

Gas

p/therm	9 Jul 21	16 Jul 21	Change
Day-Ahead	91.15	86.45	-5.2%
Aug 2021	90.02	85.48	-5.0%
Winter 2021/22	96.41	91.08	-5.5%
Summer 2022	57.99	55.32	-4.6%
12M Annual Oct 2021	77.20	73.20	-5.2%

Source: ICE

The **Aug 2021 Gas** price fell 5.0% to 85.48p/therm last week, reflecting lower demand and as domestic production was expected to increase.

Temperatures in Britain are rising and the Met Office predicts more warm weather is expected through July and August.

The **Oct 2021 12 Month Gas** price declined 5.2% to 73.20p/therm on rising UK North Sea supply. However, as European gas storages are still only 52% full this continues to be the largest supply risk ahead of the colder winter period.

The **Oct 2021 12 Month Power** price saw drop of 3.7% to £78.07/MWh, tracking gas and carbon prices lower.

Despite last week's losses, prices for both gas and power are still being supported by high levels of tender activity in the run up to the 1 Oct renewal date.

The months of July, Aug and Sept are the busiest in the industry, meaning 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.

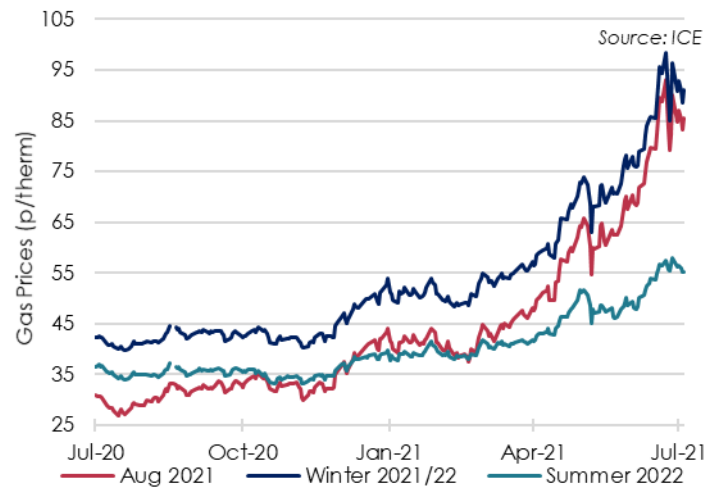
Though energy prices are already close to record highs, it is widely expected that prices will remain high for the next two months, meaning any clients with open volume in 2021 should be locking out their contracts as a matter of priority.

Power

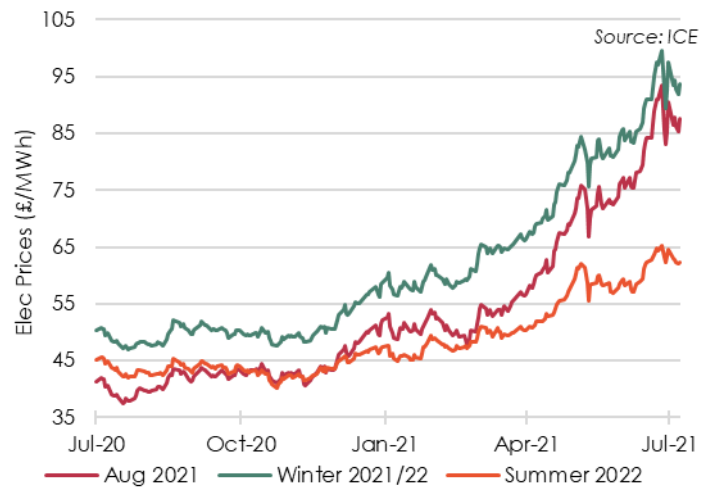
£/MWh	9 Jul 21	16 Jul 21	Change
Day-Ahead	93.81	85.24	-9.1%
Aug 2021	90.54	87.63	-3.2%
Winter 2021/22	97.59	93.76	-3.9%
Summer 2022	64.58	62.37	-3.4%
12M Annual Oct 2021	81.09	78.07	-3.7%

