

# Last Week at a Glance

Week 11, 2023



BRENT M+1

**77.45 \$/bbl**

Oil prices edged higher amid rising Chinese demand and a weaker US dollar.

**Outlook:**  
(Horizon 1 week)



GAS TTF Y+1

**50.66 €/MWh**

TTF gas fell amid healthy supplies and a milder weather outlook.

**Outlook:**  
(Horizon 1 week)



POWER GE Y+1

**138.11 €/MWh**

German power declined despite concerns over French nuclear supply issues, tracking low gas prices.

**Outlook:**  
(Horizon 1 week)



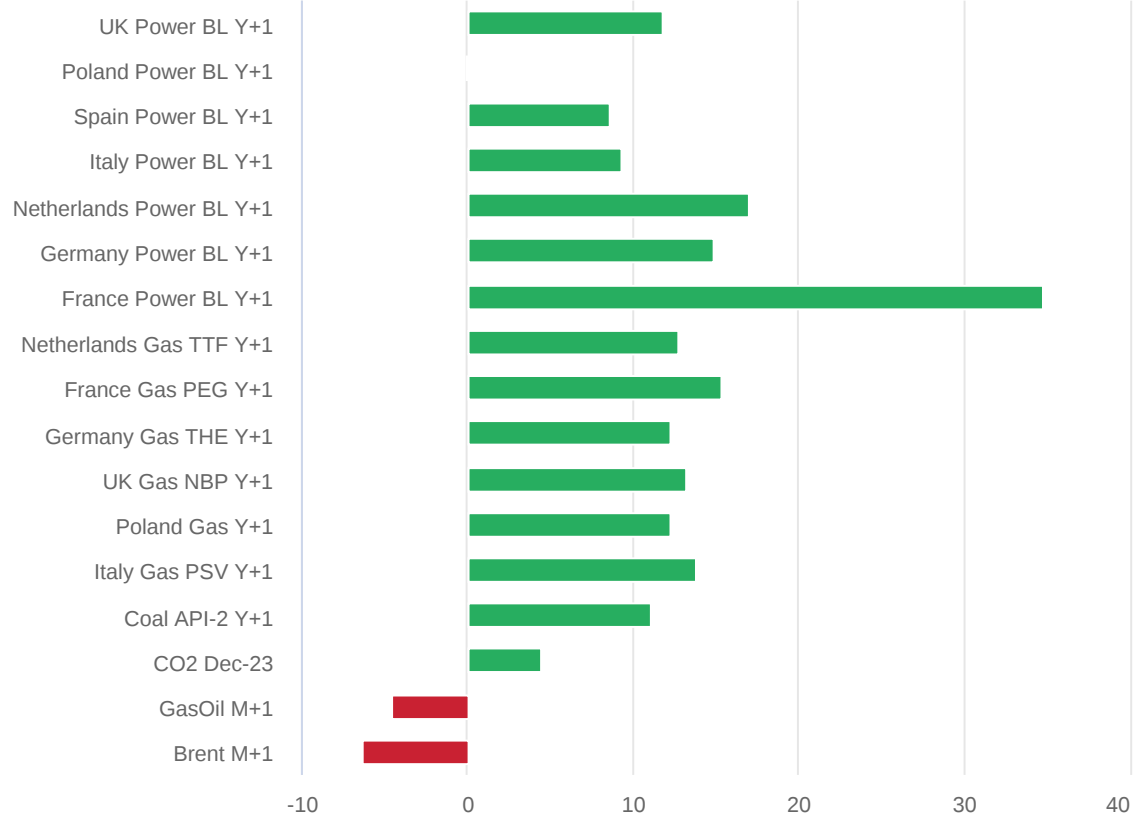
## Highlights

### EVOLUTION OF MAIN ENERGY PRODUCTS IN THE LAST WEEK

UK Power BL Y+1	▲ (11.83%)
Poland Power BL Y+1	▼ (-0.05%)
Spain Power BL Y+1	▲ (8.63%)
Italy Power BL Y+1	▲ (9.32%)
Netherlands Power BL Y+1	▲ (17%)
Germany Power BL Y+1	▲ (14.89%)
France Power BL Y+1	▲ (34.74%)
Netherlands Gas TTF Y+1	▲ (12.73%)
France Gas PEG Y+1	▲ (15.31%)
Germany Gas THE Y+1	▲ (12.3%)
UK Gas NBP Y+1	▲ (13.26%)
Poland Gas Y+1	▲ (12.29%)
Italy Gas PSV Y+1	▲ (13.78%)
Coal API-2 Y+1	▲ (11.08%)
CO2 Dec-23	▲ (4.46%)
GasOil M+1	▼ (-4.54%)
Brent M+1	▼ (-6.28%)

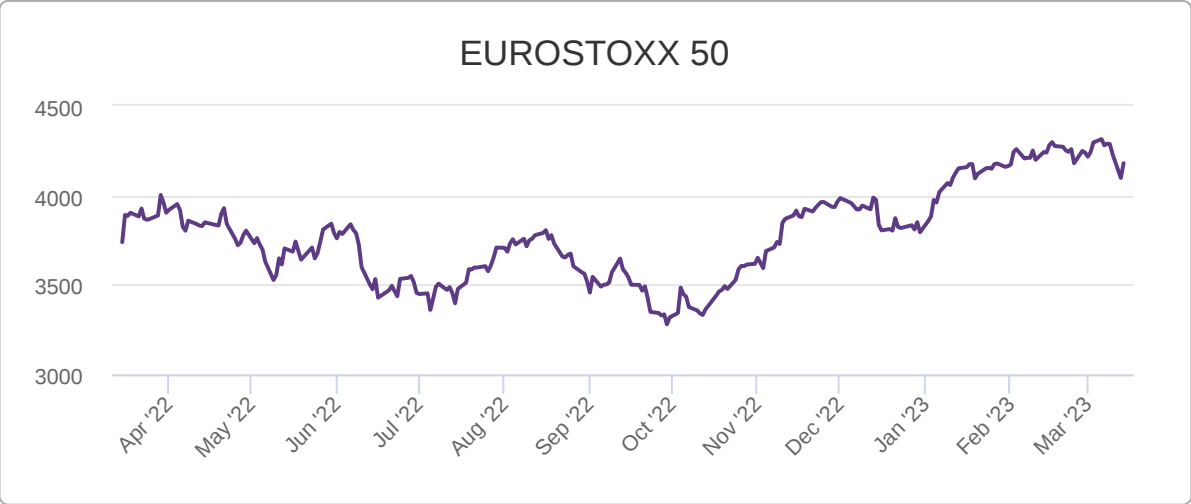
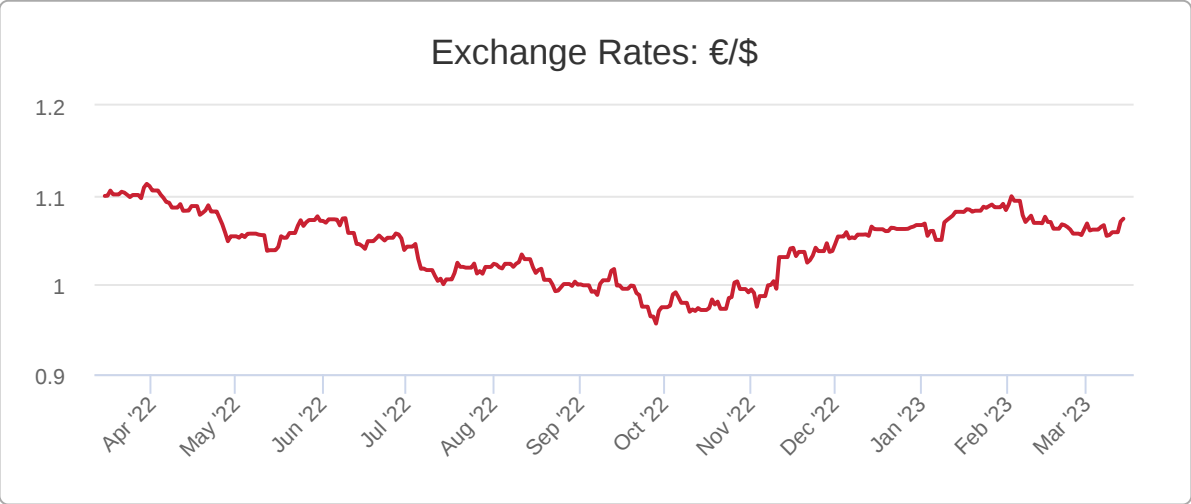
% Change Current Week vs Week-1

