

Gas

p/therm	11 Jun 21	18 Jun 21	Change
Day-Ahead	67.75	74.65	10.2%
Jul 2021	67.60	71.83	6.3%
Winter 2021/22	75.75	79.03	4.3%
Summer 2022	48.70	50.24	3.2%
12M Annual Oct 2021	62.23	64.64	3.9%

Source: ICE

The **July 2021 Gas** price rose 6.3% to 71.83p/therm last week amid temperature forecasts below the seasonal norm, outages in Norway and low LNG send-out. Summer LNG demand remains strong in Asia (led by China and South Korea) and Latin America, meaning there is less supply available to Europe.

The **Oct 2021 12 Month Gas** price rose 3.9% to 64.64p/therm as Europe faces an uphill battle to refill gas storages before next winter.

European storage levels are currently 44% of full capacity, still well below the 5 year normal in June, raising concerns that storage will not be completely filled when winter begins.

Ongoing summer gas maintenance at several North Sea terminals isn't helping, as UK and Norwegian supplies are below capacity.

The **Oct 2021 12 Month Power** price saw an increase of 1.3% to £71.95/MWh, tracking gas prices higher.

In related news, the North Sea Link (NSL) power interconnector between Norway and the UK will begin testing this month and is expected to be online by September 2021. The new interconnector will be the longest in the world at 765 km.

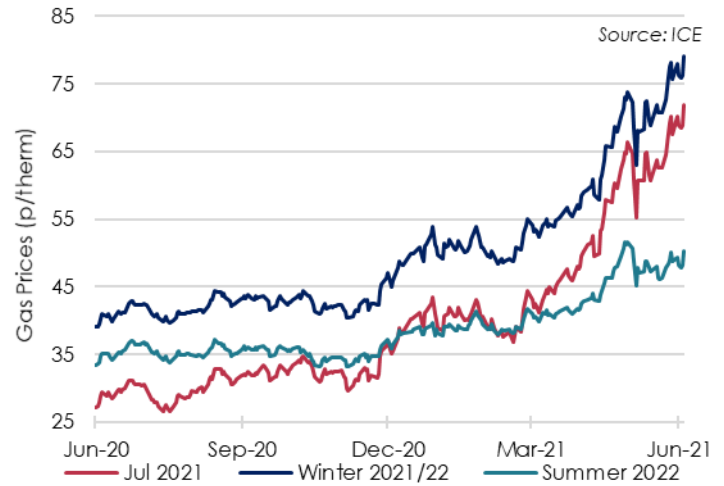
Once fully commissioned it will have a capacity of 1.45GW, providing the UK with low carbon hydro energy. The new interconnector will bring the total UK capacity to 7.4GW, with a further 5 power interconnectors expected to go live in the next 4 years.

Power

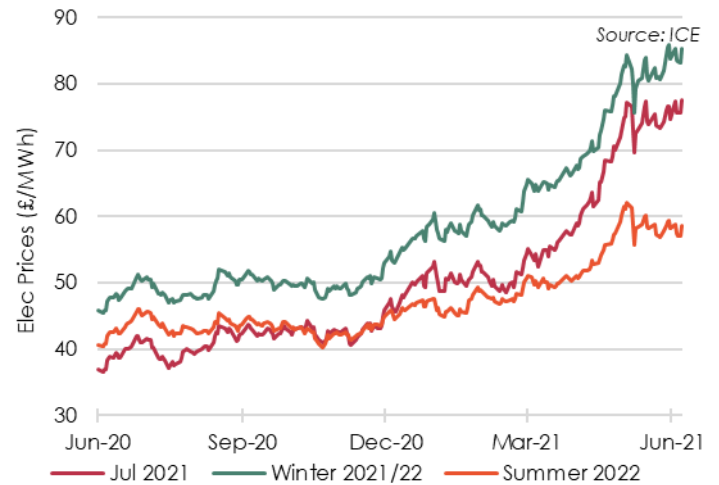
£/MWh	11 Jun 21	18 Jun 21	Change
Day-Ahead	71.86	77.62	8.0%
Jul 2021	74.75	77.66	3.9%
Winter 2021/22	83.81	85.34	1.8%
Summer 2022	58.28	58.56	0.5%
12M Annual Oct 2021	71.05	71.95	1.3%

