

Gas

p/therm	12 Feb 21	19 Feb 21	Change
Day-Ahead	46.35	42.85	-7.6%
Mar 2021	44.85	42.10	-6.1%
Summer 2021	41.70	40.00	-4.1%
Winter 2021/22	50.90	49.45	-2.8%
12M Annual Apr 2021	46.30	44.72	-3.4%

Source: ICE

The **March 2021 Gas** contract fell a further 6.1% last week as mild temperatures took hold across Europe and are expected at least for the next two weeks, reducing gas demand. Some minor gains were seen towards the end of last week as Norwegian gas exports were reduced following unplanned maintenance restricting supply from the Troll gas field.

The **March 2021 Power** contract also continued to fall, by a further 5.1%, in line with the milder temperatures and helped in part by falling gas prices, encouraging gas-for-power generation. A fall in the price of carbon also weighed down on the price of March power.

The **April 2021 12 Month Gas** price fell by 3.4%, as warmer weather and a strong supply of LNG raise optimism. Despite gas storage being very low in Europe, now sitting at 39% of capacity, the warming weather may present a sign that any supply concerns from a long cold winter are easing.

The UK has itself secured a healthy LNG supply over the last several weeks, and this continues with 11 shipments scheduled in the following week. This strong supply of LNG shipments is helped in part by the strength of Pound, which has seen relatively continued growth over the last few weeks, reducing the cost of imports. The UK LNG supply is enabling injection into UK gas storage and improving the outlook for 12M prices.

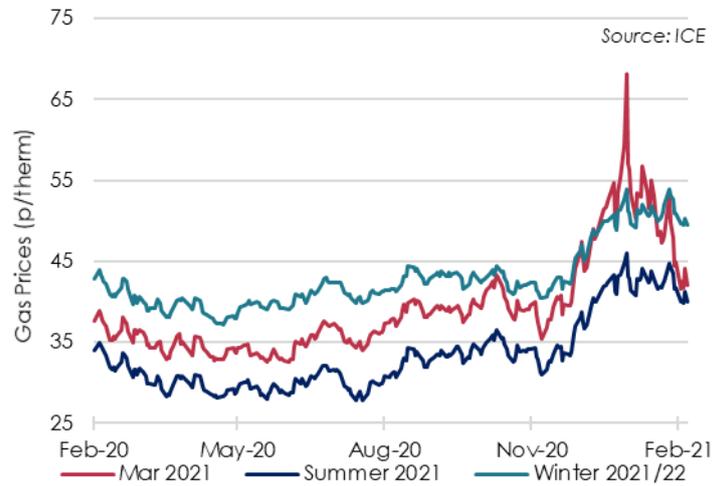
The **April 2021 12 Month Power** price fell by 3.2% in line with near-term price drops, predominantly related to the small fall in the price of EU carbon and in line with optimism for UK gas prices over the same period.

Power

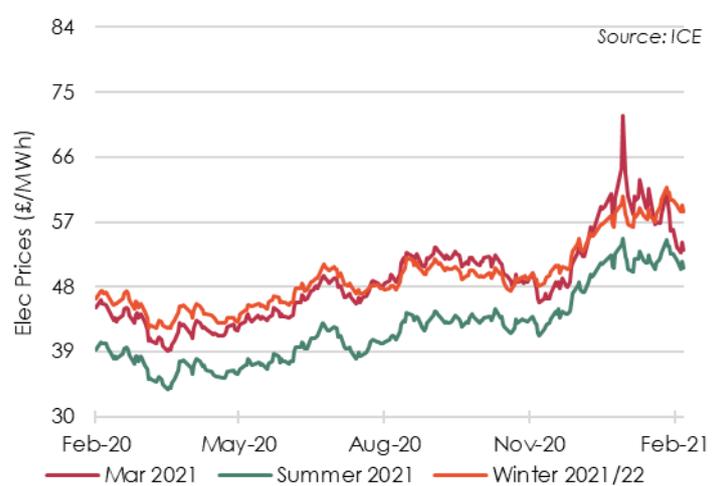
£/MWh	12 Feb 21	19 Feb 21	Change
Day-Ahead	51.72	40.43	-21.8%
Mar 2021	55.95	53.10	-5.1%
Summer 2021	52.67	50.60	-3.9%
Winter 2021/22	60.12	58.54	-2.6%
12M Annual Apr 2021	56.40	54.57	-3.2%