Source: ICE

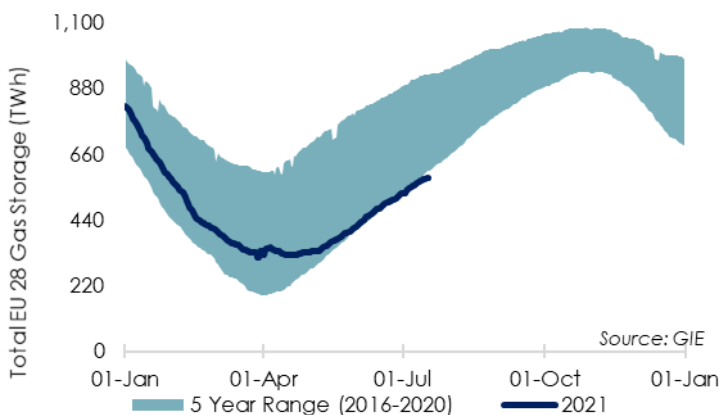
UK Gas



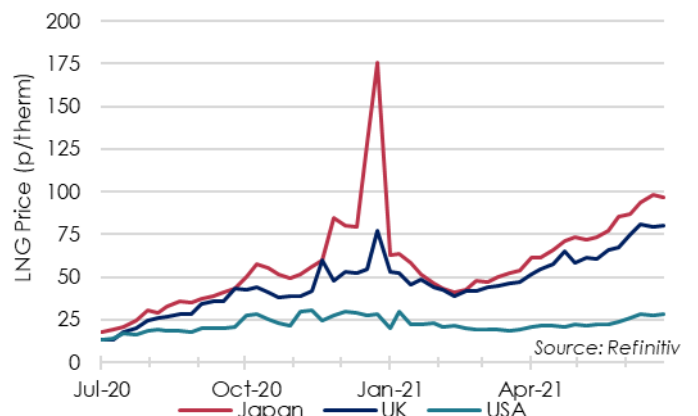
UK Power



European Gas Storage



Global LNG (Japan v UK v USA)



T: +44 208 634 7533

E: strategicclients@beondgroup.com

W: www.beondgroup.com

Beond Weekly UK Insight

19 July 2021

Oil

\$/bbl	9 Jul 21	16 Jul 21	Change
Brent Crude Sep 21	75.55	73.59	-2.6%

Source: Reuters

Brent crude oil prices fell 2.6% last week to \$73.59/bbl as expectations rose that OPEC+ members will agree to increase oil supply to cool prices that have reached their highest in 2 ½ years at a meeting over the weekend.

Global economic worries continue to offset tightening supplies. The spread of Covid-19 variants and unequal access to vaccines continue to threaten the global economic recovery.



Carbon

€/tCO2	9 Jul 21	16 Jul 21	Change
EUA Dec Yr	54.17	52.79	-2.5%

Source: Reuters

European carbon prices fell 2.5% to €52.79/tCO2 as the European Commission announced its 'Fit for 55' (55% emission reduction) package last week that included proposals to tighten the EU ETS and rebase the market cap that caused concern for some investors.

UK carbon prices closed at £43.60 on Friday. The UK ETS has fallen to an unexpected discount to EU Allowances as utilities have resisted switching from EUAs to UKAs and investors remain wary.



Exchange Rates & Economics

£/\$	9 Jul 21	16 Jul 21	Change
GBP/USD	1.3899	1.3772	-0.9%

Source: Reuters

Pound Sterling fell by 0.9% last week as the UK surpassed 50,000 confirmed coronavirus cases. With cases rising rapidly, just days before 'Freedom Day' and the easing of most restrictions, concerns have been rising regarding an economic slowdown resulting from mass self-isolation.

Meanwhile, UK inflation rate has risen from 2.1% to 2.5% in the last month, the highest it has been for nearly 3 years.



Coal

\$/tonne	9 Jul 21	16 Jul 21	Change
API2 CIF ARA Yr	88.75	92.40	4.1%

Source: Reuters

European coal prices rose 4.1% last week to \$92.40/tonne reaching their highest level in over 10 years. Limited supply coincided with heat waves across many parts of Europe to increase electricity usage for cooling boosting demand for power generation. Additionally, wind output was low across Europe further increasing the demand for coal.



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