### Evolution of main energy products in the last week



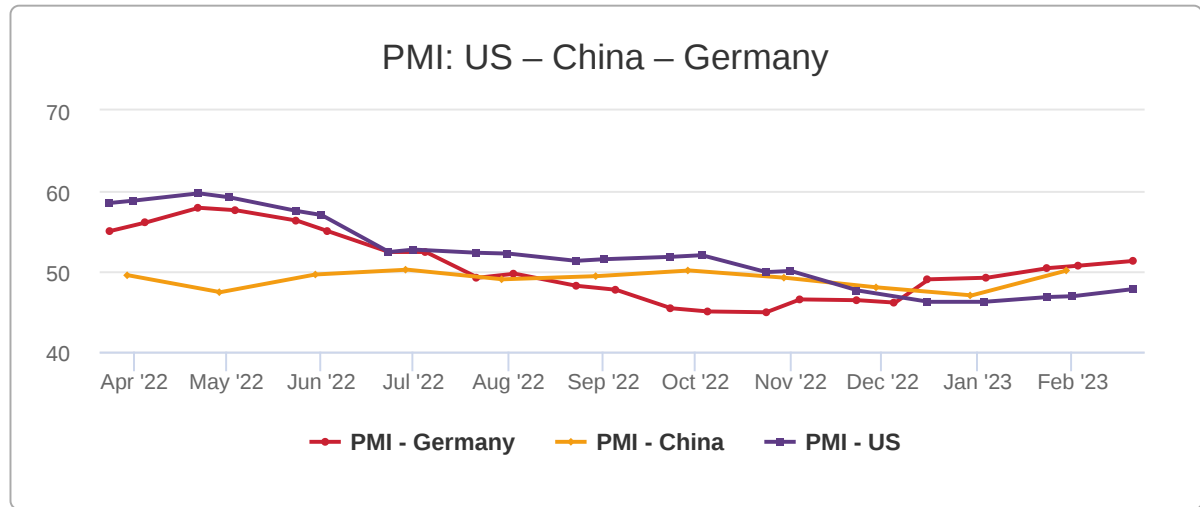
# General Overview

✓ A softer US Dollar supported the EUR/USD rate on a weekly basis. The US Dollar may continue to decline due to reduced expectations of aggressive rate hikes by the Federal Reserve and the fallout from the Silicon Valley Bank. The US Consumer Price Index (CPI) will be also an important event to watch, as well as the March 22, Federal Reserve meeting, that could provide a narrative for the pair.



✓ The purchasing managers index is a composite indicator of a country's manufacturing activity. It takes into account order intake, production, employment, shipments and stocks in the manufacturing sector.

- PMI < 50: contraction in the activity
- PMI > 50: expansion in the activity



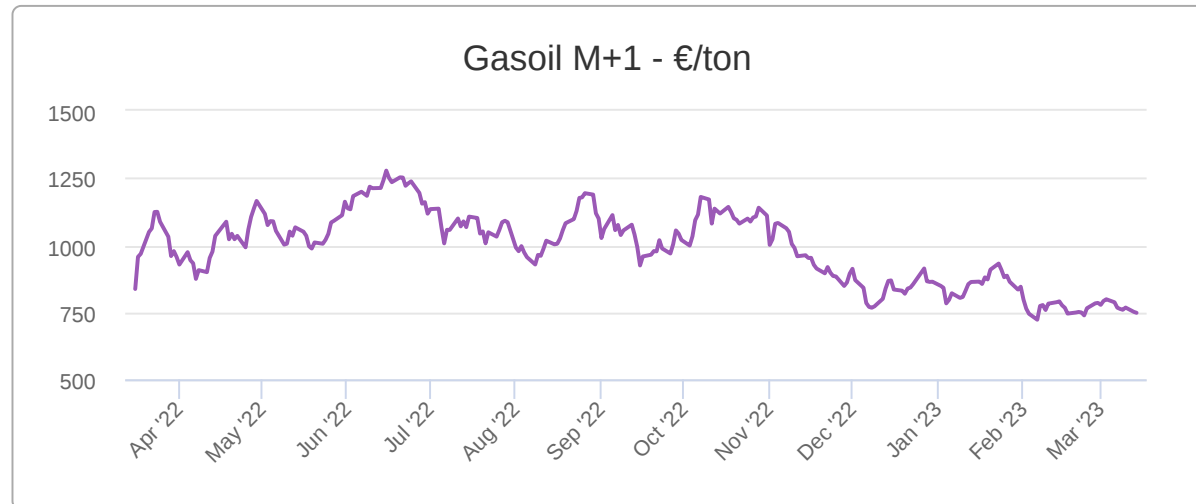
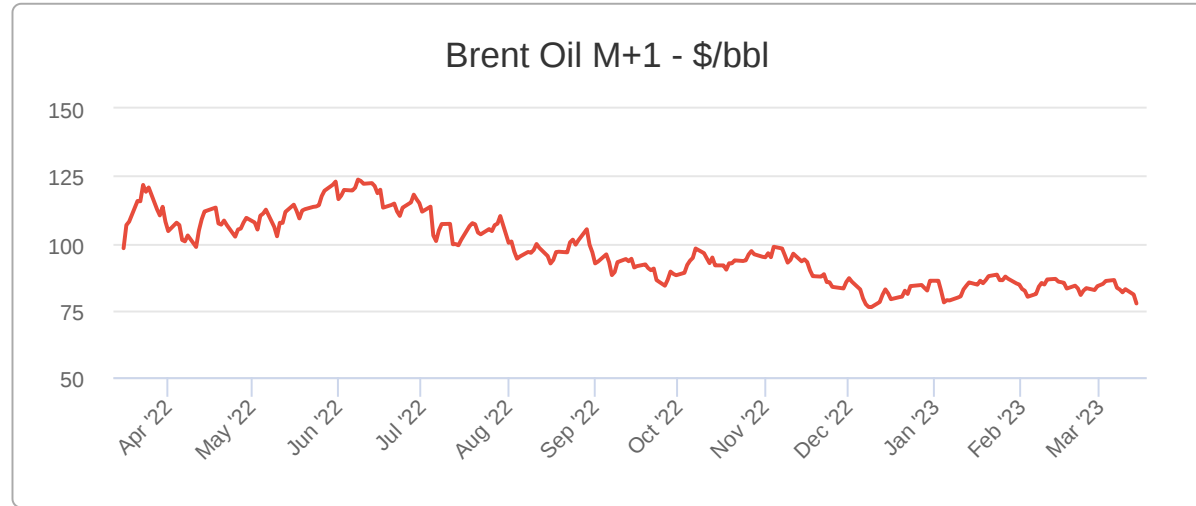


