

Gas

p/therm	30 Jul 21	6 Aug 21	Change
Day-Ahead	103.75	105.75	1.9%
Sep 2021	103.75	108.04	4.1%
Winter 2021/22	103.25	109.20	5.8%
Summer 2022	60.50	67.01	10.8%
12M Annual Oct 2021	81.87	88.11	7.6%

Source: ICE

The **Sept 2021 Gas** price rose 4.1% to 108.04p/therm last week, as spot prices for LNG in Asia rose to their highest level for this time of year since 2013, as buyers prepare for more extreme temperatures amid a winter of potentially short supply.

The **Oct 2021 12 Month Gas** price increased 7.6% to 88.11p/therm as global LNG prices steadily climb. Last winter, LNG prices rose to record highs amid production constraints in exporting countries. However, Europe has failed to replenish inventories since then.

European gas storages are still only 59% full. This continues to be the largest supply risk ahead of the colder winter period.

The lack of arrivals of LNG tankers has boosted future prices, with just one tankers currently scheduled to arrive in Britain over the next two weeks.

The **Oct 2021 12 Month Power** price rose 7.2% to £90.58/MWh, tracking gas prices higher with gains in oil, carbon and 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.

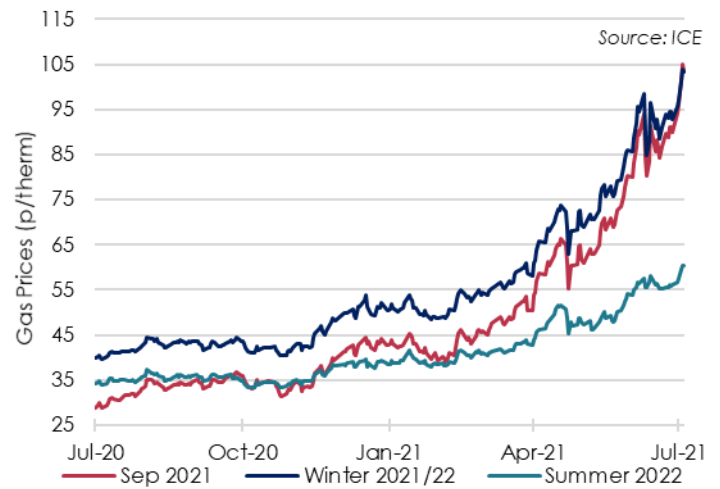
The months of July, Aug and Sept are the busiest in the industry, meaning any clients who haven't yet secured their new contracts will all be asking suppliers for prices at the same time, supporting high prices.

Power

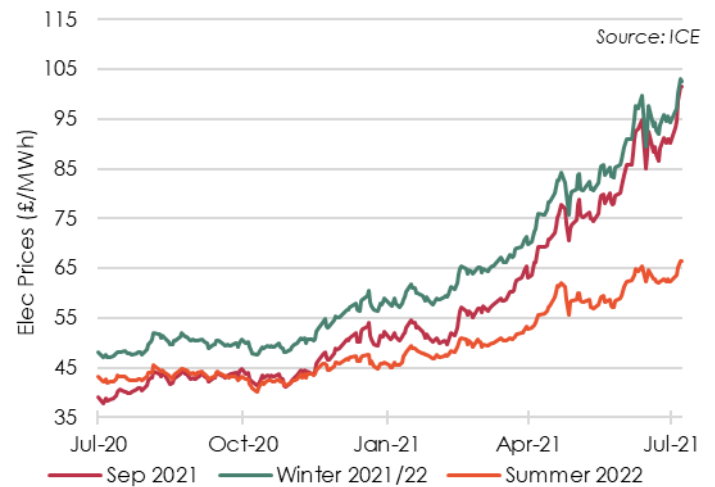
£/MWh	30 Jul 21	6 Aug 21	Change
Day-Ahead	100.67	93.50	-7.1%
Sep 2021	101.55	104.88	3.3%
Winter 2021/22	102.57	107.24	4.6%
Summer 2022	66.37	73.92	11.4%
12M Annual Oct 2021	84.47	90.58	7.2%

