

Week Ending: 04 February 2022

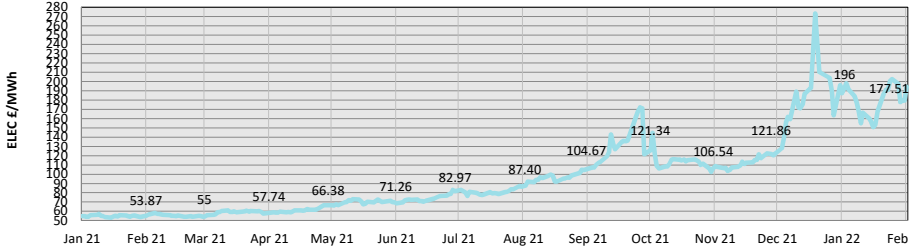
## UK Baseload Electricity Prices

	Today	Last W/D	Last Week	Last Month	Last Year
Mth Ahead	<b>£184.81</b>	£178.50	£218.30	£266.68	£58.50
Qtr Ahead	<b>£187.70</b>	£175.98	£200.67	£195.93	£54.52
Season Ahead	<b>£185.52</b>	£174.34	£197.02	£186.51	£53.00
Year Ahead	<b>£194.06</b>	£179.52	£202.53	£191.61	£56.54



## Electricity

### Electricity Year Ahead Pricing Information



Electricity Cost Movement (£)				
	Last W/D	Last Week	Last Month	Last Year
M	<b>£6.32</b>	-£33.49	-£81.87	<b>£126.31</b>
Q	<b>£11.73</b>	-£12.97	-£8.23	<b>£133.19</b>
S	<b>£11.18</b>	-£11.50	-£1.00	<b>£132.52</b>
Y	<b>£14.54</b>	-£8.47	<b>£2.45</b>	<b>£137.52</b>

### Insight

At the start of the week, the electricity market lost value due to increasing wind generation and softer trades in the NBP gas and European carbon markets. Strong wind generation continued to be a market driver, increasing supplies alongside average temperature increases, reducing demand. Despite an initial increase in Russian flows into Europe, supplies significantly reduced, increasing NBP gas contracts. Electricity contracts mirrored the NBP gas market movements alongside strong carbon market trades. Revised temperature forecasts indicated colder weather that would increase demand in a tightly supplied market. Towards the end of the week, contracts continued to increase alongside the NBP gas and carbon markets.

Electricity Real Movement (%)				
	Last W/D	Last Week	Last Month	Last Year
M	<b>3.5%</b>	-15.3%	-30.7%	<b>215.9%</b>
Q	<b>6.7%</b>	-6.5%	-4.2%	<b>244.3%</b>
S	<b>6.4%</b>	-5.8%	-0.5%	<b>250.0%</b>
Y	<b>8.1%</b>	-4.2%	<b>1.3%</b>	<b>243.2%</b>

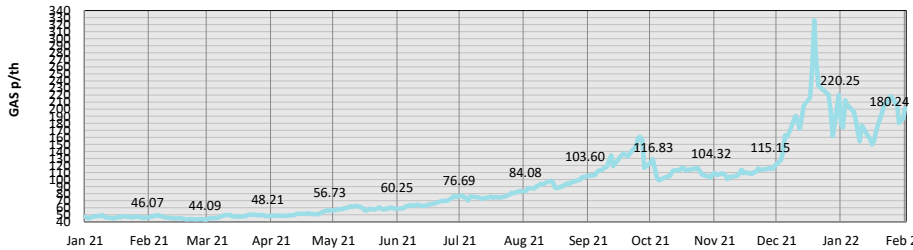
## UK NBP Gas Prices

	Today	Last W/D	Last Week	Last Month	Last Year
Mth Ahead	<b>£199.35</b>	£186.60	£221.19	£229.85	£48.83
Qtr Ahead	<b>£197.50</b>	£183.47	£214.31	£203.25	£43.55
Season Ahead	<b>£197.28</b>	£182.42	£214.19	£202.61	£43.04
Year Ahead	<b>£201.25</b>	£186.65	£218.44	£206.43	£47.50



## Gas

### Gas Year Ahead Pricing Information



Gas Cost Movement (£)				
	Last W/D	Last Week	Last Month	Last Year
M	<b>£12.75</b>	-£21.84	-£30.51	<b>£150.52</b>
Q	<b>£14.03</b>	-£16.82	-£5.76	<b>£153.95</b>
S	<b>£14.86</b>	-£16.92	-£5.33	<b>£154.24</b>
Y	<b>£14.60</b>	-£17.19	-£5.18	<b>£153.75</b>

### Insight

NBP gas contracts opened the week lower than previous sessions following unplanned Norwegian outages and wind generation increases. However, longer-dated NBP gas contracts made gains following increased LNG and upward movement in the coal and European carbon markets. Strong wind generation remained, easing off demand with additional downside from increased Russian flows into Europe. Russian flow quickly reversed, and the carbon market made strong trades, increasing NBP gas contracts. LNG outlooks indicated sufficient supplies to meet demand while increased wind generation remained a key factor for market decreases. At the end of the week, contracts increased with expectations of lower temperatures, despite a fall in demand, as Russian gas flow remained low and increasing carbon markets supported value.

Gas Real Movement (%)				
	Last W/D	Last Week	Last Month	Last Year
M	<b>6.8%</b>	-9.9%	-13.3%	<b>308.3%</b>
Q	<b>7.6%</b>	-7.8%	-2.8%	<b>353.5%</b>
S	<b>8.1%</b>	-7.9%	-2.6%	<b>358.4%</b>
Y	<b>7.8%</b>	-7.9%	-2.5%	<b>323.7%</b>

### Insight

Brent oil contracts continued to be influenced by Eastern tensions as a threat to supply with additional value-added from a reduced USD that promoted buying into the market. Previous gains were removed ahead of the OPEC meeting to discuss increasing production while investors expect current levels to remain. The OPEC meeting resulted in current production levels remaining, but significant losses were avoided with reduced US inventories and a rise in demand. The Eastern tensions remain a key market driver alongside the USD decreases despite a potential demand decrease with increasing US unemployment rates. At the end of the week, winter storms in the US sparked concern for production in an already tight supply outlook with reduced US inventories.

Energy Commodities				
	Carbon €/t CO2	Coal \$/t	Oil \$/bbl	
	<b>96.45</b>	<b>227</b>	<b>92.31</b>	Present
	<b>89.22</b>	<b>227.8</b>	<b>90.05</b>	Last Week
	<b>8.10%</b>	-0.35%	<b>2.51%</b>	Movement

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