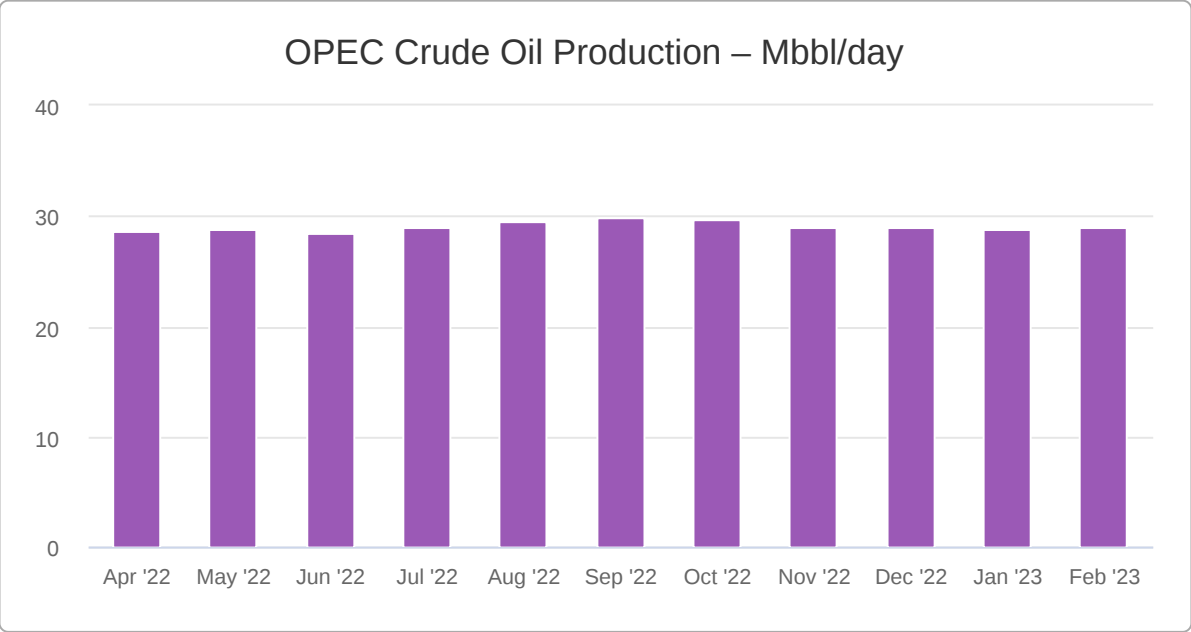
## Oil

- ✓ Oil prices edged higher amid rising Chinese demand and a weaker US dollar that offset the US rate hike fears and the failure of Silicon Valley Bank in the US.

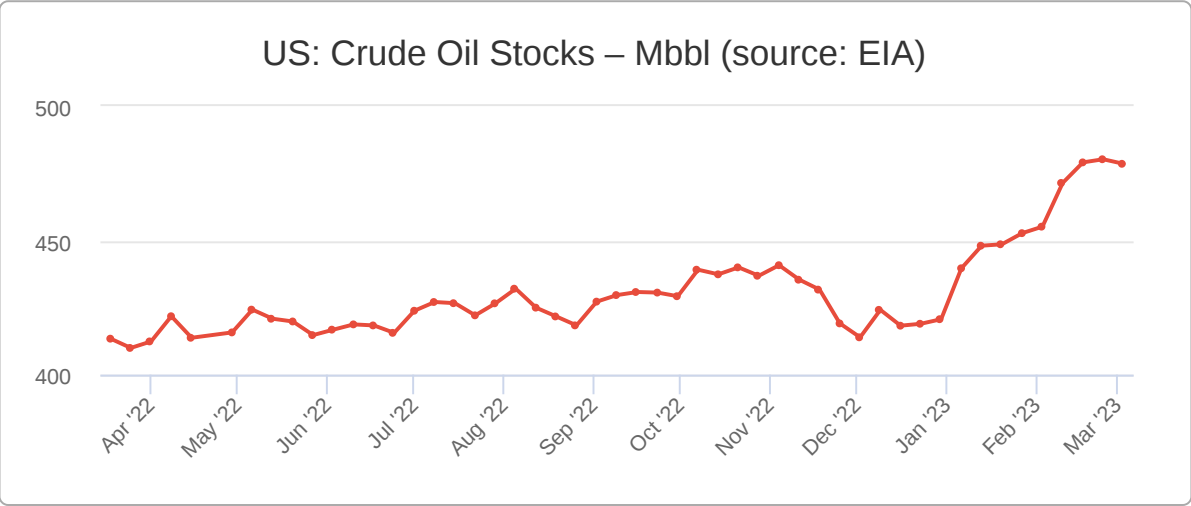
Markets are monitoring China's economic recovery after the country's lower-than-expected GDP target announcement dampened expectations for oil demand this year.

US inflation data for February is scheduled to be released this week, which is expected to provide some clarity on the potential actions the Fed may take during their upcoming FOMC meeting. However, there may still be uncertainty regarding the matter.





✓ The number of oil rigs in the United States fell by two, on a weekly basis, to 590 in the week ending March 10, the Baker Hughes rig count data released on Friday revealed. Year over year, oil rigs were up by 63.



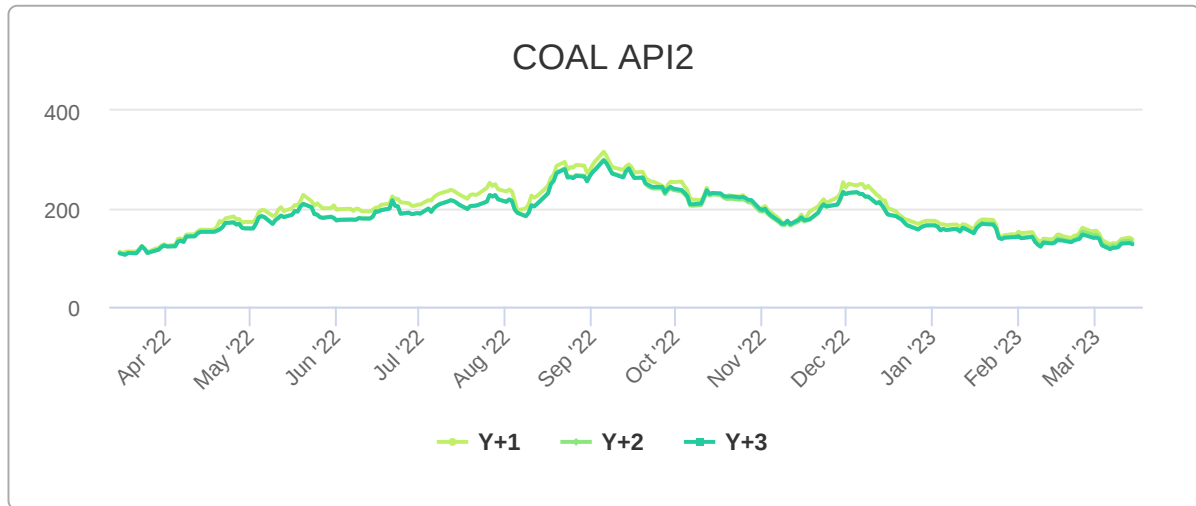
## Coal & CO2

- ✓ European coal prices tumbled amid muted demand and milder weather.

Coal inventories at import terminals in northwestern Europe have fallen by 3% over the past week, hitting a 10-month low due to continuing power generation demand, but still remain more than twice as high as last year's levels.

The inventories at four key terminals in Amsterdam, Rotterdam and Antwerp (ARA) were last seen at 5.37 million tonnes, down 0.15 million tonnes from a week ago, and the lowest since the week beginning on May 23. However, stock levels were still 2.9m tonnes higher than at the same time last year and also above the 2022 and 2021 full-year average levels of 5.2m tonnes and 4m tonnes, respectively.

Despite the decreased coal inventories at northwestern European import terminals, seaborne vessel deliveries were still normal for this time of year, as well as loadings from stock onto barges for inland shipment to power plants. Five coal-laden vessels were expected to arrive this week at the terminal.



- ✓ European carbon prices slightly increased due to strong buying from speculators.

European energy markets are expected to face upward pressure this week due to reduced nuclear generation in France. This was on the back of the weakest demand in an auction since December amid forecasts of strong wind and solar output in the coming days.

Low nuclear output is bullish for EUAs as it would lead to higher demand for coal and gas-fired plants.