Source: ICE

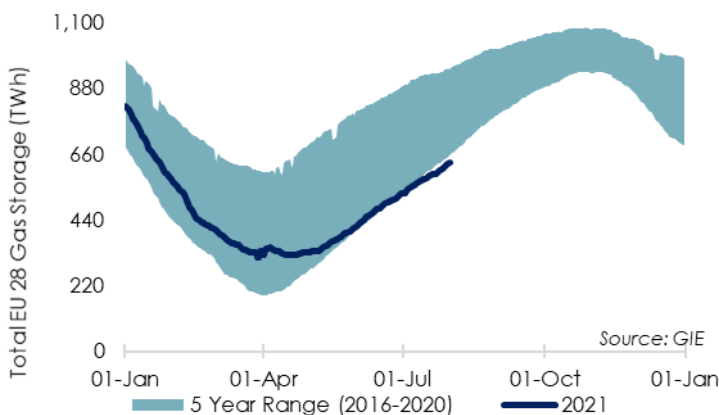
UK Gas



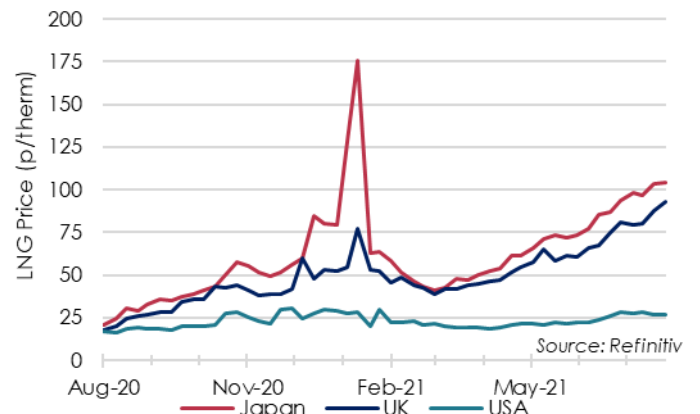
UK Power



European Gas Storage



Global LNG (Japan v UK v USA)



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Beond Weekly UK Insight

9 August 2021

Oil

\$/bbl	30 Jul 21	6 Aug 21	Change
Brent Crude Oct 21	76.33	70.70	-7.4%

Source: Reuters

Brent crude oil prices fell 7.4% last week to \$70.70/bbl, posting the biggest weekly decline in months on demand concerns.

Worries that travel restrictions to curb the spread of the Delta variant of Covid-19 will derail the global recovery in energy demand.



Carbon

€/tCO2	30 Jul 21	6 Aug 21	Change
EUA Dec Yr	53.27	56.66	6.4%

Source: Reuters

European carbon rose 6.4% last week to €56.66/tCO2.

We see upward movement reflecting bullish gains in the tight European gas market, which has surged to multi-year highs, and continues to hold a strong influence over carbon prices.

Lower auction supply in August will continue to provide support for the coming weeks.



Exchange Rates & Economics

£/\$	30 Jul 21	6 Aug 21	Change
GBP/USD	1.3901	1.3900	0.0%

Source: Reuters

Pound Sterling hovered around the \$1.39 mark as the Bank of England left monetary policy unchanged last week, raising inflation forecasts for 2021 and saying that "some modest tightening" of interest rates was likely to be necessary if the economy continues to improve. Sterling has been recently boosted by the British government's decision to lift most social-distancing rules in July amid high vaccination rates.



Coal

\$/tonne	30 Jul 21	6 Aug 21	Change
API2 CIF ARA Yr	93.40	98.15	5.1%

Source: Reuters

European coal prices rose 5.1% to \$98.15/tonne as gas supply concerns boosted the global demand for coal.

There is currently a high demand for electricity across many European countries reflecting hot temperatures and increased power use for cooling. This in turn has increased the demand for coal on the continent.



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