

Gas

| p/therm | 19 Mar 21 | 26 Mar 21 | Change |
|---------------------|-----------|-----------|--------|
| Day-Ahead | 42.35 | 46.40 | 9.6% |
| Apr 2021 | 43.10 | 48.39 | 12.3% |
| Summer 2021 | 42.05 | 46.06 | 9.5% |
| Winter 2021/22 | 52.33 | 54.28 | 3.7% |
| 12M Annual Apr 2021 | 47.19 | 50.17 | 6.3% |

Source: ICE

The **April 2021 Gas** rose 12.3% to 48.39 p/therm last week as a shipping vessel ran aground in the Suez Canal causing major disruption and delays to LNG deliveries. Meanwhile, scheduled maintenance at UK and Norwegian gas production facilities reduced imports further. This disruption outweighed the effect of unseasonably warm European temperatures forecast for the start of April.

The **April 2021 Power** rose 4.8% to £57.21/MWh as wind generation remained low for the majority of last week increasing reliance on gas-fired power generation. This caused power to follow the gains in gas.

The **April 2021 12 Month Gas** price rose by 6.3% last week to 47.19p/therm with near term supply concerns caused by the Suez Canal disruption of LNG deliveries boosting Summer 21 prices. Some bearish pressure from a fall in carbon limited Winter 21/22 price gains.

European Gas storage remains at its lowest level for the past 3 years. However, despite the supply disruption, milder weather across Europe has caused a reduction in demand and led to some injection this week. UK Gas storage increased 2.8% and is now at 33.6%.

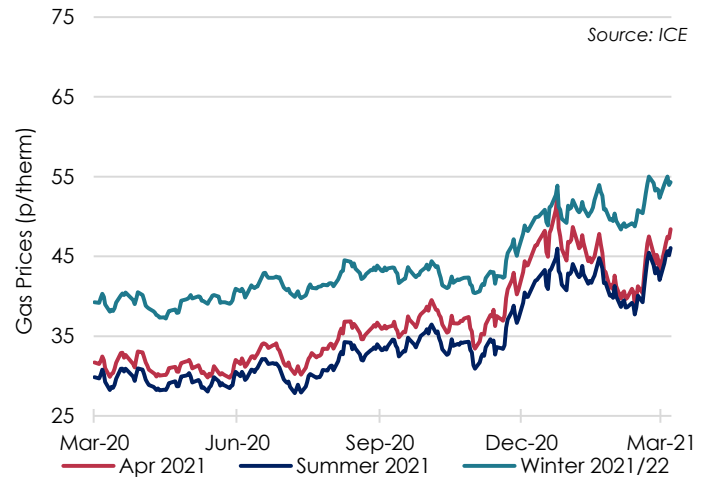
The **April 2021 12 Month Power** price rose by 3.0% to £60.52/MWh last week tracking the equivalent gas contract. Gains were weaker than for gas as a strong renewable outlook for the start of this week provided some resistance for near term power prices. Winter 21/22 price gains were also limited by a fall in carbon.

Power

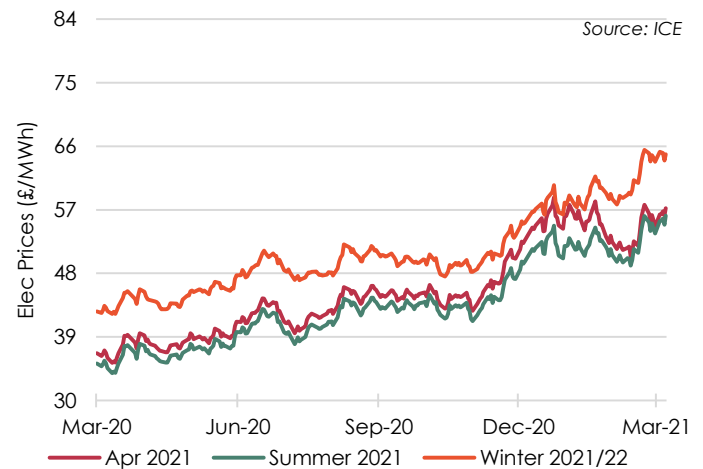
| £/MWh | 19 Mar 21 | 26 Mar 21 | Change |
|---------------------|-----------|-----------|--------|
| Day-Ahead | 56.35 | 45.00 | -20.1% |
| Apr 2021 | 54.60 | 57.21 | 4.8% |
| Summer 2021 | 53.65 | 56.18 | 4.7% |
| Winter 2021/22 | 63.81 | 64.85 | 1.6% |
| 12M Annual Apr 2021 | 58.73 | 60.52 | 3.0% |

