

Gas

| p/therm | 4 Jun 21 | 11 Jun 21 | Change |
|---------------------|----------|-----------|--------|
| Day-Ahead | 62.85 | 67.75 | 7.8% |
| Jul 2021 | 62.71 | 67.60 | 7.8% |
| Winter 2021/22 | 70.72 | 75.75 | 7.1% |
| Summer 2022 | 46.34 | 48.70 | 5.1% |
| 12M Annual Oct 2021 | 58.53 | 62.23 | 6.3% |

Source: ICE

The **July 2021 Gas** price rose 7.8% to 67.60p/therm last week on Norwegian gas maintenance and rising LNG prices.

LNG prices rose for the second consecutive week, buoyed by higher oil prices and stronger demand from China and Europe. LNG prices are expected to rise over the course of 2021 as vaccination rates improve and strict restrictions are gradually repealed.

The **Oct 2021 12 Month Gas** price rose 6.3% to 62.33p/therm as Europe faces an uphill battle to refill gas storages before next winter.

Injections into European storages were 33% below the 5 year normal in May, exacerbating an already tight storage picture. There has been a distinct lack of pipeline supply response to high hub prices, while robust Asian LNG demand (driven by a strong economic recovery in China) has seen reduced LNG imports into Europe compared to 2019-20.

Meanwhile, the operator of Nord Stream 2, Russia's controversial gas export project, has started pre-commissioning activities to start filling the first leg of the Baltic Sea line with gas.

The **Oct 2021 12 Month Power** price saw an increase of 3.3% to £71.05/MWh, following gas and carbon prices higher.

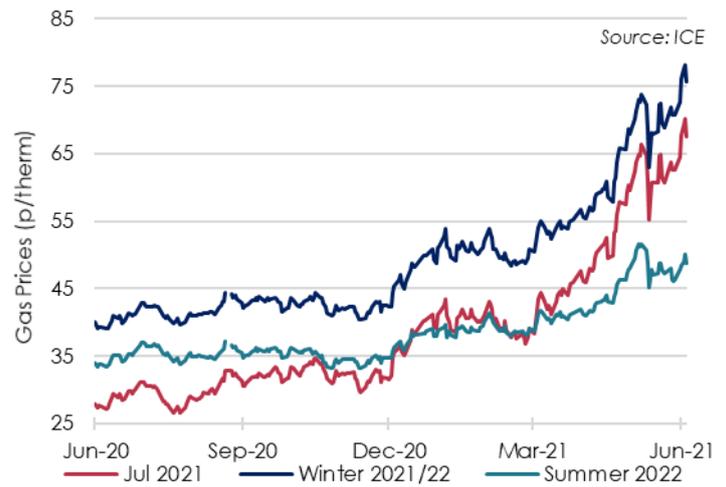
Carbon remains a key price driver for UK and European power and any significant movement is likely to be critical for the direction of UK energy prices in both the short and long term.

Power

| £/MWh | 4 Jun 21 | 11 Jun 21 | Change |
|---------------------|----------|-----------|--------|
| Day-Ahead | 71.17 | 71.86 | 1.0% |
| Jul 2021 | 73.25 | 74.75 | 2.0% |
| Winter 2021/22 | 80.71 | 83.81 | 3.8% |
| Summer 2022 | 56.81 | 58.28 | 2.6% |
| 12M Annual Oct 2021 | 68.76 | 71.05 | 3.3% |

