

Commentary

Prompt:

This morning prompt gas contracts are mixed. The UK gas system is currently 18.5mcm short. Wind generation supplies 8.7GW (28%) to the grid, but it is expected to decline throughout the week. CCGT generation supplies 10.9GW (35%).

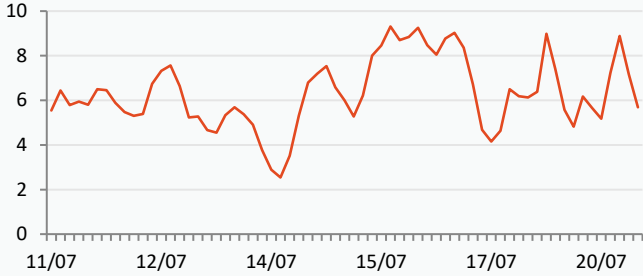
Curve:

Further out, gas contracts are trading lower. Data revealed that gas usage in Britain has been much lower than the seasonal normal since the beginning of June. Russian gas flow via Ukraine remained consistent at roughly 42.4mcm/d. LNG flows to NW Europe are now at 189.9mcm/d, which is in line with the 30-day average. In the coming weeks, the UK is only set to receive one LNG cargo.

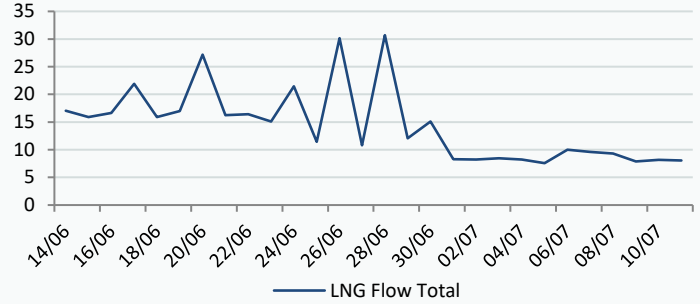
Context:

Centrica has signed a 15-year agreement to supply the UK market with US LNG. The arrangement involves supplying 1 million tons of LNG each year for the next 15 years to the UK market. The delivery is expected to be 14 LNG cargos each year, with a market value of roughly \$8 billion.

UK Wind Speed (m/s)

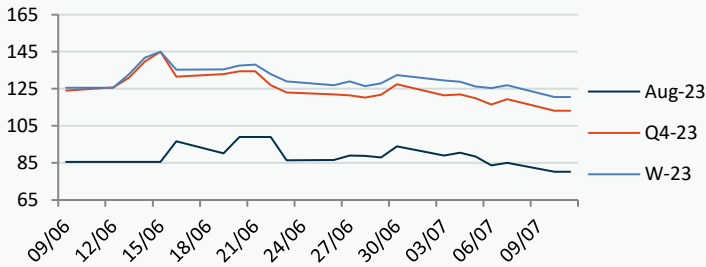


LNG Flows NBP (Million Tonnes)