Source: ICE

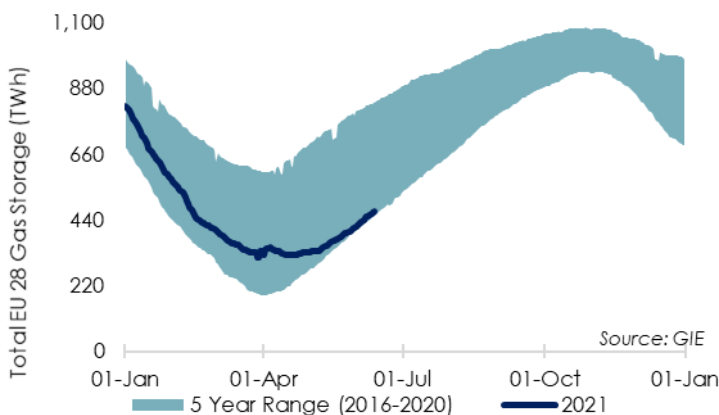
UK Gas



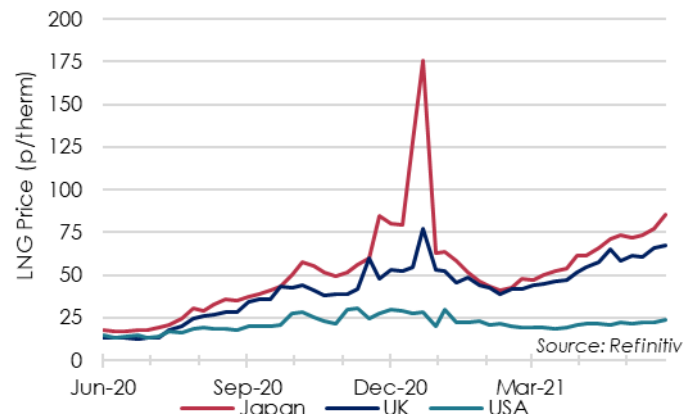
UK Power



European Gas Storage



Global LNG (Japan v UK v USA)



Oil

\$/bbl	11 Jun 21	18 Jun 21	Change
Brent Crude Aug 21	72.69	73.51	1.1%

Source: Reuters

Brent crude oil prices continued on an upward trajectory last week, rising 1.1% to \$73.51/bbl. This followed much brighter demand forecasts from the International Energy Agency (IEA) and OPEC.

OPEC have also reported that US oil output is unlikely to increase over the coming year, despite significant growth in the US economy. This is leading to market experts predicting the oil price is likely to continue on its rising trend.



Carbon

€/tCO2	11 Jun 21	18 Jun 21	Change
EUA Dec Yr	52.59	51.81	-1.5%

Source: Reuters

European carbon saw a fall of 1.5% to €51.81/tCO2 last week. The fall seen in EUAs this week seems related to the most recent auction on the UK market. This sell-off of UK auction supply has brought the price of UK carbon down.

Trading sentiment is driving a convergence of the EU and UK market price, as such the recent drop in UK carbon is weighing down on the EU market.



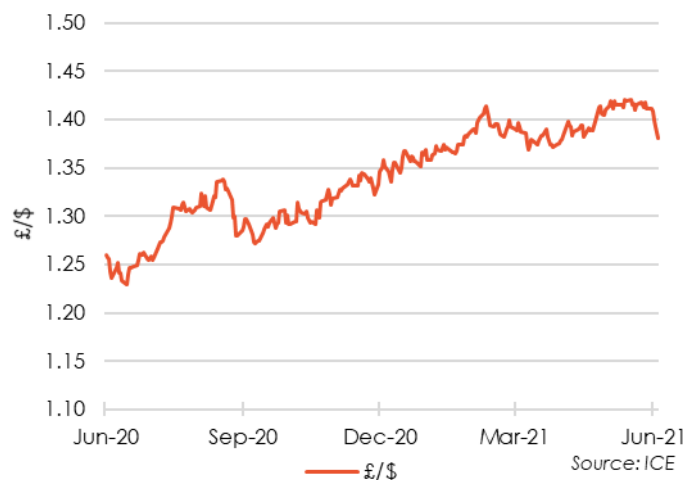
Exchange Rates & Economics

£/\$	11 Jun 21	18 Jun 21	Change
GBP/USD	1.4106	1.3809	-2.1%

Source: Reuters

Pound Sterling fell by 2.1% last week following government confirmation that "Freedom Day", the last stage of UK Covid-19 reopening, would be delayed by 4 weeks to 19th July.

The news came despite reports from UK businesses indicating the economic recovery would improve faster than expected, with the Confederation of British Industry (CBI) predicting that output will regain its pre-pandemic level by the end of 2021, a full year earlier than it had previously forecast.



Coal

\$/tonne	11 Jun 21	18 Jun 21	Change
API2 CIF ARA Yr	84.00	82.60	-1.7%

Source: Reuters

European coal prices fell 1.7% last week to \$82.60/tonne as G7 leaders committed to end new direct government support for unabated international coal power generation by the end of 2021. To support developing countries move away from unabated coal, Canada, Germany, the UK, and the US have agreed to provide up to \$2 billion to support the work of the Climate Investments Funds.