# Natural Gas

## Natural Gas Storage Total EU 28

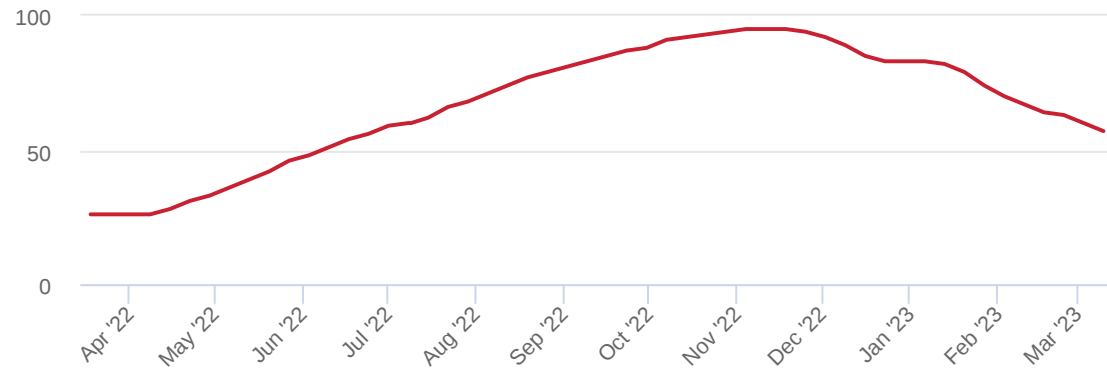
Date: 10.03.2023










Outlook:

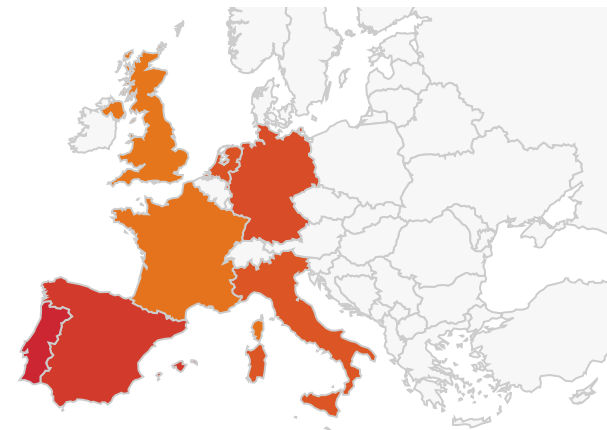


## Gas Storage Inventory in % (EU)



## Natural Gas Storage

 United Kingdom	31%
 Germany	65%
 France	33%
 Spain	79%
 Portugal	96%
 Italy	57%
 Netherlands	59%





# LNG Storage

## LNG Storage Total EU 28

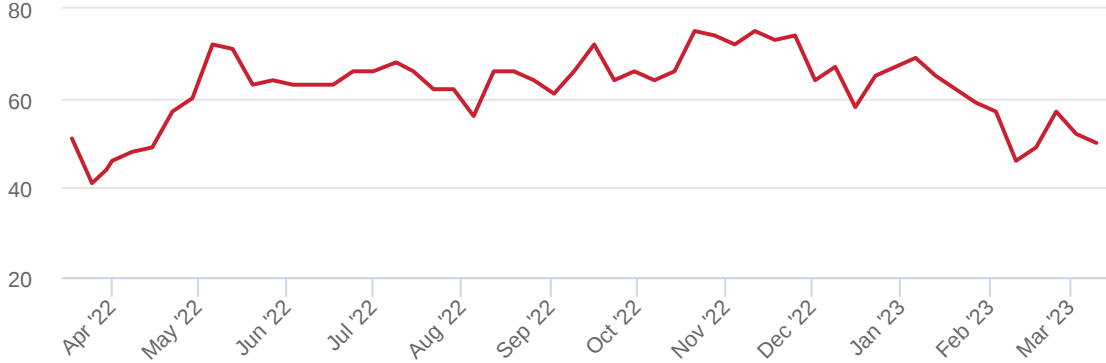
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Outlook:



## LNG Storage Inventory in tsd. cubic meter LNG (EU)



## LNG Storage

 United Kingdom	49%
 France	58%
 Spain	40%
 Portugal	28%
 Italy	34%
 Netherlands	65%



# Henry Hub - TTF - JKM

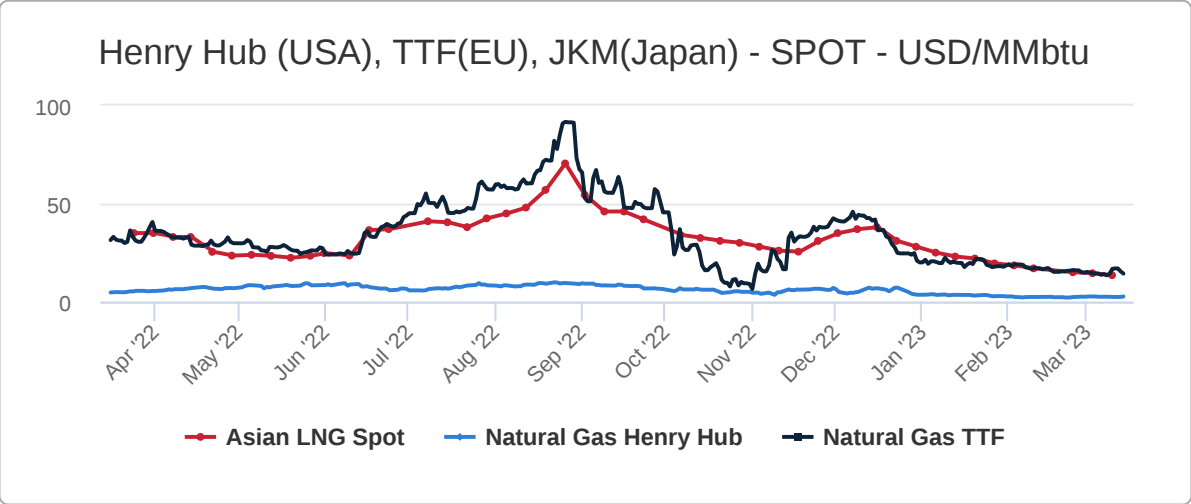


Asian spot liquefied natural gas (LNG) prices fell due to muted demand.

Natural gas (LNG) this week hit its lowest level since July 2021, but has encouraged some Chinese players to return to the market, potentially leading to increased competition with Europe.

American natural gas prices decreased due to mild weather forecasts.

Natural gas prices have fallen 34% since the start of the year, with the latest drop spurred by warm weather forecasts for the coming weeks. That's expected to further crimp the demand for winter heating due to already strong supplies.



# TTF

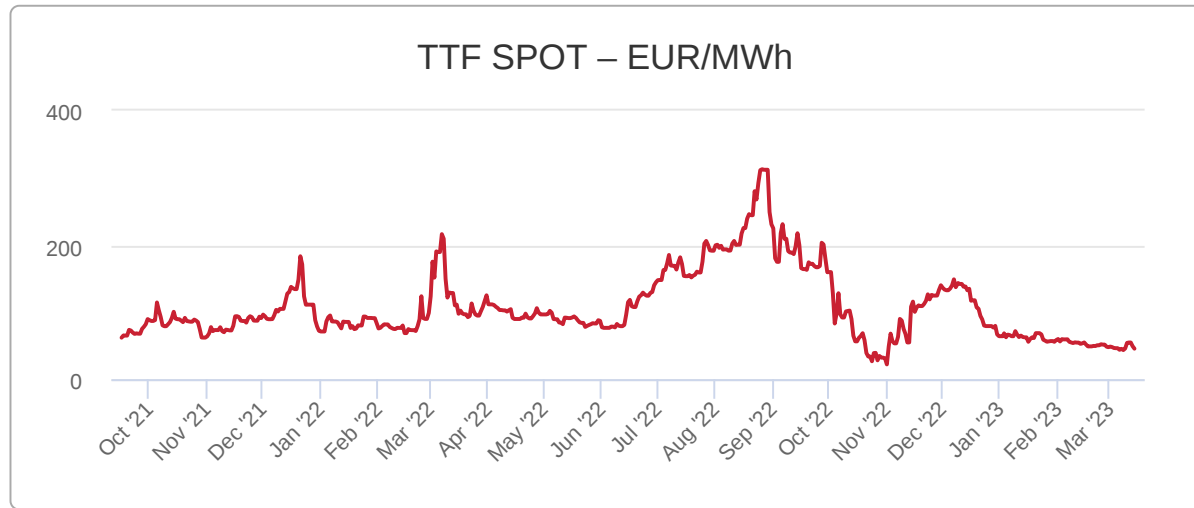
MARKET AVERAGE	PERIOD	PRICE €/MWH
Month M-12	March 22	127.4
Month M-1	February 23	53.3
Month M	March 23	47.9
Current Year	2023	56.2
Year Y-1	2022	121.1

- ✓ TTF spot price rose due to ongoing strikes in France which affected production and LNG terminals activity.