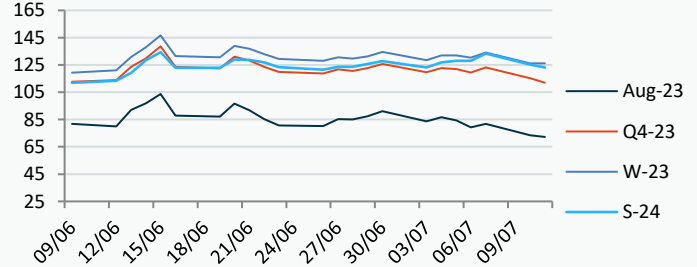
Power Forward Contracts Baseload £/MWh

Aug-23	Q4-23	W-23
80.25 -4.75	113.18 -6.32	120.57 -6.43



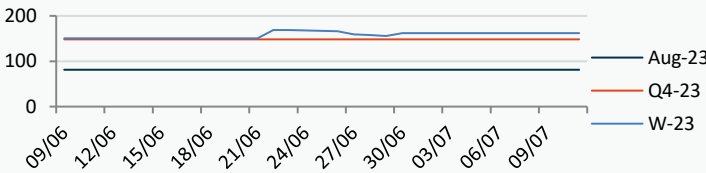
Gas Forward Contracts p/th

Aug-23	W-23	S-24
73.53 -8.33	126.14 -8.04	125.24 -8.24

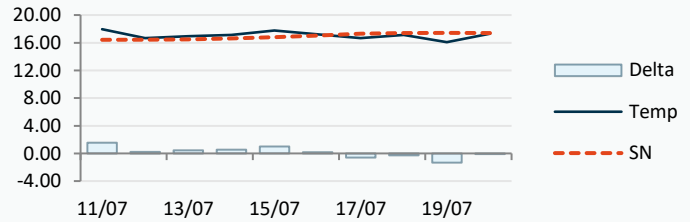


Power Forward Contracts Peakload £/MWh

Aug-23	Q4-23	W-23
81.25 0	148.25 0	162.25 0

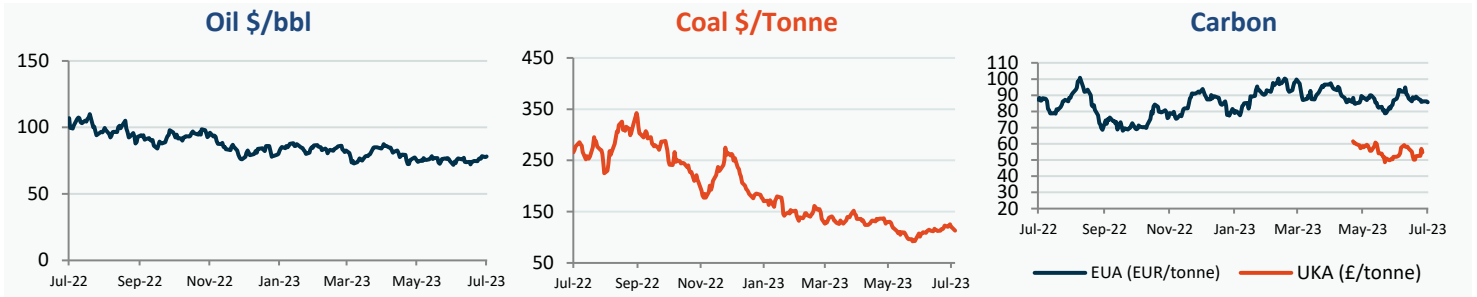


WSI Temperature Forecast c



Fuel Mix	11/07/23	10/07/23	07/07/23	06/07/23
Gas CCGT	37%	42%	18%	34%
Gas OCGT	0%	0%	0%	0%
Solar	1%	0%	0%	0%
Coal	0%	0%	0%	0%
Nuclear	18%	21%	25%	27%
Wind	34%	39%	53%	41%
Pump Stor	0%	0%	-3%	-3%
Hydro	1%	1%	1%	1%
Biomass	7%	7%	7%	6%
Undefined	1%	1%	1%	1%
FR Inter	0%	-4%	1%	-1%
NE Inter	4%	-5%	-5%	-4%
IRE Inter	-2%	-2%	1%	0%

	11/07/23	12/07/23	13/07/23	14/07/23
Temperature c	17.95	16.66	16.94	17.13
Temp vs Hist	+1.53	+0.23	+0.46	+0.52
	10/07/23	09/07/23	08/07/23	07/07/23
TTF Day Ahead	30.20	32.70	32.10	34.08
TTF Month Ahead	29.40	33.10	32.50	33.95
Oil Front Month	77.69	78.47	76.52	76.65
Carbon EUA	86.30	86.16	85.96	85.81
Coal Year Ahead	119.08	120.18	125.14	123.12
GBP/EUR	1.169	1.170	1.170	1.170
GBP/USD	1.286	1.284	1.284	1.284

