

YOUR WEEKLY ENERGY MARKET REPORT

Demand levels heading into the bank holiday weekend sat much lower than seasonal norms largely due to warmer weather, reducing heating demand. In addition, the bright conditions boost solar generation but this additional supply was offset by low wind generation. This morning's session has seen much higher levels of Wind production, currently producing 36% of this morning's generation stack. Elsewhere, Norwegian gas flows fell to a near 6 year low. The gas imports have been significantly lower on the back of lower market prices amid the UK's lockdown measures. This morning's session however has seen slightly stronger supply from Norwegian gas pipelines, ensuring the UK system is heavily over supplied.

The wider commodity mix have witnessed steady gains in recent weeks as countries eased business and social lockdowns and fuel demand has picked up modestly. Indeed, renewed optimism going into the weekend provided support for Carbon prices, which in turn added some pressure to UK Energy prices. However, Oil prices have slipped more than 1% this morning as the demand glut persists and economic fears continue as a result of the pandemic, cancelling out any support from supply cuts of the world's largest producers The Pound looks on track to remain subdued over the coming weeks as the UK starts it's long road to recovery in comparison to some other nations, with PM Boris Johnson's announcement yesterday that it would be in August that the majority of the economy would be open again. The cautious approach provides a mixed impact on UK Energy prices: on one hand, demand levels will remain at much lower levels as business lockdown measures are gradually released, aiding downward movements as supply levels become cheaper to meet; on the other, that gradual release will slow economic growth, adding pressure to the Pound and in turn increasing the cost to import supply.

Currency & Commodities

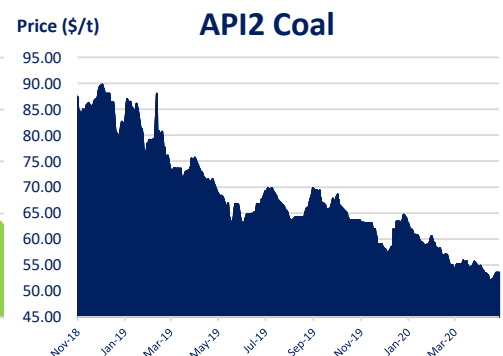
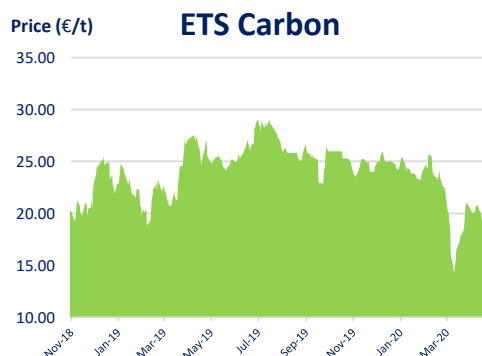
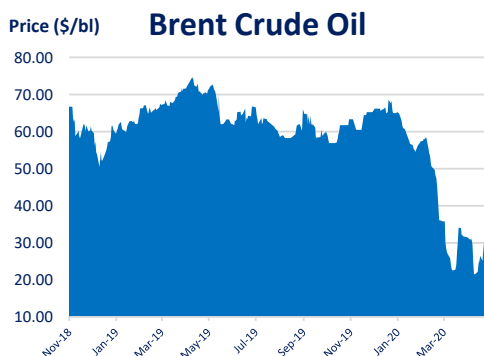
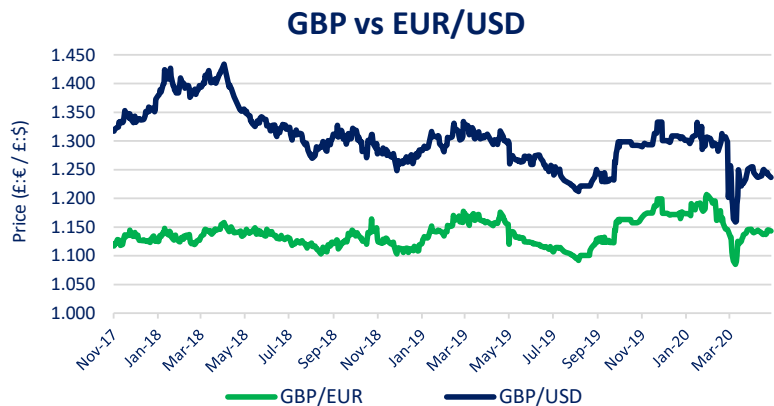
Pound vs Dollar (£:\$) 1.237