Russia was expected to export nearly 58mcm of gas to Europe today, up 2% from Sunday

Gas nominations at the Velke Kapusany crossing between Ukraine and Slovakia increased to 36.1mcm, while Turkstream nominations into southeast Europe via the Strandzha 2 point between Turkey and Bulgaria declined by 0.7mcm to 20.9mcm.

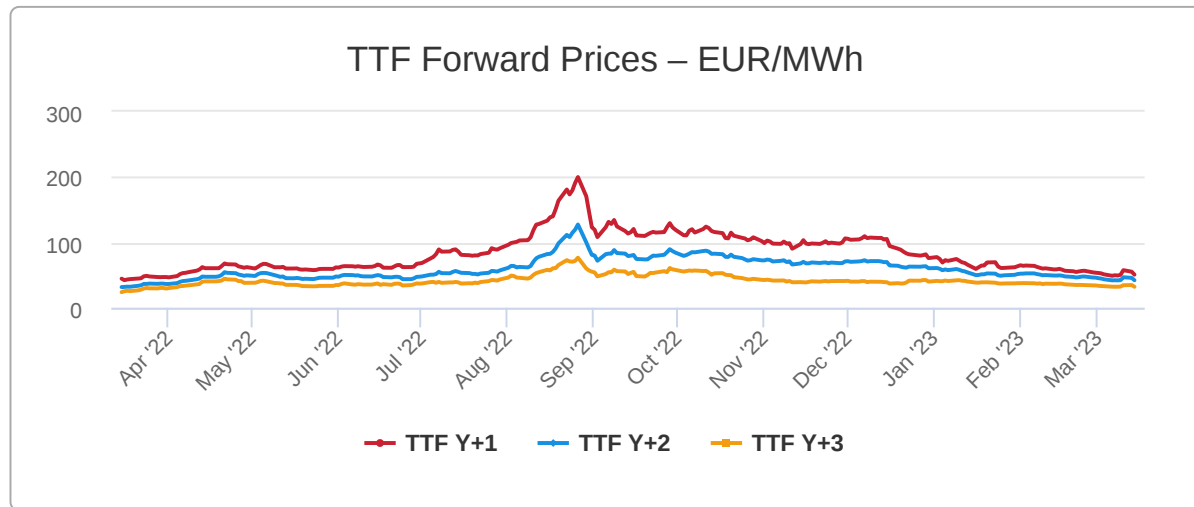
Pipeline flows from Norway to other European entry points increased to 335mcm/day from 314mcm/day on Friday, according to operator Gassco.



SPREAD €/MWH	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
TTF Y+2 vs Y+1	-24.1	-9
TTF Y+3 vs Y+1	-42.7	-19.5

- ✓ TTF gas prices fell amid healthy supplies and a milder weather outlook.

EDF's nuclear fleet and its maintenance plans in France still pose a risk of higher gas generation demand. Additionally, the strikes over the government's pension plans in France have affected power production and LNG terminals.



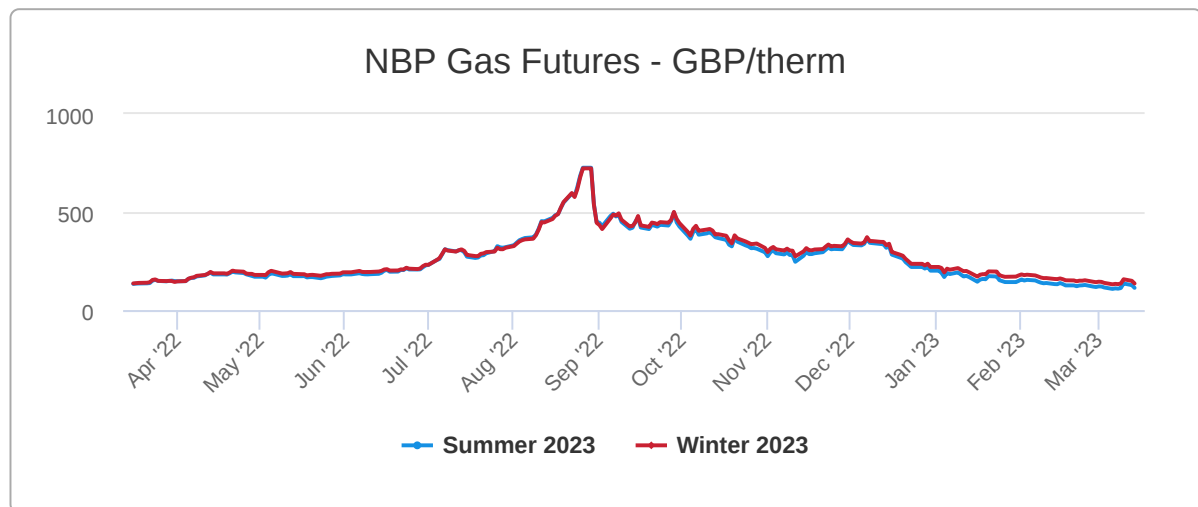
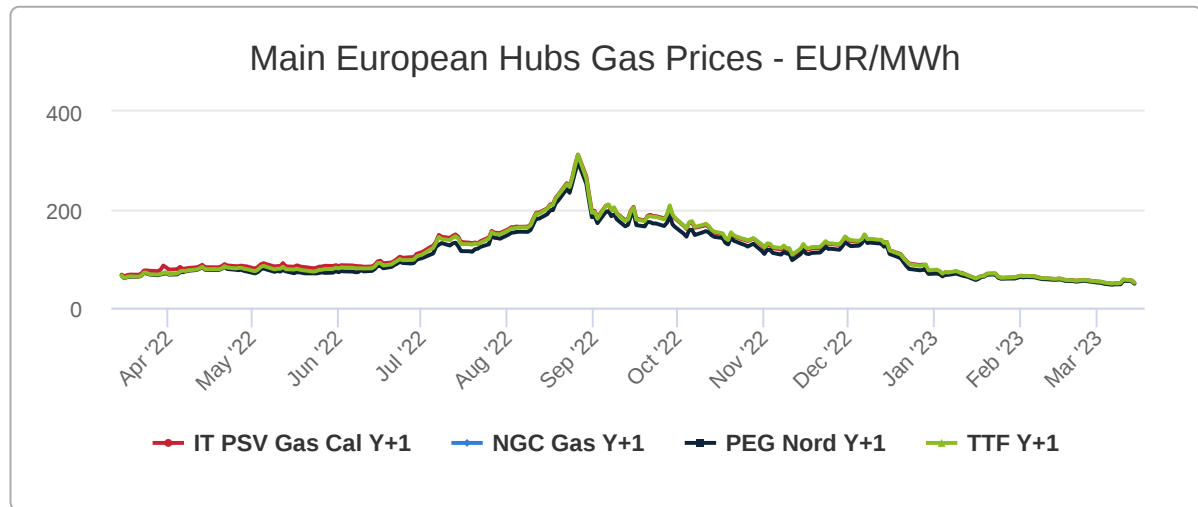
## European Gas

Spread vs TTF	12-Month moving average	Last Week average
PSV (IT)	1.9	0.3
TRF (FR)	0	-0.9
NCG (GE)	-7.3	-1.6

✓ European countries are increasing withdrawals from underground gas storage facilities to offset a halt in natural gas supply from France's four LNG terminals, which have been affected by ongoing strikes.

France has increased its withdrawals from underground storage as a share of consumption since the strikes began. According to the latest data, withdrawals accounted for 60% of total supply on 6-11 March, up from 48% earlier in the month and 46% in January-February.

Meanwhile, the British gas system was last seen at almost 11 millions of cubic metres (mcm) oversupplied.