Source: ICE

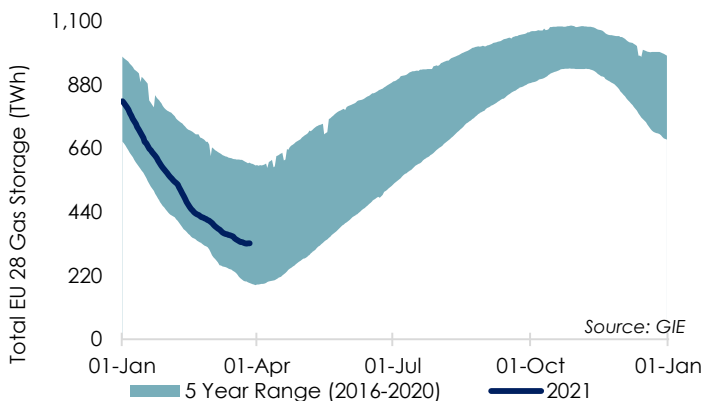
UK Gas



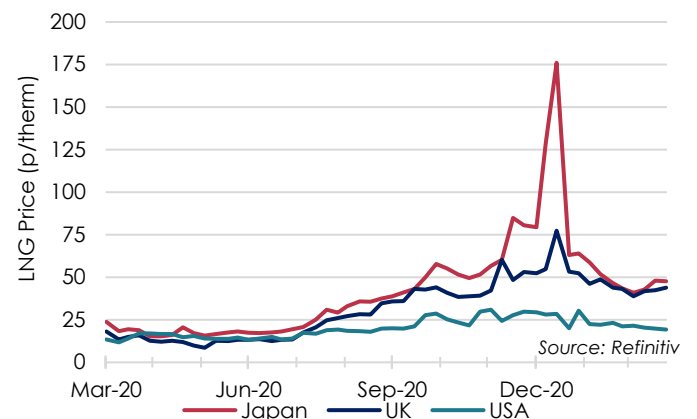
UK Power



European Gas Storage



Global LNG (Japan v UK v USA)



Beond Weekly UK Insight

29 March 2021

Oil

| \$/bbl | 19 Mar 21 | 26 Mar 21 | Change |
|--------------------|-----------|-----------|--------|
| Brent Crude May 21 | 64.53 | 64.57 | 0.1% |

Source: Reuters

Brent crude oil has seen very little movement over the last week, with a small price rise of 0.1% to \$64.57/bbl.

The lack of price movement is likely related to two counteracting factors. The first, weighing down on prices is the expansion of lockdown conditions across Europe, causing another wave of stifled production and economic activity.

Counteractively, the recent blocking of the Suez Canal has somewhat reduced availability of supply shipments, supporting the price.



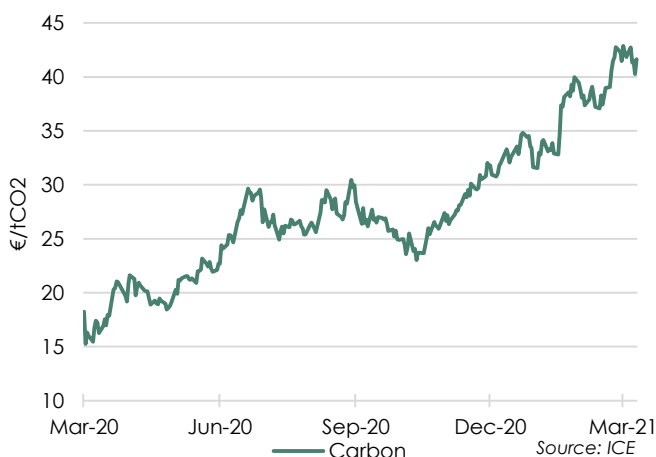
Carbon

| €/tCO2 | 19 Mar 21 | 26 Mar 21 | Change |
|------------|-----------|-----------|--------|
| EUA Dec Yr | 41.84 | 41.63 | -0.5% |

Source: Reuters

European carbon fell by 0.5% last week to €41.63/tCO2 as the EU energy markets slipped over concerns of the next wave of COVID-19.

Much of the European mainland has now either increased the intensity or extended the duration of their lockdown measures, stifling energy demand and industrial production. Should lockdown measures continue to intensify it is likely EUA carbon prices will go on falling.



