

Monday, 13 November, 2017

## UK Gas (pence/therm)



Contract	Price (p/therm)	30 Day Mean	30 Day High	30 Day Low
Front Mth	54.6	50.3744	54.6	47.65
Front Qtr	54.75	52.3977	55.1	50.75
Sum-18	45.05	42.9744	45.05	41.99
Win-18	52.1	50.3414	53.15	49.4
Sum-19	43.15	41.2611	43.15	40.05
Win-19	50.07	48.45	50.08	47.65

- Both gas and power markets have pushed up last week on the back of bullish fundamentals and higher coal and oil prices.
- Both UKCS and Dutch production ticked lower, fuelling the bullish sentiment. NBP day-ahead prices jumped by more than 2 pence/therm at the close as UK gas demand was expected to jump 27% above seasonal normal levels.
- Towards the end of the week exports dropped down into single figures and with renewable power generation picking up, gas fired power draw dropped off, easing overall gas demand and taking it below seasonal averages. Despite the length in the system, prices have been firm as the absence of LNG, increases UK reliance on Norwegian flows. Gas has also taken direction from oil which has also been bullish this week.
- On pricing, the Summer 18 contract last traded circa 5% higher at 45.05 p/therm, whilst Winter 18 finished on Friday at 52.10 p/therm.

## UK Power (£ / MWh)



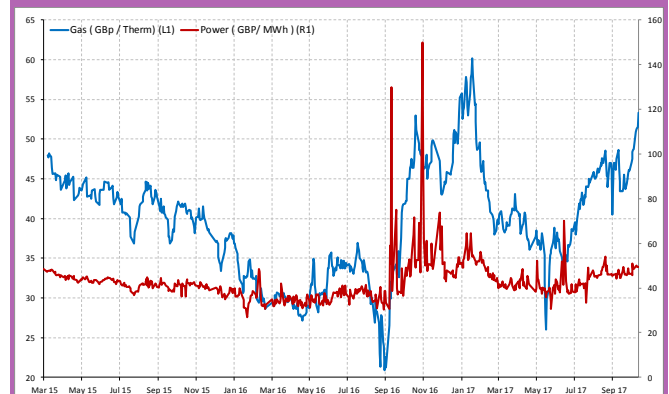
Contract	Price (£/MWh)	30 Day Mean	30 Day High	30 Day Low
Front Mth	53.5	52.39	55	50.55
Front Qtr	53.76	52.8538	54.2	51.3
Sum-18	44.5	43.2442	44.65	42.5
Win-18	49.55	48.3788	49.75	47.65
Sum-19	41.95	40.732	41.95	40.1
Win-19	47.1	45.7241	47.1	45.16

- The power market has seen some tight margins, with wind generation out-turning lower than forecast earlier in the week. However this eased on Thursday with wind generation reaching just over 9GW and 8GW on Friday, relieving pressure on CCGT and coal.
- The return of two French nuclear reactors from maintenance was pushed back by a week on Monday; this was the driving force behind bullish sentiment, especially on near curve prices. On Thursday a further nuclear outage was announced; the 1.3GW Belleville-1 unit came offline and is currently expected back 14<sup>th</sup> November.
- Summer 18 contract traded 3.4% higher at GBP 44.50/MWh, whilst Winter 18 traded at GBP 49.55/MWh, up by 2.5%.

## Commodities



## Day Ahead



### Driver

- Temperatures for the UK are set to be cooler this week, which in turn may bring some increased residential gas and power demand.
- Oil strengthened earlier in the week, pushing to above USD64/bbl as OPEC members continue to support an oil-cut extension. Brent currently sits at USD 63.50/bbl.