

Week Ending: 17 December 2021

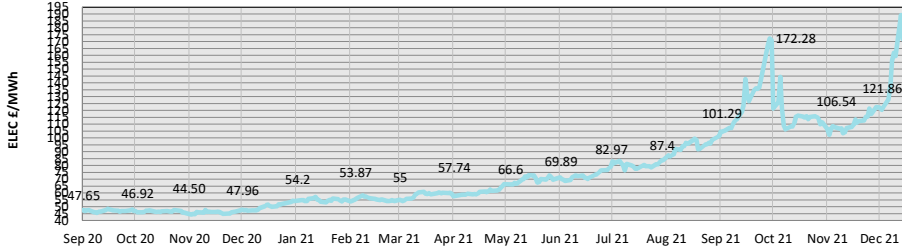
UK Baseload Electricity Prices

| | Today | Last W/D | Last Week | Last Month | Last Year |
|--------------|----------------|----------|-----------|------------|-----------|
| Mth Ahead | £471.63 | £455.92 | £327.94 | £229.85 | £57.38 |
| Qtr Ahead | £401.21 | £383.74 | £283.87 | £224.83 | £55.96 |
| Season Ahead | £181.68 | £171.85 | £156.43 | £111.23 | £47.20 |
| Year Ahead | £186.44 | £175.19 | £159.44 | £112.39 | £50.04 |



Electricity

Electricity Year Ahead Pricing Information



| Electricity Cost Movement (£) | | | | |
|-------------------------------|---------------|----------------|----------------|----------------|
| | Last W/D | Last Week | Last Month | Last Year |
| M | £15.71 | £143.69 | £241.78 | £414.26 |
| Q | £17.47 | £117.34 | £176.38 | £345.25 |
| S | £9.84 | £25.25 | £70.45 | £134.48 |
| Y | £11.25 | £27.00 | £74.05 | £136.40 |

| Electricity Real Movement (%) | | | | |
|-------------------------------|-------------|--------------|---------------|---------------|
| | Last W/D | Last Week | Last Month | Last Year |
| M | 3.4% | 43.8% | 105.2% | 722.0% |
| Q | 4.6% | 41.3% | 78.5% | 617.0% |
| S | 5.7% | 16.1% | 63.3% | 284.9% |
| Y | 6.4% | 16.9% | 65.9% | 272.6% |

Insight

At the start of the week, electricity contracts made significant gains alongside the NBP gas market and forecasts for lower wind generation, pushing prices higher. An unplanned outage of the IFA2 interconnector caused further increases for shorter-term contracts, while longer-term contracts had a dip with the European carbon market. The market was mixed throughout the week following a tight supply outlook that pressured shorter-term contracts but was limited to the volatility in the carbon market. Prices saw another significant increase responding to the outages at a French nuclear facility that further tightened supplies into the UK, and the carbon market remained strong. At the end of the week, contracts remained high with a tight supply outlook and expectations of shorter supplies.

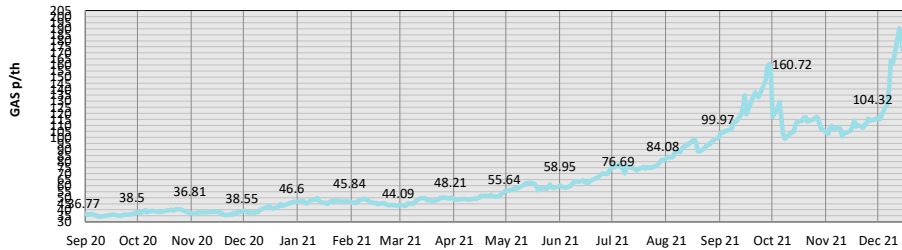
UK NBP Gas Prices

| | Today | Last W/D | Last Week | Last Month | Last Year |
|--------------|----------------|----------|-----------|------------|-----------|
| Mth Ahead | £348.12 | £340.45 | £263.50 | £223.79 | £45.72 |
| Qtr Ahead | £335.11 | £327.92 | £256.91 | £220.81 | £45.52 |
| Season Ahead | £203.12 | £186.00 | £165.48 | £108.82 | £36.86 |
| Year Ahead | £204.86 | £187.44 | £166.94 | £110.15 | £41.17 |



Gas

Gas Year Ahead Pricing Information



| Gas Cost Movement (£) | | | | |
|-----------------------|---------------|---------------|----------------|----------------|
| | Last W/D | Last Week | Last Month | Last Year |
| M | £7.67 | £84.63 | £124.33 | £302.40 |
| Q | £7.19 | £78.20 | £114.30 | £289.59 |
| S | £17.12 | £37.65 | £94.31 | £166.27 |
| Y | £17.42 | £37.92 | £94.71 | £163.69 |

| Gas Real Movement (%) | | | | |
|-----------------------|-------------|--------------|--------------|---------------|
| | Last W/D | Last Week | Last Month | Last Year |
| M | 2.3% | 32.1% | 55.6% | 661.4% |
| Q | 2.2% | 30.4% | 51.8% | 636.2% |
| S | 9.2% | 22.7% | 86.7% | 451.1% |
| Y | 9.3% | 22.7% | 86.0% | 397.6% |

Insight

The NBP gas market opened the week high following forecasts for cold weather, low wind generation and falling European supply levels. Demand for gas-powered generation was expected to increase with reduced wind generation, which would strain supply levels. The German regulator also paused certification of Nord Stream 2 due to Russia-Ukraine tensions, providing additional upside to shorter-term contracts. Longer-term contracts suffered dips with a volatile carbon market, but most contracts remained high due to supply and demand fundamentals. Towards the end of the week, the NBP gas market hit all-time highs following the announcement that Nord Stream 2 would not be certified before late 2022, in addition to the French nuclear facility remaining offline until earlier next year.

Insight

Brent oil contracts lost value at the start of the week following the growing fears of the Omicron COVID-19 variant that could significantly reduce global oil demand with increasing restrictions. The downward trend continued as the IEA forecasts lower demand outlooks for 2022, and increased cases of the new variant were reported, adding to demand impact fears. Throughout the week, the Brent oil market initially recorded further losses, however, the US reported an increase in fuel demand that lifted the market and eased some of the earlier tensions. At the end of the week, the market was on a downward trend as investors monitored the increasing COVID-19 cases alongside lockdown restrictions.

| Energy Commodities | | | |
|--------------------|---------------|--------------|-----------|
| Carbon €/t CO2 | Coal \$/t | Oil \$/bbl | |
| 73.28 | 168.1 | 70.78 | Present |
| 78.25 | 155.25 | 69.86 | Last Week |
| -6.35% | 8.28% | 1.32% | Movement |

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