet to receive any LNG shipments this month.

Gas Real Movement (%)				
	Last W/D	Last Week	Last Month	Last Year
M	11.8%	0.6%	29.7%	537.7%
Q	12.2%	1.5%	38.1%	218.0%
S	11.9%	0.8%	23.8%	178.1%
Y	8.9%	1.6%	21.5%	133.2%

Insight

Despite an OPEC proposal to increase oil production quotas, Brent oil makes increases at the start of the week as OPEC cancelled their meeting meaning a production agreement was not met. Although the meeting cancellation caused higher trades, investors suspect major oil exporters will increase production without OPEC's approval which reverses gains. Brent value continues to fall as investors remain unsure of the outlook due to the failed production discussions between major oil exporters. At the end of the week, contracts make a slight recovery from the dip as US oil inventory data support an optimistic outlook.

Energy Commodities				
Carbon €/t CO2	Coal \$/t	Oil \$/bbl		
54.26	136.73	75.54	Present	
57.35	134.08	76.25	Last Week	
-5.39%	1.98%	-0.93%	Movement	

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