

## Gas

p/therm	6 Aug 21	13 Aug 21	Change
Day-Ahead	105.75	107.80	1.9%
Sep 2021	108.04	110.89	2.6%
Winter 2021/22	109.13	114.32	4.8%
Summer 2022	66.98	72.30	7.9%
12M Annual Oct 2021	88.06	93.31	6.0%

Source: ICE

The **Sept 2021 Gas** price rose 2.6% to 110.89p/therm last week, amid uncertainty around Russian imports, rising global LNG prices and forecasts for lower wind output.

Uncertainty around lower Russian imports to north-west Europe via the Mallnow and Nord Stream pipelines is creating considerable supply risk impacting all the European hubs, following a fire at Novy Urengoy that has severely disrupted flows.

The **Oct 2021 12 Month Gas** price increased 6.0% to 93.31p/therm as winter supplier risks continue causing global LNG prices to steadily climb. Global gas prices have surged higher this summer on the combination of high Asian demand and untenably low European storage inventories.

European gas storages have only filled to 61% of maximum capacity, compared to 89% at the same point in time last year. This continues to be a major supply risk ahead of the colder winter period.

The **Oct 2021 12 Month Power** price rose 5.0% to £95.08/MWh, tracking gas prices higher with gains in coal providing further support.

Prices for both gas and power continue to be 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

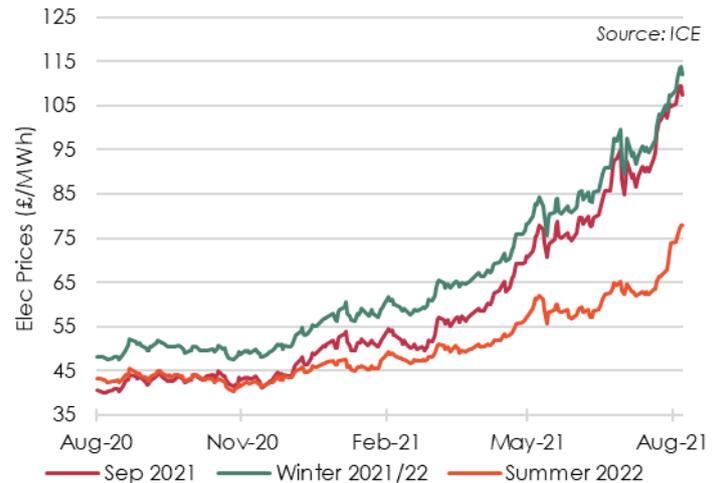
£/MWh	6 Aug 21	13 Aug 21	Change
Day-Ahead	93.50	101.80	8.9%
Sep 2021	104.88	107.36	2.4%
Winter 2021/22	107.24	112.17	4.6%
Summer 2022	73.92	77.98	5.5%
12M Annual Oct 2021	90.58	95.08	5.0%

Source: ICE

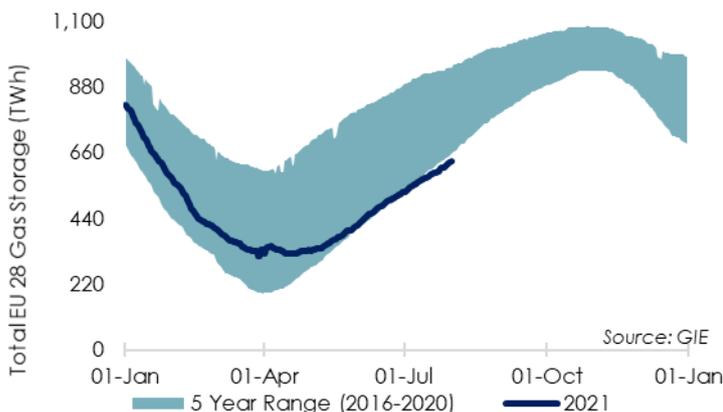
### UK Gas



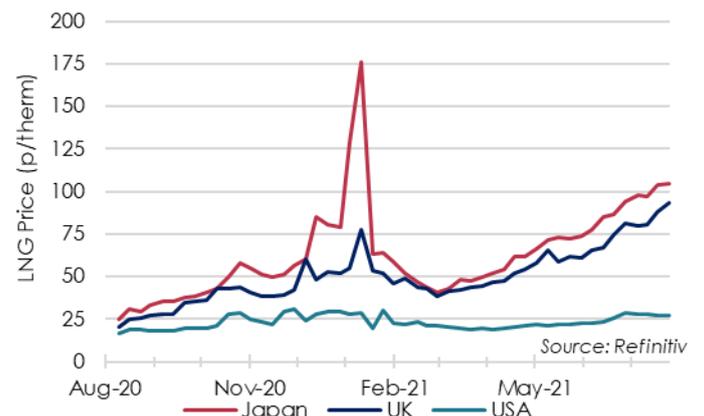
### UK Power



### European Gas Storage



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



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# Beond Weekly UK Insight

16 August 2021

## Oil

\$/bbl	6 Aug 21	13 Aug 21	Change
Brent Crude Oct 21	70.70	70.59	-0.2%

Source: Reuters

**Brent crude oil** prices fell 0.2% last week to \$70.59/bbl. A slight decline following the largest fall in four months the week before.

The International Energy Agency (IEA) released a statement on Thursday confirming global demand for oil slumped in July and was forecast to rise at a much slower pace in the second half of 2021 due to surging infections of the Delta variant of coronavirus with some countries imposing fresh lockdowns.



## Carbon

€/tCO2	6 Aug 21	13 Aug 21	Change
EUA Dec Yr	56.60	55.31	-2.3%

Source: Reuters

**European carbon** fell 2.3% last week to €55.31/tCO2 after nearing all-time highs on Wednesday tracking bullish European gas and power prices.

Wednesday's gains were wiped following two consecutive days of selling across energy markets as traders took profits from high prices. UKA mirrored the European market, reaching a peak on Wednesday before falling to end the week at £48.20/tCO2.



## Exchange Rates & Economics

£/\$	6 Aug 21	13 Aug 21	Change
GBP/USD	1.3871	1.3863	-0.1%

Source: Reuters

**Pound Sterling** continued to hover around the \$1.39 mark as both UK and US economic signals improved.

The status of the Covid-19 pandemic remains the overriding concern, and both the Bank of England and US Fed continue their cautious and accommodative policies, with interest rates at near-historic lows.



## Coal

\$/tonne	6 Aug 21	13 Aug 21	Change
API2 CIF ARA Yr	100.10	103.00	2.9%

Source: Reuters

**European coal** prices continued to rise as supply of gas to the Continent remains a substantial concern. The price is also supported by seasonally cool temperatures and low wind output, increasing the demand for coal-for-power generation.

The demand for coal has continued to drive up prices despite the "wake-up call" of the latest UN report on climate change calling for a more urgent shift to decarbonised energy solutions.



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