Pound vs Euro (£:€) 1.143

Brent Crude Oil (\$/bl) 29.90

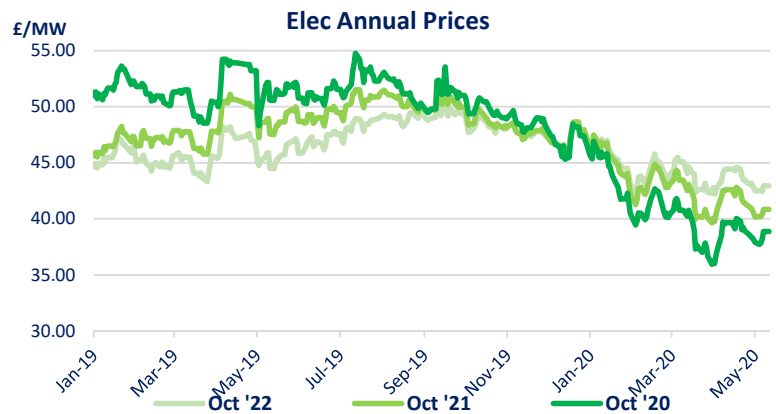
EU ETS Carbon (€/t) 18.92

API2 Coal (\$/t) 53.55



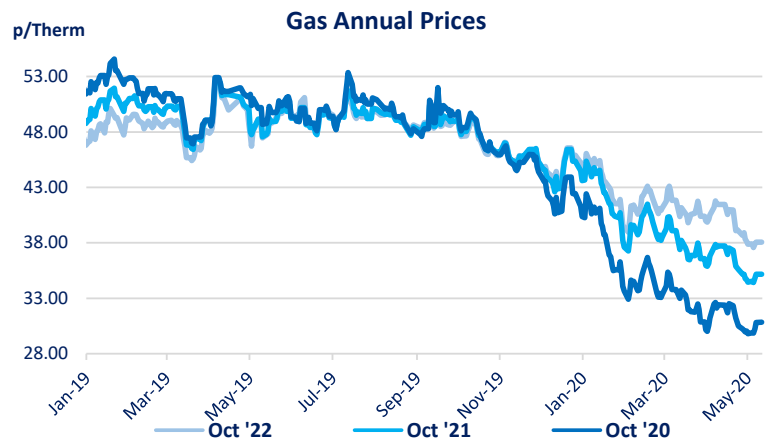
Electricity Analysis

| Elec Futures | Price | Change | % Change |
|---------------|-------|--------|----------|
| Jun-20 | 26.75 | 0.25 | 0.94% |
| Jul-20 | 27.50 | 0.25 | 0.92% |
| Aug-20 | 27.81 | 0.24 | 0.89% |
| Q3 20 | 29.50 | 0.25 | 0.85% |
| Q4 20 | 38.50 | 0.25 | 0.85% |
| W 20 | 37.04 | 3.34 | 9.91% |
| S 21 | 35.22 | -0.13 | -0.37% |
| W 21 | 43.36 | 0.11 | 0.25% |
| Oct 20 Annual | 36.13 | 1.61 | 4.77% |

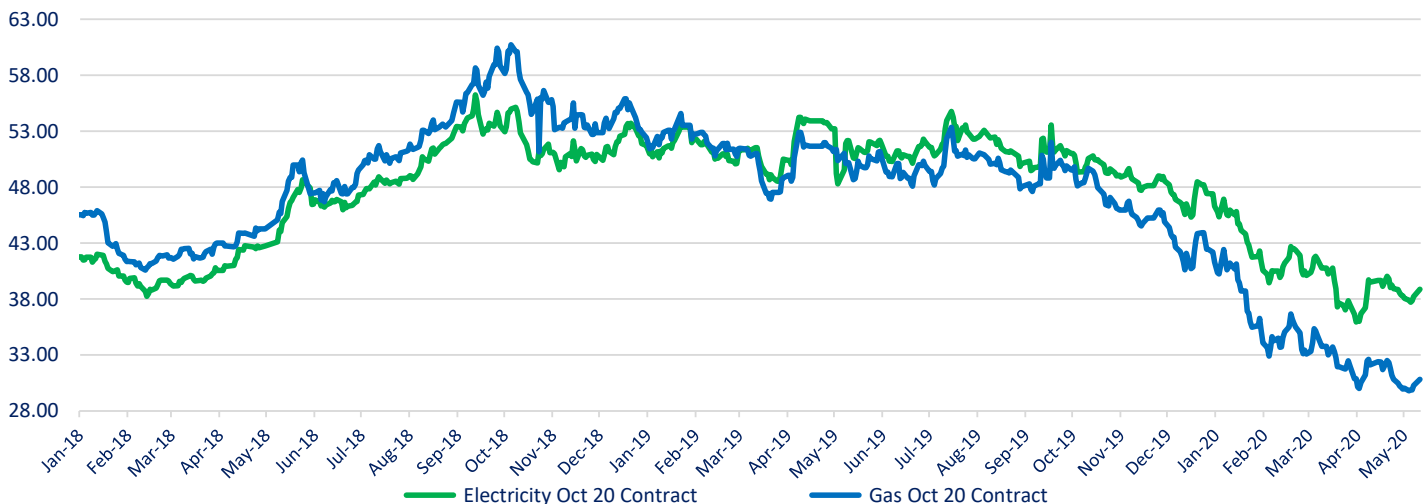


Gas Analysis

| Gas Futures | Price | Change | % Change |
|---------------|-------|--------|----------|
| Jun-20 | 17.35 | 0.09 | 0.52% |
| Jul-20 | 18.24 | 0.04 | 0.19% |
| Aug-20 | 19.78 | 0.33 | 1.70% |
| Q3 20 | 19.91 | 0.26 | 1.31% |
| Q4 20 | 30.32 | 0.27 | 0.90% |
| W 20 | 33.15 | 0.44 | 1.35% |
| S 21 | 29.85 | 0.19 | 0.65% |
| W21 | 39.30 | 0.10 | 0.26% |
| Oct 20 Annual | 31.50 | 0.32 | 1.00% |



Elec / Gas October 2020 Annual Prices



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