

## Gas

p/therm	18 Jun 21	25 Jun 21	Change
Day-Ahead	74.65	82.40	10.4%
Jul 2021	71.83	79.88	11.2%
Winter 2021/22	79.03	85.89	8.7%
Summer 2022	50.24	54.02	7.5%
12M Annual Oct 2021	64.64	69.96	8.2%

Source: ICE

The **July 2021 Gas** price rose 11.2% to 79.88p/therm last week as low supply from the UK's LNG terminals and strong demand from the power sector led to an undersupplied market.

LNG prices in Asia and Europe have been on the rise on firmer demand as warmer than usual temperatures for this time of year in different parts of the world boosted electricity usage for air conditioning.

The **Oct 2021 12 Month Gas** price rose 8.2% to 69.96p/therm as Europe continues to face an uphill battle to refill gas storages before next winter.

European storage levels are currently 46% of full capacity, still well below the 5 year normal in late-June, raising concerns that storage will not be completely filled when winter begins.

Ongoing summer gas maintenance at several North Sea terminals continues to limit supply, as UK and Norwegian pipeline flows are below capacity.

The **Oct 2021 12 Month Power** price saw an increase of 6.5% to £76.63/MWh, tracking gas prices higher.

In related markets, Renewable Energy Guarantee of Origin (REGO) prices have jumped to a premium of c. 0.2 p/kWh, around 50% higher than in January 2021, as market sentiment remains broadly positive.

The positive sentiment around REGO growth will continue, with prices set to continue to increase over the next year as electricity demand fully recovers to pre-pandemic levels.

## Power

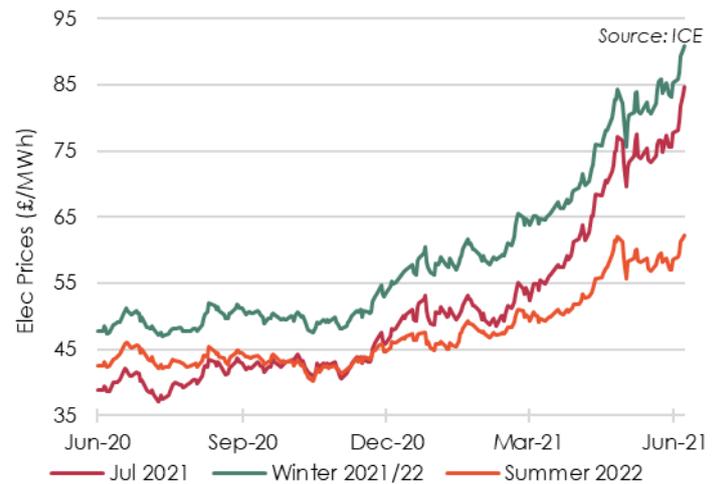
£/MWh	18 Jun 21	25 Jun 21	Change
Day-Ahead	77.62	84.98	9.5%
Jul 2021	77.66	84.63	9.0%
Winter 2021/22	85.34	90.92	6.5%
Summer 2022	58.56	62.34	6.5%
12M Annual Oct 2021	71.95	76.63	6.5%

Source: ICE

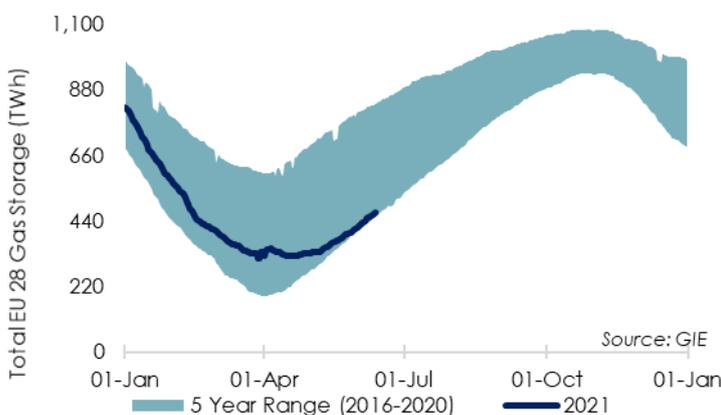
### UK Gas



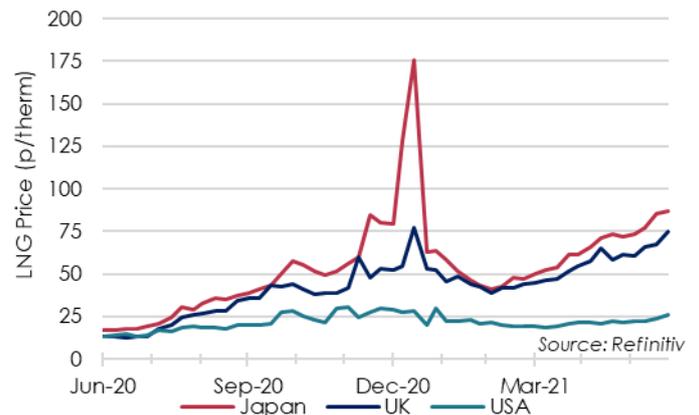
### UK Power



### European Gas Storage



### Global LNG (Japan v UK v USA)



# Beond Weekly UK Insight

28 June 2021

## Oil

\$/bbl	18 Jun 21	25 Jun 21	Change
Brent Crude Aug 21	73.51	76.18	3.6%

Source: Reuters

**Brent crude oil** prices followed rose 3.6% to \$76.18/bbl, as US output fell for the fifth week in a row and global demand strengthened.

Boosts in German economic activity has led the latest surge in European recovery from the last wave of Covid-19 lockdowns. As Covid-19 restrictions are loosened, economic output and demand for oil are expected to increase further. Should US production not recover, prices are likely to continue to rise.



## Carbon

€/tCO2	18 Jun 21	25 Jun 21	Change
EUA Dec Yr	51.81	54.95	6.1%

Source: Reuters

**European carbon** saw a significant rise of 6.1% to €54.95/tCO2 last week following a strong EU auction. High gas prices have worked to drive price increases in carbon, as demand for EUAs increases.

The UK ETS has also seen price rises, rising to £46.60/tCO2, following an all-time low two weeks ago. The UK ETS remains in a state of flux following its creation on the 19<sup>th</sup> May. The UK price is however converging with the EU market as time goes on.



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## Exchange Rates & Economics

£/\$	18 Jun 21	25 Jun 21	Change
GBP/USD	1.3809	1.3877	0.5%

Source: Reuters

**Pound Sterling** rose by 0.5% last week as the Monetary Policy Committee of the Bank of England released a more upbeat statement than expected. The BoE is to keep interest rates unchanged, warning against "premature tightening" despite a marked improvement to its forecasts for the UK economy.

The dollar also weakened slightly on Friday as traders cautiously awaited the release of key inflation data.



## Coal

\$/tonne	18 Jun 21	25 Jun 21	Change
API2 CIF ARA Yr	82.60	85.65	3.7%

Source: Reuters

**European coal** prices rose 3.7% last week to \$85.65/tonne following hot weather in some EU countries and high gas prices boosting demand for coal for power generation.

Additionally, last week saw a decrease in wind output across Europe by 53GWh to 425GWh, further boosting the need for coal to make up for the shortfall in power demand.

