

## Gas

p/therm	16 Jul 21	23 Jul 21	Change
Day-Ahead	86.45	89.00	2.9%
Aug 2021	85.48	88.44	3.5%
Winter 2021/22	91.08	92.91	2.0%
Summer 2022	55.32	56.05	1.3%
12M Annual Oct 2021	73.20	74.48	1.7%

Source: ICE

The **Aug 2021 Gas** price rose 3.5% to 88.44p/therm last week, as Norwegian outages resulted in lower supply to the UK and Europe.

Lower wind output and LNG send-out also means there is less gas being injected into storage as it is needed to meet current high demand.

The **Oct 2021 12 Month Gas** price increased 1.7% to 74.48p/therm concerns over winter supply. Since European gas storages are still only 54% full this continues to be the largest supply risk ahead of the colder winter period.

An agreement between the United States and Germany over the Nord Stream 2 gas pipeline from Russia was reached last week, easing concerns over long term supply to Europe. The construction of the pipeline could be completed in September. This may prevent possible gas shortages during the upcoming winter season.

The **Oct 2021 12 Month Power** price rose 0.4% to £78.42/MWh, tracking gas prices higher but declines in carbon ultimately capped power gains.

Once again, 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, supporting high prices.

## Power

£/MWh	16 Jul 21	23 Jul 21	Change
Day-Ahead	85.24	94.99	11.4%
Aug 2021	87.63	89.01	1.6%
Winter 2021/22	93.76	94.39	0.7%
Summer 2022	62.37	62.44	0.1%
12M Annual Oct 2021	78.07	78.42	0.4%

Source: ICE

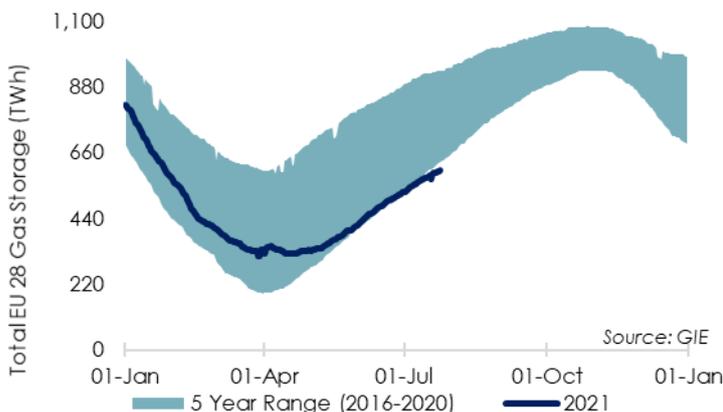
### UK Gas



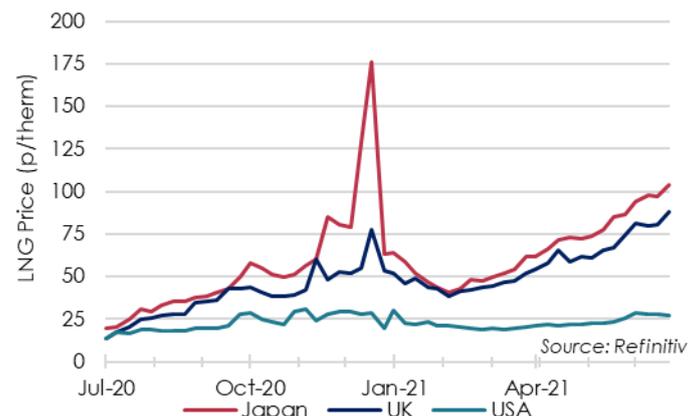
### UK Power



### European Gas Storage



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



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## Oil

\$/bbl	16 Jul 21	23 Jul 21	Change
Brent Crude Sep 21	73.59	74.10	0.7%

Source: Reuters

**Brent crude oil** prices rose by 0.7% week-on-week, following a significant dip as OPEC+ agreed to overcome internal divisions and boost oil output.

Despite the dip, price rises are attributed to global demand continuing to increase with supply expected to remain tight throughout 2021. Declining US storage inventories have also provided a strong sign that demand remains high for oil.



## Exchange Rates & Economics

£/\$	16 Jul 21	23 Jul 21	Change
GBP/USD	1.3772	1.3745	-0.2%

Source: Reuters

**Pound Sterling** fell by 0.2% last week as the impasse between the EU and the UK continues. The EU rejected the UK's demand to rewrite the deal that oversees conditions for post-Brexit trade across the Northern Irish border.

Meanwhile, the number of Covid-19 infections across the UK continued to rise last week. This outweighed bullish sentiment of the UK government's decision to lift remaining coronavirus restrictions.



## Carbon

€/tCO2	16 Jul 21	23 Jul 21	Change
EUA Dec Yr	52.79	50.82	-3.7%

Source: Reuters

**European carbon** prices fell a further 3.7% last week as trading volumes have waned during the summer holiday season. The price remains above the €50 support level and is not expected to drop below this due to European energy prices rallying.

UK carbon prices closed at £42.40 on Friday, falling by 2.8%, largely in line with the drops seen in the EUA and reduced trading volumes.



## Coal

\$/tonne	16 Jul 21	23 Jul 21	Change
API2 CIF ARA Yr	92.40	93.40	1.1%

Source: Reuters

**European coal** prices rose 1.1% last week to \$93.40/tonne remaining at 10-year highs. Supply of coal remains tight in Europe, partly due to reduced supply from Colombian and South African exporters.

Electricity spot prices are soaring across Europe as the recovery of business activities after the pandemic and high average daily temperatures substantially increase demand for coal.



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