# German Power

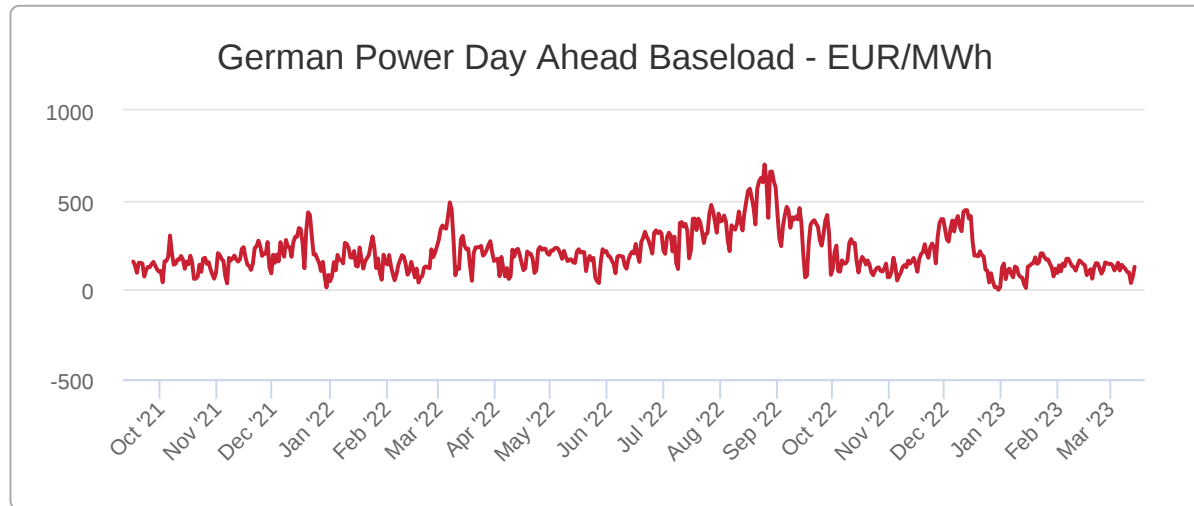
MARKET AVERAGE	PERIOD	PRICE €/MWH
Month M-12	March 22	249.3
Month M-1	February 23	130.1
Month M	March 23	112.9
Current Year	2023	122.7
Year Y-1	2022	235.3

✓ The German day-ahead power fell due to healthy wind generation.

According to data from Montel, wind output was forecast to average 20 GW next week, or 2 GW above the seasonal norm.

The power demand would average 52.4 GW, 0.4 GW below the norm, according to EQ.

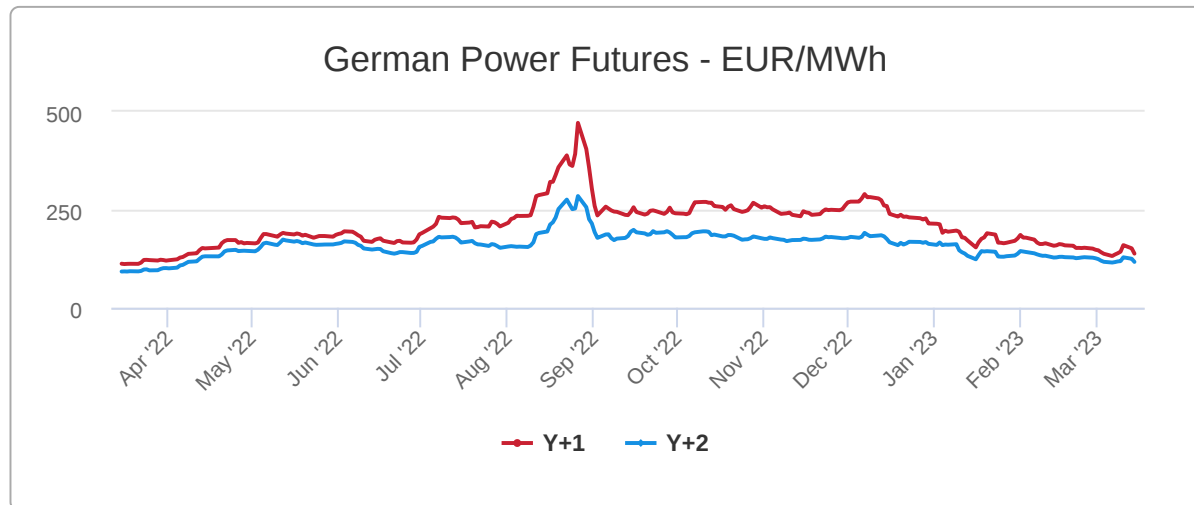
At the same time, temperatures were forecasted around 3C above the norm.



SPREAD €/MWH	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
GE BL Y+2 vs Y+1	-49.4	-23.9
GE BL Y+3 vs Y+1	-72	-38.4

✓ German power prices fell despite concerns over French nuclear supply issues, following low gas prices.

Germany's economy minister Robert Habeck announced that the government will hold auctions to encourage the construction of new gas-fired power plants, as it considers them essential to guarantee a steady supply of electricity when renewable energy sources fall short.



The capacity participating in Germany's direct marketing scheme for renewables is expected to decrease by 240 MW in March, bringing the total capacity to 82,453 MW. The scheme would see the amount of onshore wind go down 329 MW to 45,282 MW, with offshore wind volumes standing unchanged at 7,788 MW, showed data from 50 Hertz, Amprion, Tennet and TransnetBW. This scheme is required for all new renewable energy installations with a capacity greater than 100 kW.

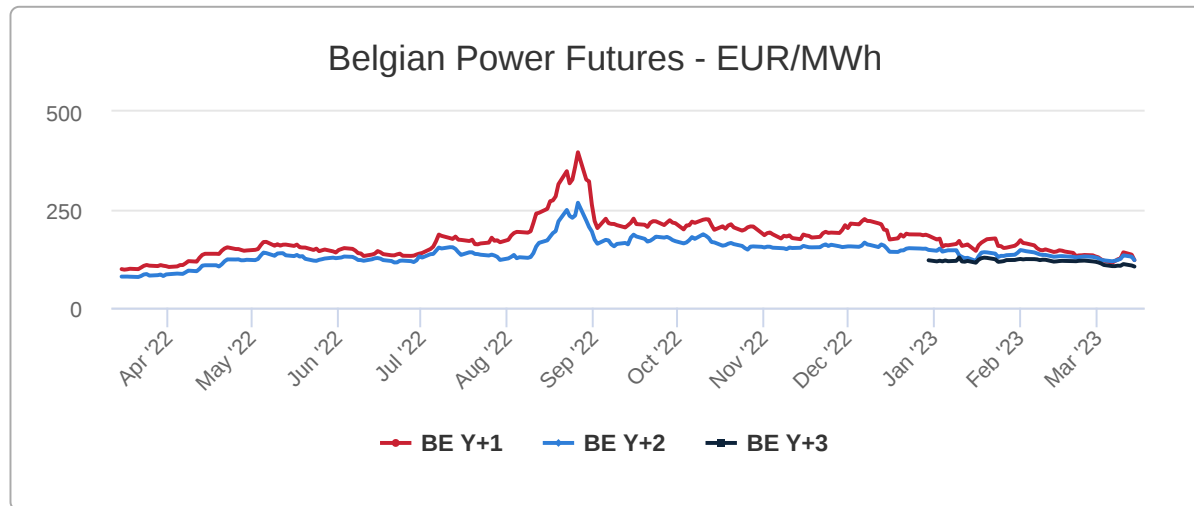
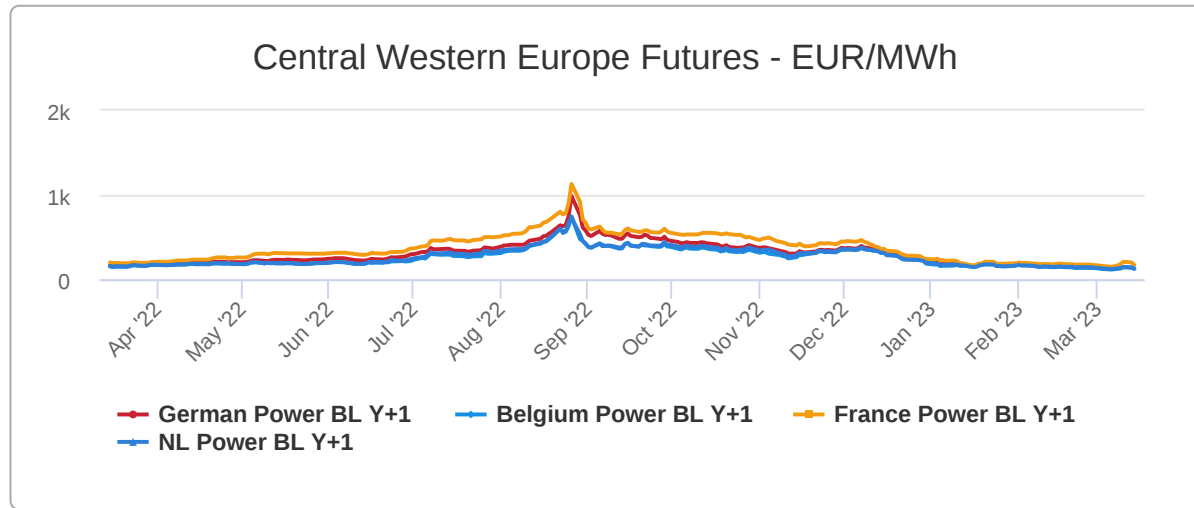
## Central Western Europe

