

Gas

p/therm	9 Oct 20	16 Oct 20	Change
Day-Ahead	38.40	40.51	5.5%
Nov 2020	38.30	40.94	6.9%
Summer 2021	34.57	35.00	1.3%
Winter 2021/22	43.30	43.08	-0.5%

The UK's **Day-Ahead gas** rose 5.5% to 40.51 p/therm as colder weather this last week increased heating demand. However, Norwegian gas strikes ended after a wage agreement was reached, meaning production is unlikely to be restricted going forward.

Day-Ahead power rose by 13.7% to £47.18/MWh as low-pressure weather continues to create unsettled weather conditions and hinder solar generation across much of Britain. Meanwhile, despite new Covid-19 restrictions it is unlikely these will unduly hinder UK power demand, at least in the short term.

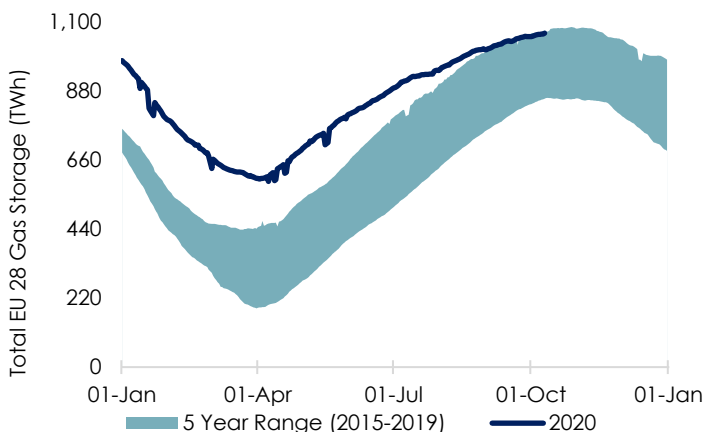
Summer 2021 gas increased 1.3% this week, rising to 35.00 p/therm as UK gas storage hovers at around 77% of normal capacity, slightly below normal for this time of year. UKCS and Norwegian gas production is also forecasted lower, with increased regulation also limiting Dutch production.

Meanwhile, Britain's largest supplier of LNG has secured a 25-year contract to continue supplying gas to the UK's Isle of Grain LNG terminal.

Summer 2021 power prices fell 0.3% to £43.73/MWh following declines in coal and carbon. However, there's a risk that if Britain is unable to reach an agreement with the EU over a long-term trade deal, that the value of the Pound Sterling could be at risk.

October may be the last opportunity to lock in contracts while energy prices remain low for customers renewing in early-2021. But if your energy contracts are not renewing until Oct-2021, there may be another opportunity for you during summer 2021.

European Gas Storage



Power

£/MWh	9 Oct 20	16 Oct 20	Change
Day-Ahead	41.49	47.18	13.7%
Nov 2020	49.83	50.24	0.8%
Summer 2021	43.88	43.73	-0.3%
Winter 2021/22	50.33	49.47	-1.7%

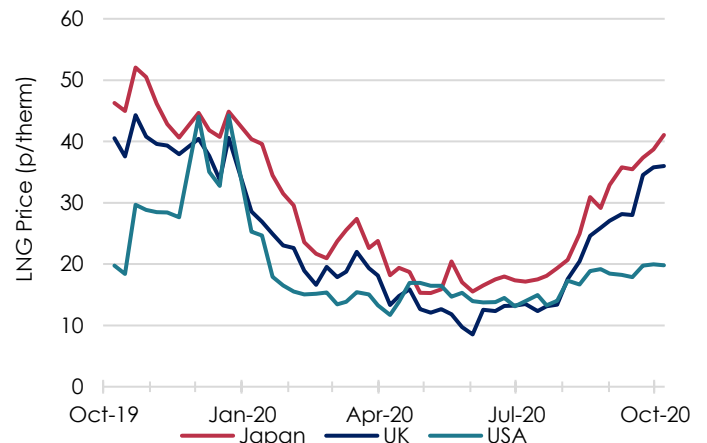
UK Gas



UK Power



Global LNG (Japan v UK v USA)



T: +44 208 634 7533

E: strategicclients@beondgroup.com

W: www.beondgroup.com

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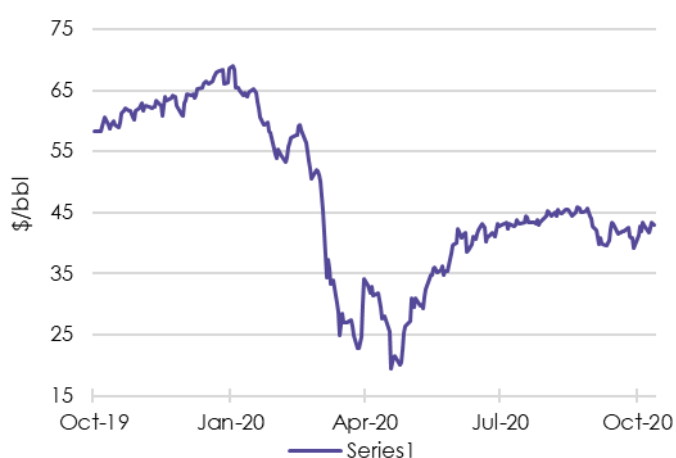
19 October 2020

Oil

\$/bbl	9 Oct 20	16 Oct 20	Change
Brent Crude Dec 20	42.85	42.93	0.2%

Source: Reuters

Brent crude oil gained 0.2% overall last week to \$42.93/bbl. Fears over new lockdowns and spikes in Covid-19 cases in the US and Europe raised concern over fuel demand on Friday limiting price gains for the week. However, prices still rose overall as Libya's largest oilfield resumed production, Norwegian oil strikes ended and US Gulf of Mexico producers began restoring output after Hurricane Delta.



Exchange Rates & Economics

£/\$	9 Oct 20	16 Oct 20	Change
GBP/USD	1.3046	1.2935	-0.9%

Source: Reuters

The **Pound Sterling** lost gains made last week with a fall of 0.9% this week following PM Boris Johnson's statement that Britain should prepare for a no-deal Brexit. The Covid-19 outlook compounds this with UK cases per million having increased well past the US since the start of October and continuing to grow at a significant rate. As London and much of the North of England enter 'Tier2' restrictions, the economy is likely to begin to stifle once again.



Carbon

€/tCO2	9 Oct 20	16 Oct 20	Change
EUA Dec Yr	25.71	24.89	-3.2%

Source: Reuters

European carbon fell 3.2% to €24.89/tCO2 last week reaching a four-month low reflecting broader economic uncertainty surrounding the UK's potential trade deal with the EU. Meanwhile former EU official Jos Delbeke said there is still enough time for the UK to create its own domestic emissions market.



Coal

\$/tonne	9 Oct 20	16 Oct 20	Change
API2 CIF ARA Yr	59.75	57.15	-4.4%

Source: Reuters

European coal prices fell 4.4% to \$57.15/tonne, following news that Russian coal production rose 10% last month to a nine-month high.

This came at a time of diminishing European demand for the fuel, confounded further by coronavirus-linked reductions to overall power demand across the region.



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