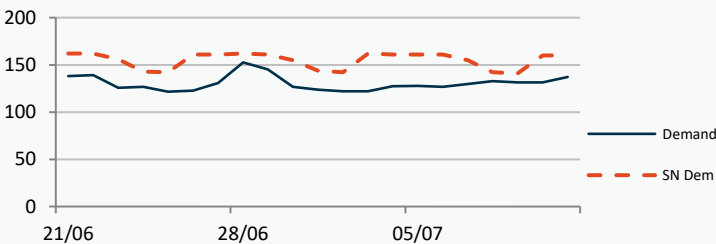


UK Market Closing Prices

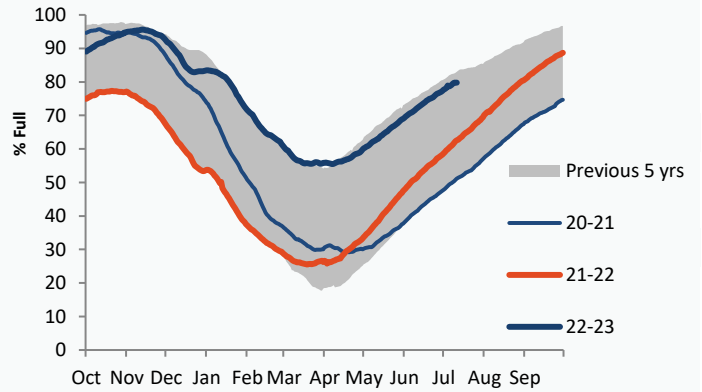
Gas p/th			Base £/MWh			Peak £/MWh					
	10/07/23	07/07/23	Change		10/07/23	07/07/23	Change		10/07/23	07/07/23	Change
DA	72.70	81.00	-8.30	DA	86.75	67.50	+19.25	DA	80.00	80.00	0
Aug-23	74.15	81.26	-7.11	Aug-23	80.25	85.00	-4.75	Aug-23	91.00	96.00	-5.00
Sep-23	80.04	87.44	-7.40	Sep-23	88.00	92.00	-4.00	Sep-23	101.80	107.00	-5.20
Oct-23	89.00	96.50	-7.50	Oct-23	90.00	94.00	-4.00	Oct-23	110.00	117.00	-7.00
Q4-23	115.23	122.64	-7.42	Q4-23	115.30	118.46	-3.16	Q4-23	141.72	146.23	-4.51
Q1-24	136.18	145.13	-8.95	Q1-24	128.79	135.34	-6.55	Q1-24	157.18	165.88	-8.69
Q2-24	127.31	132.94	-5.62								
W-23	125.64	133.03	-7.39	W-23	122.01	126.11	-4.10	W-23	149.41	155.09	-5.68
S-24	126.00	132.75	-6.75	S-24	111.00	115.37	-4.37	S-24	119.10	124.32	-5.22
W-24	139.00	145.00	-6.00	W-24	126.20	132.00	-5.80				
S-25	104.25	109.90	-5.65	S-25	94.00	99.46	-5.46				

Gas System

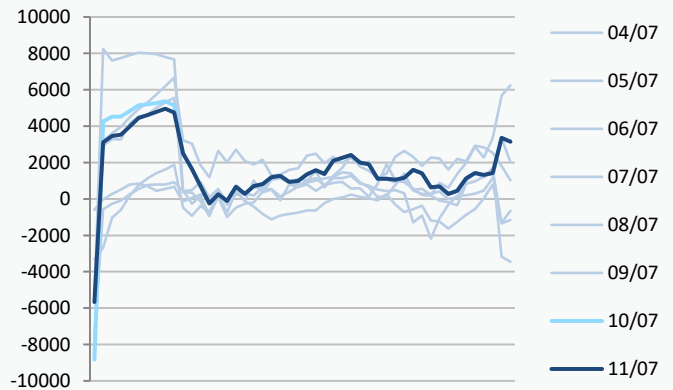
Current	-18.5mscmShort	UK Stor	10,550	
Demand	137.2	UK Stor %	57%	
SN Demand	160.0	5y Avg %	56%	
Total Terminal Flow	111.2	LNG Inv	8,835	
Norwegian	19.3	17%		
IUK	0.0	0%	EU Stor %	80%
Storage Total	4.1	4%	EU 5y Avg	64%
LNG	8.0	7%		



European Gas Storage



Power System Indicative Imbalance MW



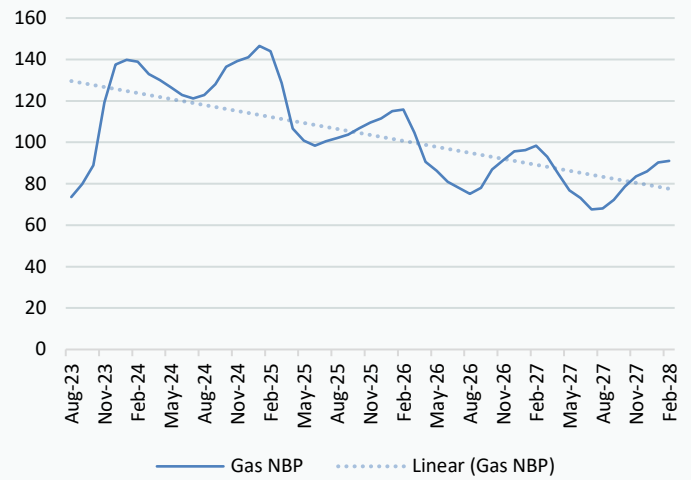
	Gas System Price (ppth)			N2EX Power DA £/MWh
	SAP	SBP	SSP	Baseload
11/07/23				87.78
10/07/23	81.89	83.34	80.43	90.89
09/07/23	81.89	83.34	80.43	84.56
08/07/23	81.07	82.53	79.62	68.71
07/07/23	79.77	81.22	78.31	81.06
06/07/23	77.56	79.01	75.90	89.90
05/07/23	84.25	85.71	82.80	85.20
04/07/23	85.84	87.30	84.38	90.00
03/07/23	90.01	91.46	84.00	67.51
02/07/23	95.92	97.38	94.46	8.10
01/07/23	95.28	98.73	93.82	45.53
30/06/23	88.07	89.53	86.61	85.83

