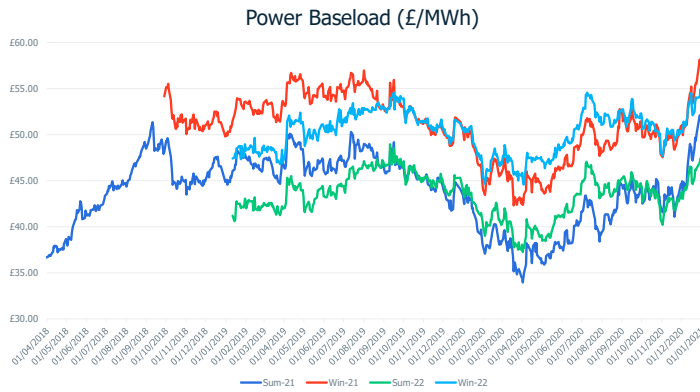


Weekly Energy Report

04 January 2021

Power

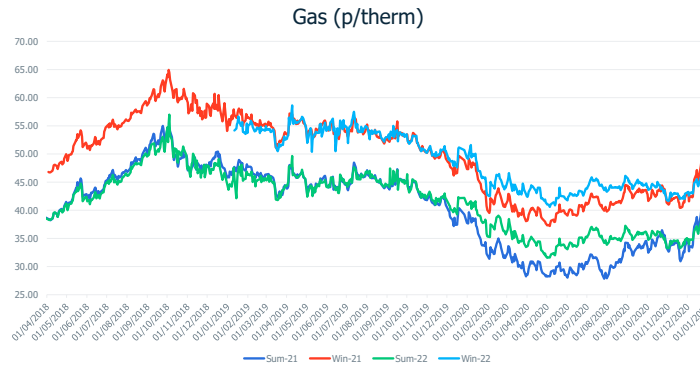


Contract	Price (£/MWh)		
	Previous Weeks Close	Last Weeks Close	
Feb-21	£ 62.43	£ 66.54	▲
Mar-21	£ 55.83	£ 60.06	▲
Apr-21	£ 53.04	£ 54.84	▲
Q2-21	£ 51.02	£ 52.35	▲
Q3-21	£ 49.00	£ 50.64	▲
Sum-21	£ 50.01	£ 51.49	▲
Win-21	£ 55.56	£ 57.62	▲
Sum-22	£ 46.32	£ 47.47	▲
Win-22	£ 53.95	£ 54.49	▲
Sum-23	£ 45.13	£ 46.57	▲
Win-23	£ 54.81	£ 54.84	▲

Summary

A lack of liquidity has been the theme between 24/12/20 and 01/01/21 with very few participants trading during the festive period. However the supply picture has moved from oversupplied to short in this time driven by the cold weather, light winds reducing renewable generation and LNG being directed to Asia on a bullish JKM and cold weather experienced in Asia. Carbon has been driven higher - largely by the cold weather in UK/Europe, peaking at around €33.50 an all time high on 29/12 dropping back slightly later in the week. French power prices jumped on 29/12 causing front month prices to surge by up to 5%. As we move into the New Year, power fundamentals look to remain tight into the first half of January with continuing cold weather and low wind generation forecast. The uncertain outcome of the Sudden Stratospheric Warning forecast for the end of January is anticipated to lead to volatility. UK Government securing a trade deal with the rest of Europe at the 11th hour has been approved by MPs and prices have reacted strongly to this news.

Gas



Contract	Price (p/therm)		
	Previous Weeks Close	Last Weeks Close	
Feb-21	51.77	56.40	▲
Mar-21	48.07	52.31	▲
Apr-21	43.60	46.85	▲
Q2-21	41.03	43.58	▲
Q3-21	38.57	41.09	▲
Sum-21	39.93	42.32	▲
Win-21	48.18	49.96	▲
Sum-22	38.10	38.75	▲
Win-22	45.52	46.27	▲
Sum-23	36.28	36.97	▲
Win-23	46.42	46.82	▲

Summary

Gas prices increased from 24/12/20 as temperatures dipped below seasonal norms. Coupled with the falling renewable generation and increasing prices in continental power. The picture between Christmas and New Year has been defined by lack of liquidity so the new year will see more activity in the markets. Colder temperatures forecast for the first week of January and uncertain impact of the forecast SSW at the end of January that could potentially bring a very cold end to the month could have significant impact on domestic gas for heat and lead to very volatile prices.