Source: ICE

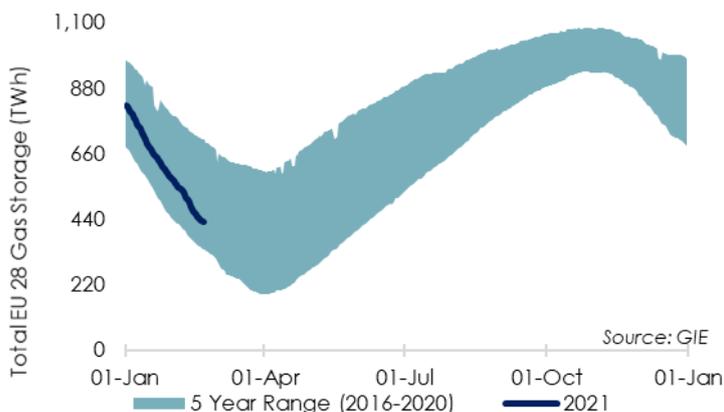
UK Gas



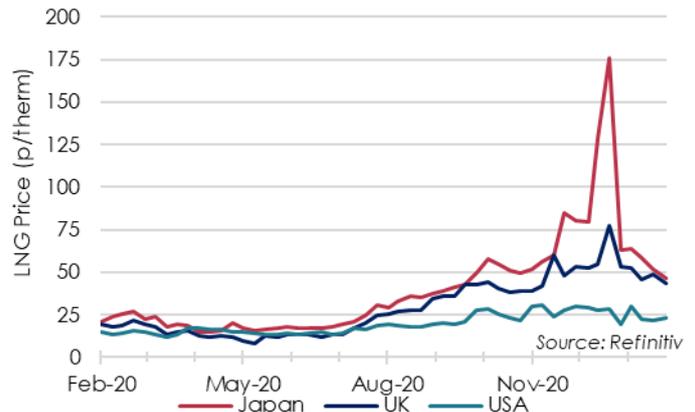
UK Power



European Gas Storage



Global LNG (Japan v UK v USA)



T: +44 208 634 7533

E: strategicclients@beondgroup.com

W: www.beondgroup.com

Beond Weekly UK Insight

22 February 2021

Oil

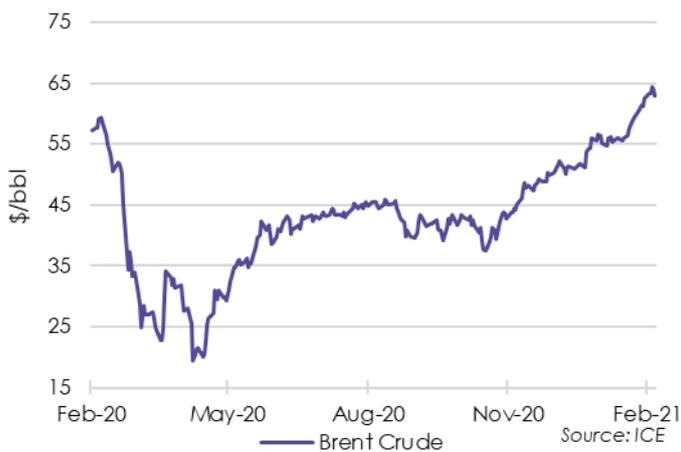
\$/bbl	12 Feb 21	19 Feb 21	Change
Brent Crude Apr 21	62.43	62.91	0.8%

Source: Reuters

Brent crude oil rose 0.8% last week to \$62.91/bbl as a deep freeze in Texas, the biggest producer of crude in the U.S., caused oil drilling to shut down.

Reports of a drone strike targeting Saudi Arabian airports also boosted prices as supply concerns were raised for the world's biggest oil exporter.

This gain continued the upward trend with optimism for global economic recovery supported by accelerated Covid-19 vaccine rollouts.



Carbon

€/tCO2	12 Feb 21	19 Feb 21	Change
EUA Dec Yr	39.97	37.37	-6.5%

Source: Reuters

European carbon fell by 6.5% last week to €37.37/tCO2 as European gas and power prices weakened and speculators opted to take profits.

There is uncertainty over Carbon prices as data last week showed speculative funds have become the market's largest segment.



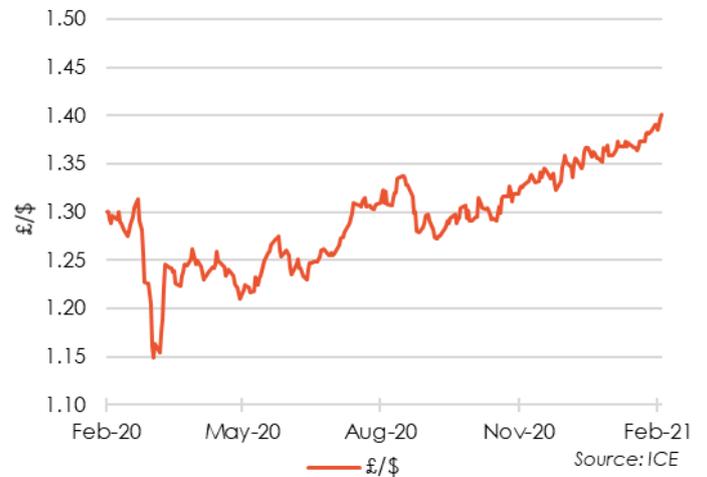
Exchange Rates & Economics

£/\$	12 Feb 21	19 Feb 21	Change
GBP/USD	1.3844	1.4014	1.2%

Source: Reuters

Pound Sterling versus the US dollar gained 1.2% last week, breaching the 1.4 level for the first time since April 2018. This bullish trend continues to be fuelled by the UK's successful vaccination programme, providing hope to the easing of lockdown and UK economy.

A recent report by the CIPD indicates employment opportunities look to improve in 2021. In a survey of 2,000 firms, 56% planned to hire in Q1-21 with redundancies falling by 10% for the same period.



Coal

\$/tonne	12 Feb 21	19 Feb 21	Change
API2 CIF ARA Yr	66.10	65.75	-0.5%

Source: Reuters

European coal prices fell 0.5% last week, as losses were generally seen across the wider energy complex. Rising European temperatures are thought to be causing downward pressure on coal prices, as they fell close to levels not seen since December. Additional losses were limited by hopes of global economic recovery, which should strengthen demand.



Disclaimer: These views and recommendations are offered for your consideration and Beond makes every effort to ensure that the data and information in this report is accurate. However, due to the volatile and unpredictable nature of the energy markets, Beond cannot guarantee the accuracy of both the information and the recommendations provided. Beond does not accept any responsibility for errors or misstatements, or for any direct, indirect, consequential or other loss arising from any use of this information and/or further communication in relation to this information.