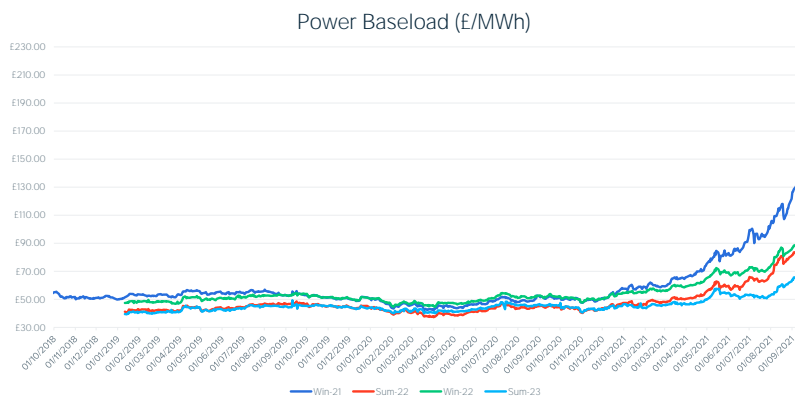


Weekly Energy Report

20 September 2021

Power

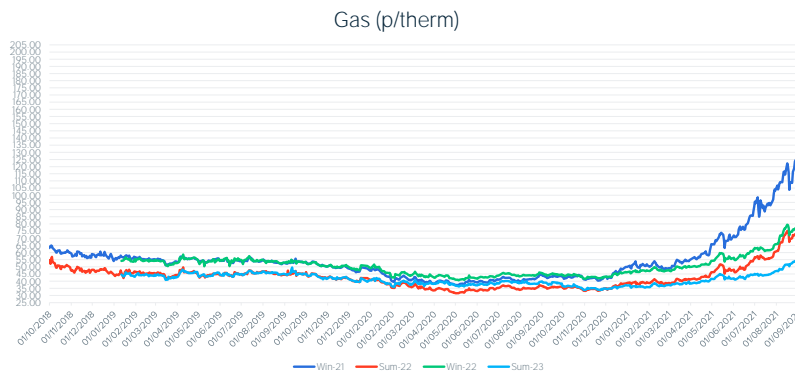


Contract	Price (£/MWh)		
	Previous Weeks Close	Last Weeks Close	
Oct-21	£ 135.88	£ 162.03	▲
Nov-21	£ 143.34	£ 165.87	▲
Dec-21	£ 143.47	£ 164.28	▲
Q4-21	£ 140.87	£ 164.04	▲
Q1-22	£ 138.90	£ 159.59	▲
Win-21	£ 139.90	£ 161.84	▲
Sum-22	£ 87.44	£ 89.46	▲
Win-22	£ 92.92	£ 94.71	▲
Sum-23	£ 66.60	£ 68.40	▲
Win-23	£ 75.32	£ 76.21	▲
Sum-24	£ 61.24	£ 62.34	▲

Summary

The October 21, Winter 21 and Summer 22 baseload contracts increased by £26.15/MWh, £21.94/MWh and £2.02/MWh respectively from the previous weeks close. The week got off to a bullish start for forward contracts as gas and coal prices moved higher, with concerns for supply continuing to worry the market. Record Day Ahead prices were seen through the middle of the week with low wind output being a large contributing factor, along with various outages to thermal plants. As prices were continuing to increase, prices were hit even more on Wednesday as a fire at an operations centre for the IFA interconnector took the cable offline. News reports confirmed that the cable linking the UK to France would be reduced to 50% capacity for the whole of winter. This fire caused prices to increase even further, before falling back down on Thursday, then increasing again on Friday. Wind forecasts show generally on or above seasonal norm levels for the next week or two, with the exception of this Saturday which will see output drop. This should help alleviate some of the tightness seen in the UK power system, although prompt prices will still be supported by high Day Ahead gas prices.

Gas



Contract	Price (p/therm)		
	Previous Weeks Close	Last Weeks Close	
Oct-21	145.52	162.8	▲
Nov-21	150.53	168.15	▲
Dec-21	152.71	169.72	▲
Q4-21	149.58	166.88	▲
Q1-22	147.88	164.8	▲
Win-21	148.74	165.85	▲
Sum-22	80.43	83	▲
Win-22	85.05	87.12	▲
Sum-23	56.28	58.84	▲
Win-23	62.93	65.1	▲
Sum-24	49.26	50.65	▲

Summary

The October 21, Winter 21 and Summer 22 NBP contracts increased by 17.28p/therm, 17.11p/therm and 2.57p/therm respectively from the previous weeks close. As maintenance hit its peak at the start of last week, gas prices continued to increase. Prices increased despite very little change in supply and warm weather temperature being forecast. Near term periods saw sharp day-on-day gains until Tuesday. Despite prices increasing at pace, no LNG tankers had been booked for delivery by the UK, which added concern to Winter for when heating demand begins to ramp up. On Thursday, prices began to fall as most of the maintenance had ended however on Friday, near term prices traded relatively higher as temperature forecasts detected some cold temperatures for October, which potentially pushes heating demand up.