

Week Ending: 03 December 2021

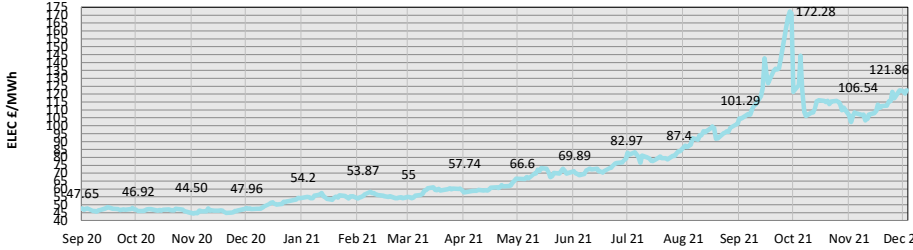
UK Baseload Electricity Prices

	Today	Last W/D	Last Week	Last Month	Last Year
Mth Ahead	£301.88	£296.98	£242.69	£184.42	£55.13
Qtr Ahead	£256.32	£253.21	£255.33	£181.78	£52.45
Season Ahead	£119.55	£117.85	£116.35	£106.51	£44.24
Year Ahead	£122.42	£120.36	£117.39	£107.85	£47.23



Electricity

Electricity Year Ahead Pricing Information



Electricity Cost Movement (£)				
	Last W/D	Last Week	Last Month	Last Year
M	£4.90	£59.19	£117.46	£246.75
Q	£3.11	£0.99	£74.54	£203.87
S	£1.70	£3.20	£13.04	£75.31
Y	£2.07	£5.04	£14.57	£75.19

Insight

At the start of the week, electricity contracts opened up high as cold temperatures in the UK was a key driver alongside support from the European carbon markets. The market initially mirrored the NBP gas gains and continued to rise after NBP's slight dip, as weak wind generation affected the market, with additional value-added from bullish trades in the carbon markets. Below-average temperatures continued to weigh in on the market throughout the week resulting in a further increase in electricity contracts. Towards the end of the week, the upward trend in the market took a slight dip with NBP gas as a result of milder weather forecasts in the short term. However, longer-dated contracts continued to gain with the carbon market. The wider markets remained bullish to end the week.

Electricity Real Movement (%)				
	Last W/D	Last Week	Last Month	Last Year
M	1.6%	24.4%	63.7%	447.6%
Q	1.2%	0.4%	41.0%	388.7%
S	1.4%	2.7%	12.2%	170.2%
Y	1.7%	4.3%	13.5%	159.2%

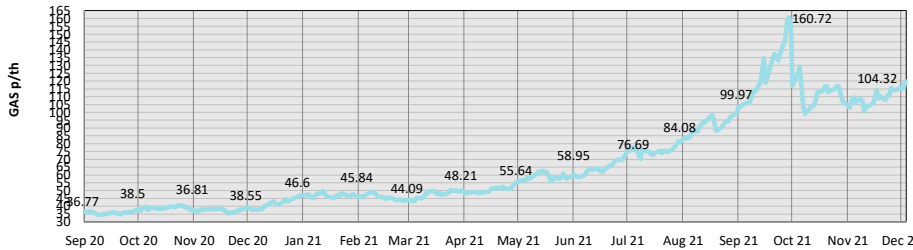
UK NBP Gas Prices

	Today	Last W/D	Last Week	Last Month	Last Year
Mth Ahead	£234.50	£234.34	£228.35	£192.06	£42.34
Qtr Ahead	£227.75	£227.84	£225.20	£187.13	£41.56
Season Ahead	£118.20	£113.80	£112.56	£105.18	£33.49
Year Ahead	£119.70	£115.31	£114.04	£106.47	£37.93



Gas

Gas Year Ahead Pricing Information



Gas Cost Movement (£)				
	Last W/D	Last Week	Last Month	Last Year
M	£0.17	£6.15	£42.45	£192.16
Q	-£0.09	£2.56	£40.63	£186.19
S	£4.40	£5.64	£13.03	£84.72
Y	£4.40	£5.66	£13.24	£81.77

Insight

The NBP gas market opened the week high as weather fundamentals kicked off bullish trading across all contract terms. NBP gas initially opened up strong again with support from the European carbon markets and increasing demand, however, signals for increased Russian supplies caused prices to dip. The downward trend continued whilst demand remained low and investors expected an increase of supplies in the market. Soon after, weather fundamentals lifted contracts with additional support from the carbon market. Towards the end of the week, short term contracts traded lower following milder weather forecasts and increased supplies of LNG in the market. However, most NBP gas contracts remained bullish against the previous session, despite the warmer weather limiting significant gains.

Gas Real Movement (%)				
	Last W/D	Last Week	Last Month	Last Year
M	0.1%	2.7%	22.1%	453.8%
Q	0.0%	1.1%	21.7%	448.0%
S	3.9%	5.0%	12.4%	253.0%
Y	3.8%	5.0%	12.4%	215.6%

Insight

Brent oil contracts initially recovered at the start of the week against previous session losses before losing value again to the fears of the new COVID-19 variant that could significantly reduce demand as flight restrictions tighten. Fears of a drop in oil demand continued as doubts surfaced that current vaccinations would not be as effective against the new variant. Throughout the week, contracts were mixed as OPEC approached their meeting to discuss planned production quota increases but previously agreed to remain at current levels. Brent oil contracts made gains following an OPEC confirmation that members would be monitoring demand and investors anticipate their upcoming meeting. At the end of the week, contracts traded bullish ahead of the OPEC meetings despite limitations from the impacts the new COVID-19 variant could have on oil demand.

Energy Commodities			
Carbon €/t CO2	Coal \$/t	Oil \$/bbl	
78.25	155.25	69.86	Present
72.78	157.5	72.76	Last Week
7.52%	-1.43%	-3.99%	Movement

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