SPREAD VS GE POWER	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
BE	-57.6	-33.1
FR	56.3	22.2
NL	-48.8	-27.1

✓ Pension reform strikes in France resulted in cutting power capacity by 12.4 GW last week, according to EDF and Engie.

Energy union the FNME-CGT has said that strikers were also continuing to block the country's four LNG terminals and several gas storage sites.

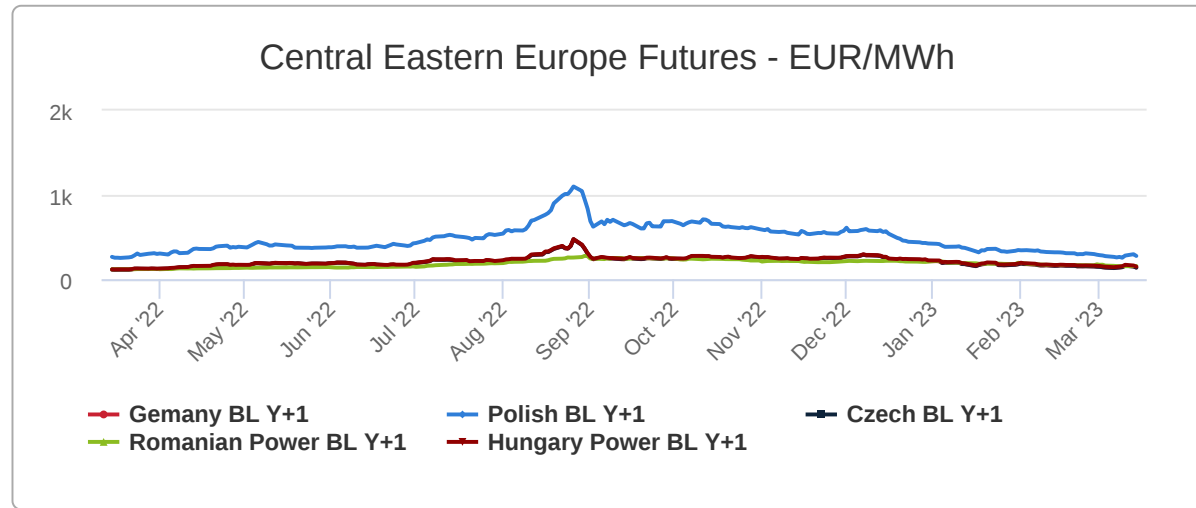
Belgian nuclear power plants produced 43% of Belgium's electricity last month. However, nuclear power remained the main source of low-carbon electricity in February. In addition to nuclear power, a record amount of electricity was generated from fossil fuels (mainly gas). This is a direct consequence of the closure of the Tihange 2 and Doel 3 reactors.



## Central Eastern Europe

SPREAD VS GE POWER	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
Polish BL Y+1	271.5	141.3
Czech BL Y+1	1.9	-0.8
Romanian Power BL Y+1	-24.1	11.1
Hungarian Power BL Y+1	6.8	11

- ✓ CWP Europe has acquired the Studina solar power project in Romania, adding 134 MW to its portfolio of renewable energy projects in Southeast Europe. Construction is expected to begin this year, with the solar power plant expected to be operational by the end of 2024.



Berlin plans to introduce a special industrial electricity tariff to boost the country's competitiveness and push back against US and Chinese subsidies. The tariff will range between €0.05 and €0.09 per kilowatt-hour.

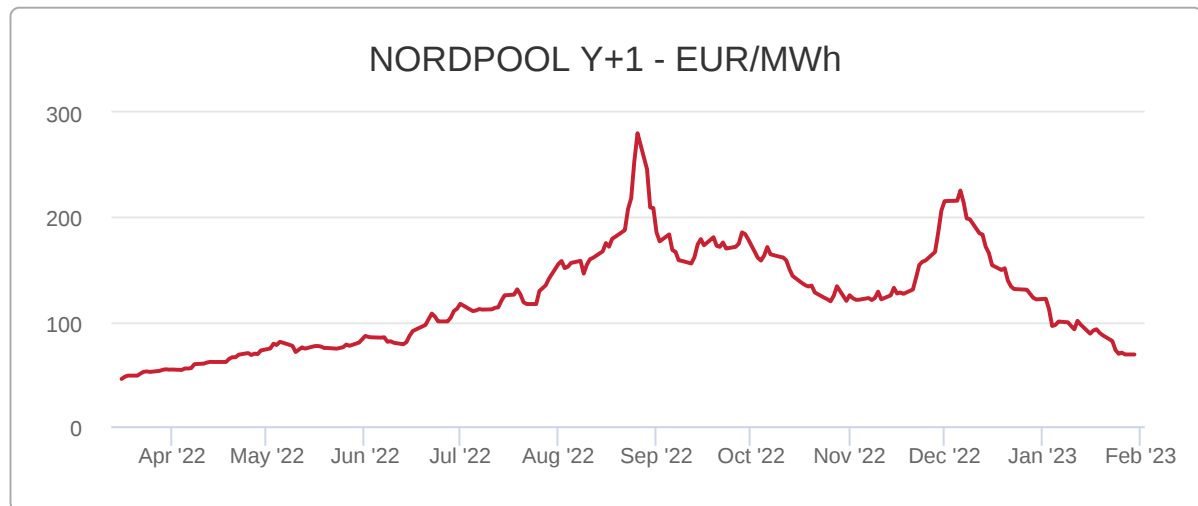
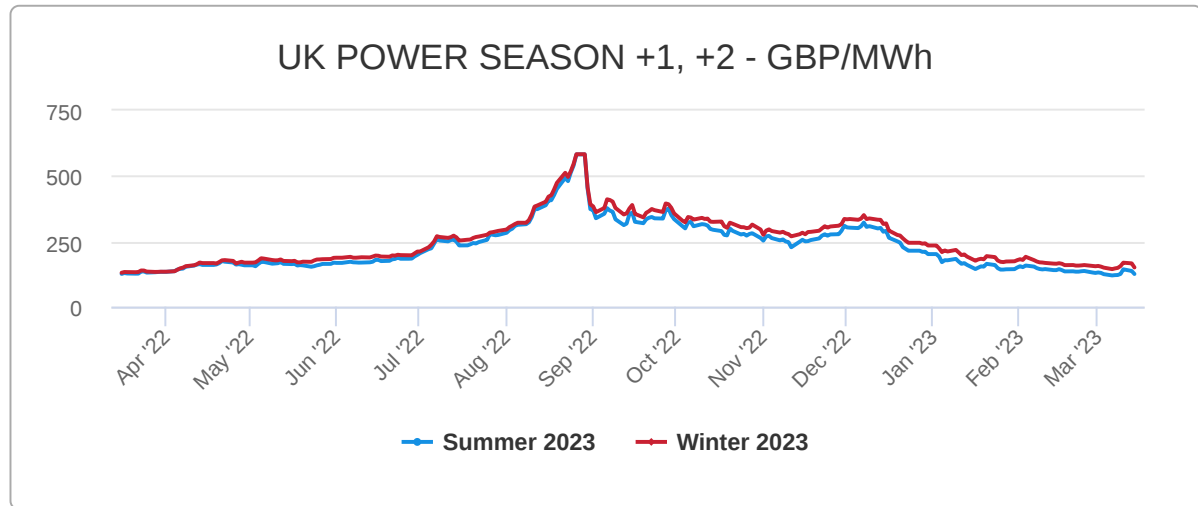
Germany will not oppose the EU's recognition of nuclear energy's contribution to the bloc's decarbonisation objective.

