

## Wholesale Market Prices and Trends

Wholesale Gas Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-21 12m	3.91	↑ 84%	↑ 148%	↑ 190%
Oct-21 24m	3.16	↑ 65%	↑ 107%	↑ 131%
Oct-21 36m	2.73	↑ 52%	↑ 83%	↑ 97%
Apr-22 12m	2.82	↑ 56%	↑ 86%	↑ 106%
Apr-22 24m	2.35	↑ 39%	↑ 59%	↑ 68%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-21 12m	11.35	↑ 60%	↑ 101%	↑ 137%
Oct-21 36m	9.60	↑ 47%	↑ 77%	↑ 100%
Apr-22 24m	8.63	↑ 38%	↑ 63%	↑ 79%
Oct-21 24m	8.92	↑ 42%	↑ 66%	↑ 85%
Apr-22 12m	7.48	↑ 30%	↑ 50%	↑ 60%

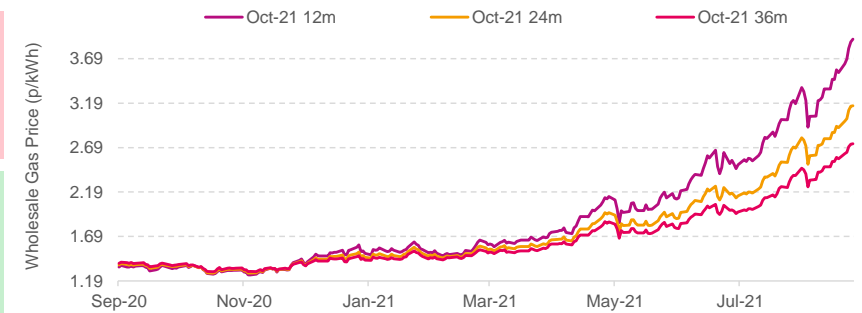
Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent (\$/bbl)	72.92	↑ 5%	↑ 7%	↑ 83%
Coal (\$/t)	126.20	↑ 57%	↑ 87%	↑ 121%
UK Carbon (£/t)	53.20	↑ 16%	#N/A	#N/A
EU Carbon (€/t)	60.92	↑ 18%	↑ 56%	↑ 113%
€/£	0.854	↓ -1%	↓ 0%	↓ -8%

### UK NBP Gas

#### Wholesale Market Drivers

<b>Bearish (Falling)</b>	<p>UK storage levels have risen back to seasonal range, limiting native storage supply security risk as we move into W-21 period.</p> <p>Gazprom expects Nord Stream 2 project to begin flows from Oct-21, easing some supply anxiety in market. Remains to be seen whether certification will be granted in-time.</p>
<b>Bullish (Rising)</b>	<p>Emissions markets continue climbing in spite of easing auction supply limits. Reflective of increased speculative interest in market, and fuel-switching dynamics.</p> <p>Imports of Liquefied Natural Gas to European hub remains sparse, with strong Asian demand sweeping up spot volume throughout Q3-21.</p>

#### Wholesale Price Graphs

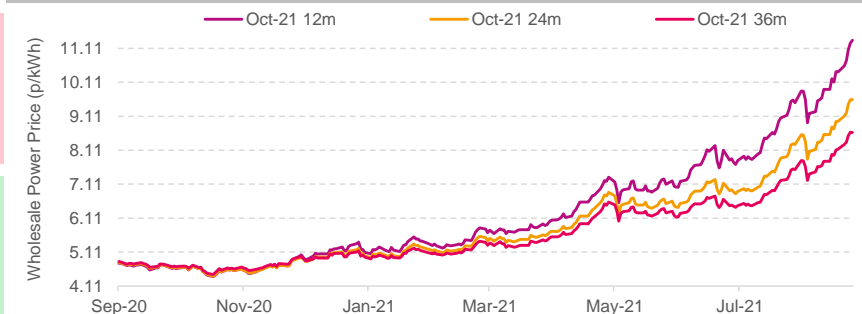


### UK Baseload Power

#### Market Drivers

<b>Bearish (Falling)</b>	<p>Nuclear capacity looks to remain firm in coming weeks, limiting further spot market volatility as weak renewable generation tightens capacity margins.</p> <p>Some signals for easing gas supply fundamentals for 2022+ from completion of Nord Stream 2 pipeline, though impact muted as no concrete flow start date present.</p>
<b>Bullish (Rising)</b>	<p>Bullish gas markets incentivising coal and lignite power generation across Continent. Subsequent increase in emissions from power supportive to carbon market.</p> <p>Severe bullish volatility observed in spot market, reflective of tight generation capacity margins from low renewable generation. Elevating assumed risk premium along curve.</p>

#### Wholesale Price Graphs



#### Energy Market News:

**Fuel switching dynamics continue to provide support to emissions markets.** Emissions markets have followed a strong bullish trend over the past month, with the EU and UK benchmarks rising around 8% and 10% respectively. They have been supported by the tight supply outlook for European gas in W-21, with fuel switching dynamics incentivising coal and lignite for power. Due to the greater carbon intensity of coal, carbon permit demand from energy generators has supported emissions markets. As we go deeper into W-21, gas markets are likely to continue offering support, with Continental gas storage below seasonal norms, and global Liquefied Natural Gas dynamics incentivising cargoes away from Europe. Any further upside in emissions markets will catalyse upside risk in UK energy markets along the forward curve, particularly UK power contracts.

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