Exchange Rates & Economics

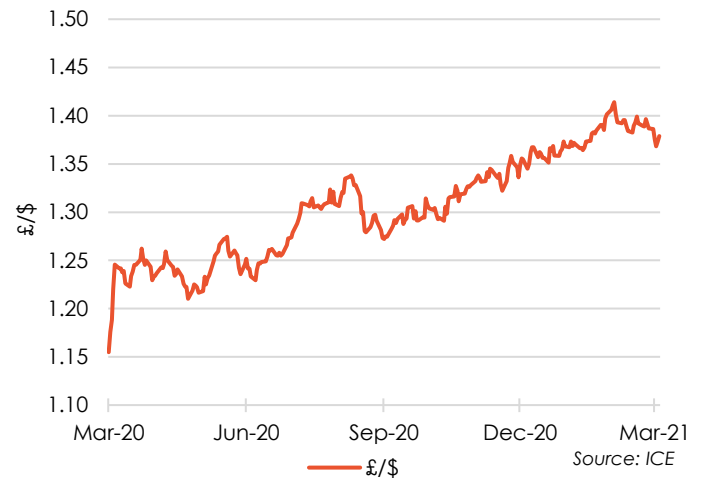
| £/\$ | 19 Mar 21 | 26 Mar 21 | Change |
|---------|-----------|-----------|--------|
| GBP/USD | 1.3868 | 1.3787 | -0.6% |

Source: Reuters

Pound Sterling saw a small fall last week of 0.6% to 1.3787. The 'safe-haven' US dollar has risen as concerns over an upcoming global surge in COVID-19 took hold.

The Pound has however strengthened this week as 30 million Brits have received at least their first vaccination, serving as a 'shot in the arm to Sterling'.

The Pound has however suffered as relations between the UK and the EU remain frosty over vaccine exports. This is being seen by some as early signs of a more acrimonious Brexit than was originally hoped.



Coal

| \$/tonne | 19 Mar 21 | 26 Mar 21 | Change |
|-----------------|-----------|-----------|--------|
| API2 CIF ARA Yr | 71.30 | 72.35 | 1.5% |

Source: Reuters

European coal prices rose by a further 1.5% last week largely related to the surge in the price of gas and LNG shipments, which have been stalled through the recent blockage of the Suez Canal.

In lieu of gas as an alternative, and with EUA carbon prices having eased over the last couple of weeks the appeal of coal for power generation has increased.

Should lockdown conditions intensify further, European demand for coal may drop, and the price with it.



Regulatory and Market News

Container ship stuck in Suez Canal freed from shoreline after almost a week

Officials have confirmed that the stern of a huge container ship that has been wedged across the Suez Canal for almost a week has been freed from the shoreline. The course of the 400m-long Ever Given ship has been corrected by 80%, according to the Suez Canal Authority. It added that further efforts to move the boat would resume later on Monday.

But the head of a company involved in the rescue efforts urged caution, warning that completing the operation would not be "a piece of cake".

The Ever Given has been blocking one of the world's busiest trade routes, forcing companies to reroute ships and causing long tailbacks of hundreds of vessels.



Source: BBC

The 200,000-tonne Ever Given ran aground on Tuesday morning amid high winds and a sandstorm that affected visibility. Specialist salvage companies were brought in to help re-float the ship.



Source: BBC

The reports that the ship had been partially freed raised hopes that traffic along the canal could resume within hours, clearing the way for an estimated \$9.6bn (£7bn) of goods being held up each day.

[LINK: BBC – Suez Canal Update](#)

UK needs to install 700 charge points per day to switch to EVs by 2030

EVs are for 'fleets not families' suggests the Society of Motor Manufacturers and Traders, warning 2030 targets could be in jeopardy. The SMMT casts doubt on the ambition to accelerate the rollout of electric transport by 2030 when EV retail incentives are cut and daily charge points installation rates are 6% of the required 700 day.

The SMMT has called for greater support for private retail uptake of EVs, following new figures showing businesses are twice as likely as consumers to make the switch from petrol or diesel.

SMMT analysis of new car registrations in 2020 show that just 4.6% of privately bought cars were battery electric vehicles (BEVs) – compared to 8.7% for businesses and large fleets. In total, consumers registered 34,324 BEVs in 2020, compared to 73,881 corporate registrations.

According to the organisation about one in three households have no dedicated off-street parking, leaving them disproportionately dependent on public charging points – of which around one in 10 are out of order at any given time.

It further estimates that around 2.3m public charge points would be needed by 2030 to provide adequate coverage and tackle 'range anxiety' – meaning more than 700 new charge points would have to be installed every day until the end of the decade, compared against the current rate of approximately 42 a day.

Mike Hawes, SMMT chief executive, said: "While last year's bumper uptake of electric vehicles is to be welcomed, it's clear this has been an electric revolution primarily for fleets, not families. We need incentives that tempt consumers, infrastructure that is robust and charging points that provide reassurance, so that zero-emission mobility will be possible for everyone."

The report comes as a survey by EV company Gridserve found that 68% of drivers would be more likely to make the switch to an EV if they knew they could conduct a rapid 30-minute charge at an electric forecourt rather than the inconvenience of charging their vehicle at home.

[LINK: Energyst – EV charge points](#)