## UK - Nordpool

✓ The British government aims to increase wind generation significantly to achieve its goal of net zero emissions by 2050 and reduce its dependence on imported energy, especially after supply disruption caused by Russia's invasion of Ukraine. Now, the UK government wants to increase offshore wind capacity to 50 gigawatts (GW) from the current capacity of around 14 GW.

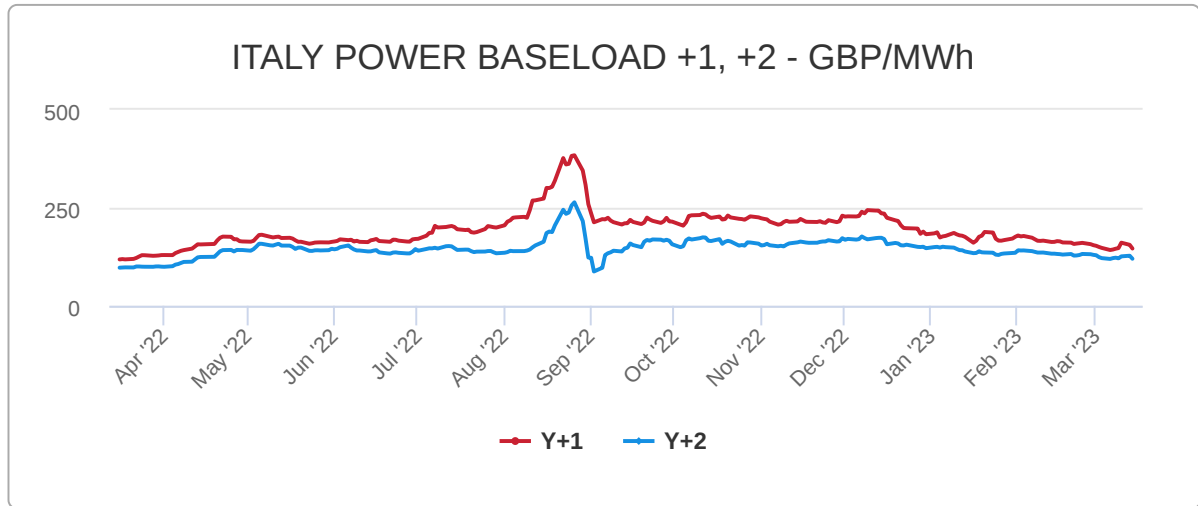
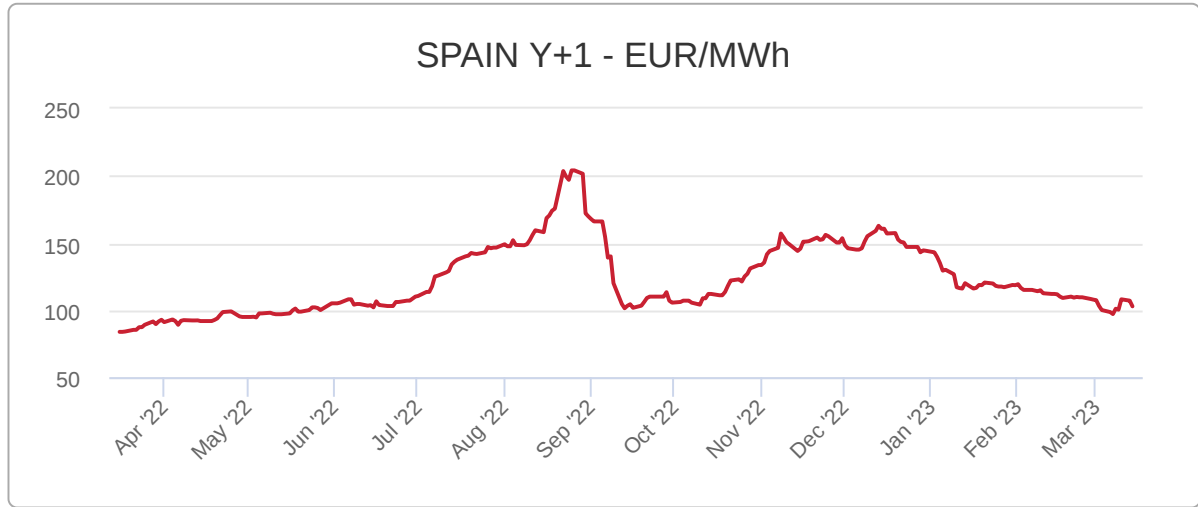
EDF announced that Heysham 1 and Hartlepool power stations, both located in northern England, would have their operational life extended for two more years until March 2026, instead of closing next year as previously planned. Heysham 1 is located in Lancashire, while Hartlepool is in Teesside. EDF operates a total of five nuclear power plants in the UK and the country generates about 15% of its electricity from nuclear power.

A new partnership between the UK and French governments has been signed for greater energy security by moving away from fossil fuels towards renewables and nuclear power. Both also commit to tackle barriers to deploying hydrogen and carbon capture, and potentially support a rise in electricity interconnection by two thirds. The statement also commits action to cut reliance on civil nuclear and goods from Russia, including working to diversify their supplies of uranium and nuclear fuel production capability.



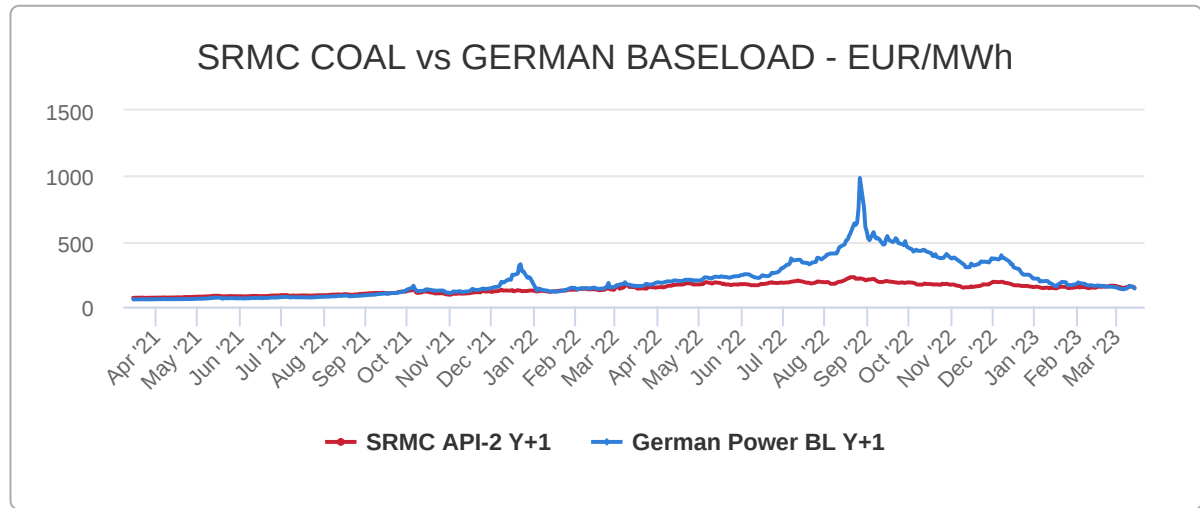


# Electricity Spain - Italy



## Short Range Marginal Cost

SPREAD SRMC	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
Coal API-2 vs German Power Baseload Y+1	-131.7	5.6
Gas THE Y+1 vs German Power Peakload Y+1	-287.3	-118.9



TECHNICAL ASSUMPTIONS	GAS	COAL
Efficiency Factor	50%	36%
Management Cost	3.8	4.4

