

Week Ending: 08 September 2023

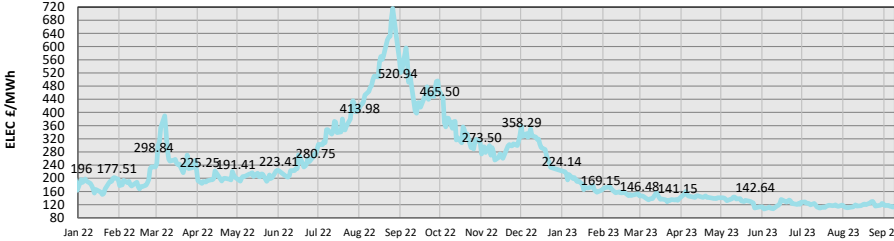
UK Baseload Electricity Prices

	Today	Last W/D	Last Week	Last Month	Last Year
Mth Ahead	£82.70	£81.21	£86.62	£89.49	£400.43
Qtr Ahead	£103.51	£101.04	£107.99	£114.17	£586.52
Season Ahead	£115.33	£112.71	£119.46	£119.59	£593.65
Year Ahead	£114.18	£112.40	£117.08	£115.41	£487.94



Electricity

Electricity Year Ahead Pricing Information



Electricity Cost Movement (£/MWh)

	Last W/D	Last Week	Last Month	Last Year
M	£1.50	-£3.92	-£6.78	-£317.72
Q	£2.47	-£4.48	-£10.66	-£483.01
S	£2.62	-£4.13	-£4.26	-£478.32
Y	£1.78	-£2.90	-£1.22	-£373.76

Electricity Real Movement (%)

	Last W/D	Last Week	Last Month	Last Year
M	1.8%	-4.5%	-7.6%	-79.3%
Q	2.4%	-4.2%	-9.3%	-82.4%
S	2.3%	-3.5%	-3.6%	-80.6%
Y	1.6%	-2.5%	-1.1%	-76.6%

Insight

At the start of the week, power prices followed a downward trend, mirroring the movements in the gas market. The anticipation of solar power generation rising above seasonal norms, reaching 2GWs/day, contributed to this decline. Mid week, power prices took an upward turn in conjunction with gas prices, primarily due to an unplanned outage on the East West interconnector, resulting in a loss of 500MWs and an increased demand for fuel-fired generation. Towards the end of the week, power prices remained closely tied to the gas market. While UK wind generation was expected to increase significantly, potentially reaching 7GWs/day the following week and easing the demand for fuel-fired generation, a decline in solar generation was anticipated for the second half of September. Additionally, some power contracts correlated with the NBP gas hub. Furthermore, as temperatures were predicted to stay above seasonal norms throughout the remainder of the week,

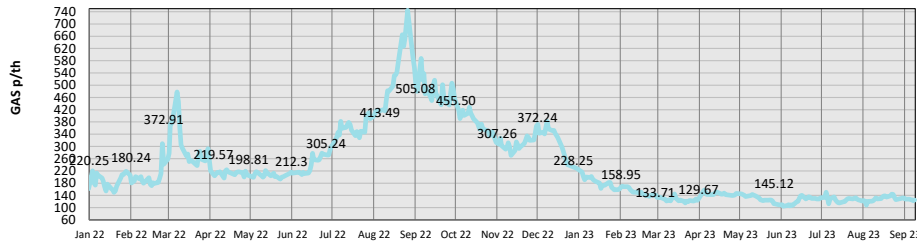
UK NBP Gas Prices

	Today	Last W/D	Last Week	Last Month	Last Year
Mth Ahead	83.26p	77.42p	88.30p	94.53p	394.55p
Qtr Ahead	106.98p	102.69p	111.48p	118.67p	485.62p
Season Ahead	121.50p	118.28p	125.50p	127.97p	523.75p
Year Ahead	125.09p	122.63p	127.70p	128.40p	489.55p



Gas

Gas Year Ahead Pricing Information



Gas Cost Movement (p/therm)

	Last W/D	Last Week	Last Month	Last Year
M	5.84p	-5.04p	-11.27p	-311.29p
Q	4.30p	-4.50p	-11.68p	-378.64p
S	3.22p	-4.00p	-6.47p	-402.25p
Y	2.46p	-2.61p	-3.30p	-364.46p

Gas Real Movement (%)

	Last W/D	Last Week	Last Month	Last Year
M	7.54%	-5.71%	-11.92%	-78.90%
Q	4.18%	-4.03%	-9.84%	-77.97%
S	2.72%	-3.19%	-5.05%	-76.80%
Y	2.01%	-2.04%	-2.57%	-74.45%

Insight

At the start of the week, gas prices experienced a decline, partly attributed to a 24mcm drop in domestic demand due to warmer weather. Additionally, the UK storage capacity stood at 86%, which was 6% lower compared to the previous year. Mid-week, gas prices found some strength as wind generation hit a seasonal low and planned maintenance for the BBL pipeline began, resulting in a 6mcm rise in domestic demand to 110mcm/day. This uptick in demand contributed to a temporary price increase. Towards the end of the week, gas prices dipped again, driven by the postponement of the Chevron industrial action in Australia and concerns over Europe nearing 100% gas storage capacity. However, some gas contracts did see gains due to news of extensions to Norwegian gas facility maintenance. There was an overall sense of nervousness in the market as the first of the Australian LNG worker strikes approached, causing gas prices to open higher this morning.

Insight

At the start of the week, oil prices continued their upward trajectory, driven by the tightening of supplies from OPEC+. The anticipation of the US Federal Reserve maintaining current interest rates, which would soften the US dollar, contributed to making oil more affordable for non-currency holders. Mid-week, oil prices experienced a slight retreat as investors chose to capitalize on their profits following the previous day's rally. This rally had been triggered by the announcement from OPEC+ members, Saudi Arabia and Russia, declaring supply cuts until the end of the year. Towards the end of the week, oil prices began to decline, although these losses were limited by the ongoing narrative of supply cuts announced by OPEC+ members, Saudi Arabia and Russia, extending until December. Economic growth in the Eurozone added further pressure on oil prices, with a meager GDP growth rate of only 0.1%.

Energy Commodities

Carbon €/t CO2	Coal \$/t	Oil \$/bbl	
€86.32	\$157.73	\$90.63	Present
€88.53	\$162.47	\$87.98	Last Week
-2.50%	-2.92%	3.01%	Movement

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