Source: ICE

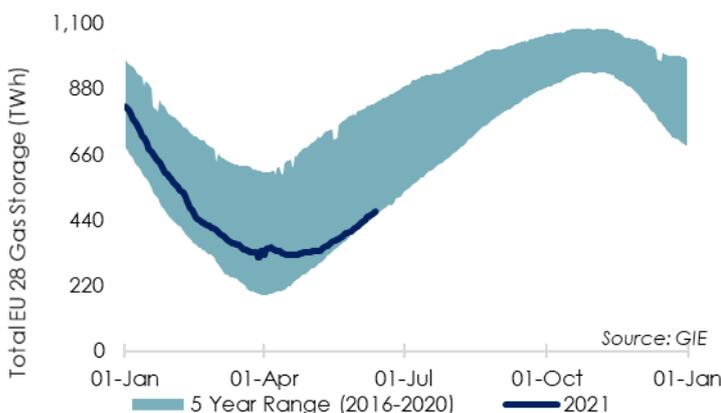
UK Gas



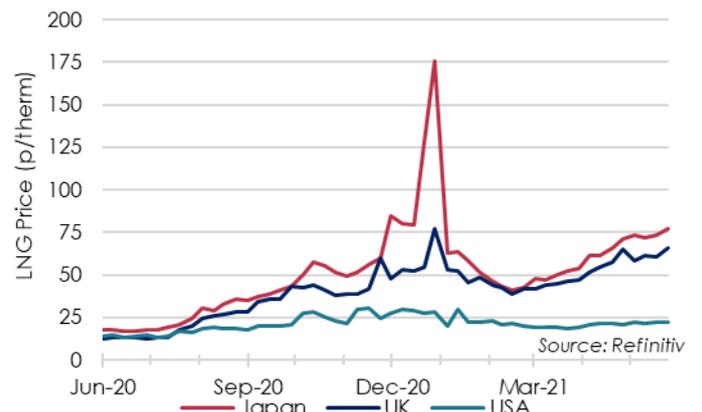
UK Power



European Gas Storage



Global LNG (Japan v UK v USA)



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Beond Weekly UK Insight

14 June 2021

Oil

| \$/bbl | 4 Jun 21 | 11 Jun 21 | Change |
|--------------------|----------|-----------|--------|
| Brent Crude Aug 21 | 71.89 | 72.69 | 1.1% |

Source: Reuters

Brent crude oil rose by a further 1.1% last week to \$72.69/bbl, setting a new 2-year high as the global economy recovers from the latest wave of Covid-19 in tandem with warming Northern Hemisphere summer temperatures.

The price surges are driven primarily by Covid-19 lockdown easing globally. Recent news from the US, indicating unemployment figures are at their lowest since the start of the Covid-19 pandemic, have also provided a boost to oil prices.



Carbon

| €/tCO2 | 4 Jun 21 | 11 Jun 21 | Change |
|------------|----------|-----------|--------|
| EUA Dec Yr | 49.90 | 52.59 | 5.4% |

Source: Reuters

European carbon rose by 5.4% to €52.59/tCO2 last week following concerns that supply may run low. However, an increase in auction volumes may help boost supply in the short term, further weighing on prices.



Exchange Rates & Economics

| £/\$ | 4 Jun 21 | 11 Jun 21 | Change |
|---------|----------|-----------|--------|
| GBP/USD | 1.4154 | 1.4106 | -0.3% |

Source: Reuters

Pound Sterling fell by 0.3% last week to £1/\$1.4106 and have seen a further fall this morning following reports of a "Freedom Day" delay of 4 weeks to the last stage of UK Covid-19 reopening, now set for the 19th July.

Some optimism persists that the Pound has room to rise, with the Prime Minister insisting the UK's reopening is "irreversible", meaning restrictions will not be tightened again only delays made to the easing.



Coal

| \$/tonne | 4 Jun 21 | 11 Jun 21 | Change |
|-----------------|----------|-----------|--------|
| API2 CIF ARA Yr | 80.70 | 84.00 | 4.1% |

Source: Reuters

European coal prices rose by 4.1% last week to \$84/tonne. This was driven by increases in the price of gas.

Price rises in coal continue to be driven by tight supply as Asian demand for production has increased dramatically over recent months. With Chinese output sitting at an 8-month low, supply rebound looks unlikely in the near term.



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