

Gas

p/therm	2 Jul 21	9 Jul 21	Change
Day-Ahead	88.75	91.15	2.7%
Aug 2021	88.94	90.02	1.2%
Winter 2021/22	94.39	96.41	2.1%
Summer 2022	56.41	57.99	2.8%
12M Annual Oct 2021	75.40	77.20	2.4%

Source: ICE

The **Aug 2021 Gas** price rose 1.2% to 90.02p/therm last week, reflecting ongoing low supply from the UK's LNG terminals, unplanned pipeline maintenance outages and strong demand from the power sector led by an boost in air conditioning on the Continent.

Just one LNG tanker is currently scheduled to arrive in Britain during July.

The **Oct 2021 12 Month Gas** price rose 2.4% to 77.20p/therm as European gas storages are still only 51% full. This continues to be the largest supply risk ahead of the colder winter period.

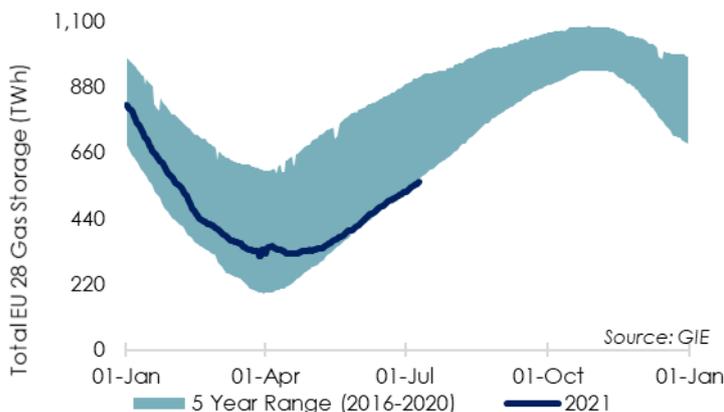
The **Oct 2021 12 Month Power** price saw an increase of 0.4% to £81.09/MWh, tracking gas prices higher even though a notable drop in carbon prices offset some of the sentiment.

Prices for both gas and power are also being driven higher by increased tender activity in the run up to the 1 Oct renewal date.

1 Oct is the most popular date for businesses to renew their energy supply contracts, meaning the months of July, Aug and Sept are the busiest in the industry. Any clients who haven't yet secured their new contracts will all be asking suppliers for prices at the same time, driving prices even higher.

Though energy prices are already at record highs, it is widely expected that prices will remain high for the next three months, meaning any clients with open volume in 2021 should be locking out their contracts as a matter of priority.

European Gas Storage



Power

£/MWh	2 Jul 21	9 Jul 21	Change
Day-Ahead	92.83	93.81	1.1%
Aug 2021	91.01	90.54	-0.5%
Winter 2021/22	97.13	97.59	0.5%
Summer 2022	64.41	64.58	0.3%
12M Annual Oct 2021	80.77	81.09	0.4%

Source: ICE

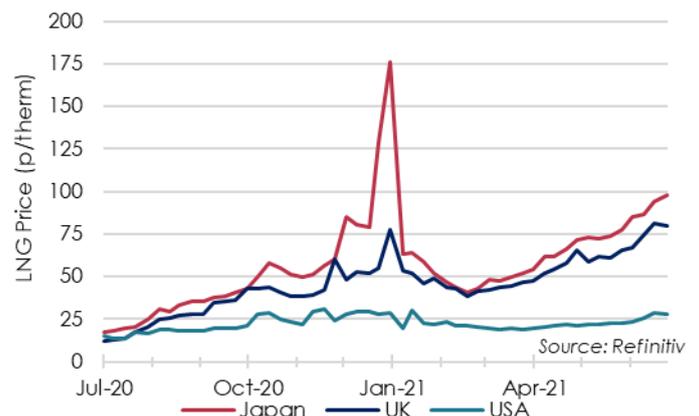
UK Gas



UK Power



Global LNG (Japan v UK v USA)



T: +44 208 634 7533

E: strategicclients@beondgroup.com

W: www.beondgroup.com

Beond Weekly UK Insight

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Oil

\$/bbl	2 Jul 21	9 Jul 21	Change
Brent Crude Sep 21	76.17	75.55	-0.8%

Source: Reuters

Brent crude oil prices slipped 0.8% lower last week to \$75.55/bbl as global economic worries offset tightening supplies. The spread of Covid-19 variants and unequal access to vaccines threaten the global economic recovery, according to finance chiefs from G20.

OPEC+ failed to reach an agreement to increase output from August because the UAE rejected a proposed 8-month extension to output curbs.



Carbon

€/tCO2	2 Jul 21	9 Jul 21	Change
EUA Dec Yr	57.25	54.17	-5.4%

Source: Reuters

European carbon prices slid 5.4% to €54.17/tCO2 as speculative traders elected to sell, cashing in on profits rather than risking further volatility.

The UK ETS remains in breach of the cost-containment mechanism, set at £44.74. This gives legislators the ability to add supply to the market. However doubt remains how quickly the UK government will take action whilst the market is still in its infancy.



Exchange Rates & Economics

£/\$	2 Jul 21	9 Jul 21	Change
GBP/USD	1.3821	1.3899	0.6%

Source: Reuters

Pound Sterling rose by 0.6% last week after the UK economy grew for the fourth month in a row in May, expanding 0.8% as Covid lockdown rules eased.

However, GDP still remains 3.1% below its pre-pandemic levels in February 2020, according to the ONS.



Coal

\$/tonne	2 Jul 21	9 Jul 21	Change
API2 CIF ARA Yr	88.25	88.75	0.6%

Source: Reuters

European coal prices rose 0.6% last week to \$88.75/tonne in response to relatively high seasonal electricity demand across Europe, as hotter temperatures boosted air conditioning, and low supply of LNG to the continent.

Continued low wind output from a number of European countries provided additional support for coal demand.



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