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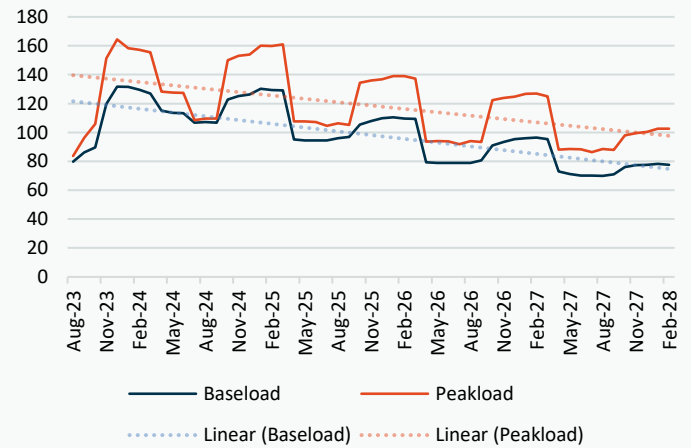
Monthly Pricing

10/07/2023	UK Baseload £/MWh	Peakload £/MWh	NBP Gas p/th
Aug-23	80.25	91.00	74.15
Sep-23	88.00	101.80	80.04
Oct-23	90.00	110.00	89.00
Nov-23	124.00	156.30	119.00
Dec-23	132.19	159.35	137.80
Jan-24	132.98	166.23	138.32
Feb-24	131.76	161.77	137.85
Mar-24	121.83	143.85	132.48
Apr-24	115.78	126.53	131.23
May-24	113.06	124.31	126.97
Jun-24	111.57	120.71	123.77
Jul-24	106.36	111.01	122.09
Aug-24	106.68	111.22	123.68
Sep-24	112.80	121.19	128.46
Oct-24	121.49	146.40	136.36
Nov-24	127.26	155.21	139.00
Dec-24	129.60	158.35	140.71
Jan-25	127.79	159.64	145.73
Feb-25	127.07	158.22	143.49
Mar-25	124.13	152.52	129.15
Apr-25	95.67	108.48	108.59
May-25	93.76	107.23	103.19
Jun-25	93.18	106.71	100.85
Jul-25	92.83	102.22	102.82
Aug-25	93.58	102.76	104.25
Sep-25	95.05	103.33	105.89
Oct-25	103.27	132.39	106.27
Nov-25	108.36	139.62	108.67
Dec-25	110.76	142.49	110.45
Jan-26	111.96	144.92	113.43
Feb-26	111.17	143.83	114.05
Mar-26	108.68	137.13	103.97
Apr-26	79.82	94.95	90.96
May-26	78.24	94.18	85.81
Jun-26	77.77	93.71	80.82
Jul-26	77.77	92.94	78.14
Aug-26	77.87	93.74	75.42
Sep-26	79.60	94.52	78.04
Oct-26	86.60	116.20	83.19
Nov-26	90.97	122.53	87.04
Dec-26	93.08	125.06	90.80
Jan-27	94.13	127.44	90.87
Feb-27	94.05	126.51	92.66
Mar-27	91.58	120.60	87.98
Apr-27	72.25	89.38	82.86
May-27	70.33	88.69	75.77
Jun-27	69.33	88.24	72.46
Jul-27	69.33	87.47	67.50
Aug-27	69.36	88.28	67.99
Sep-27	70.67	88.98	71.70
Oct-27	75.25	93.10	73.70
Nov-27	78.74	98.29	77.92

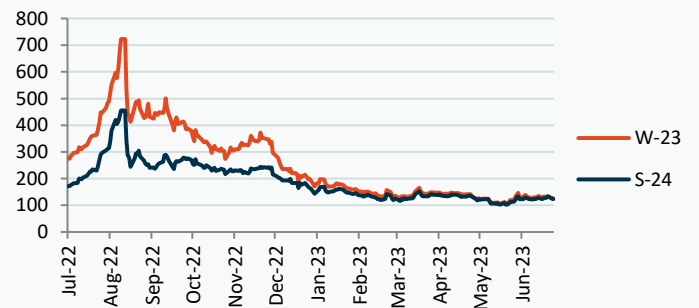
NBP Gas Curve



UK Power Curve



Gas Season Price History



Power Baseload Season Price History

