

Last Week at a Glance

Week 2, 2023



BRENT M+1

80.10 \$/bbl

Oil prices fell on a weekly basis due to economic uncertainty on the market and recession fears.

Outlook:

(Horizon 1 week)



GAS TTF Y+1

72.18 €/MWh

TTF year-ahead price continued to dive amid milder weather and muted demand.

Outlook:

(Horizon 1 week)



POWER GE Y+1

195.79 €/MWh

The German year-ahead power price decreased last week due to strong wind generation and warmer temperatures.

Outlook:

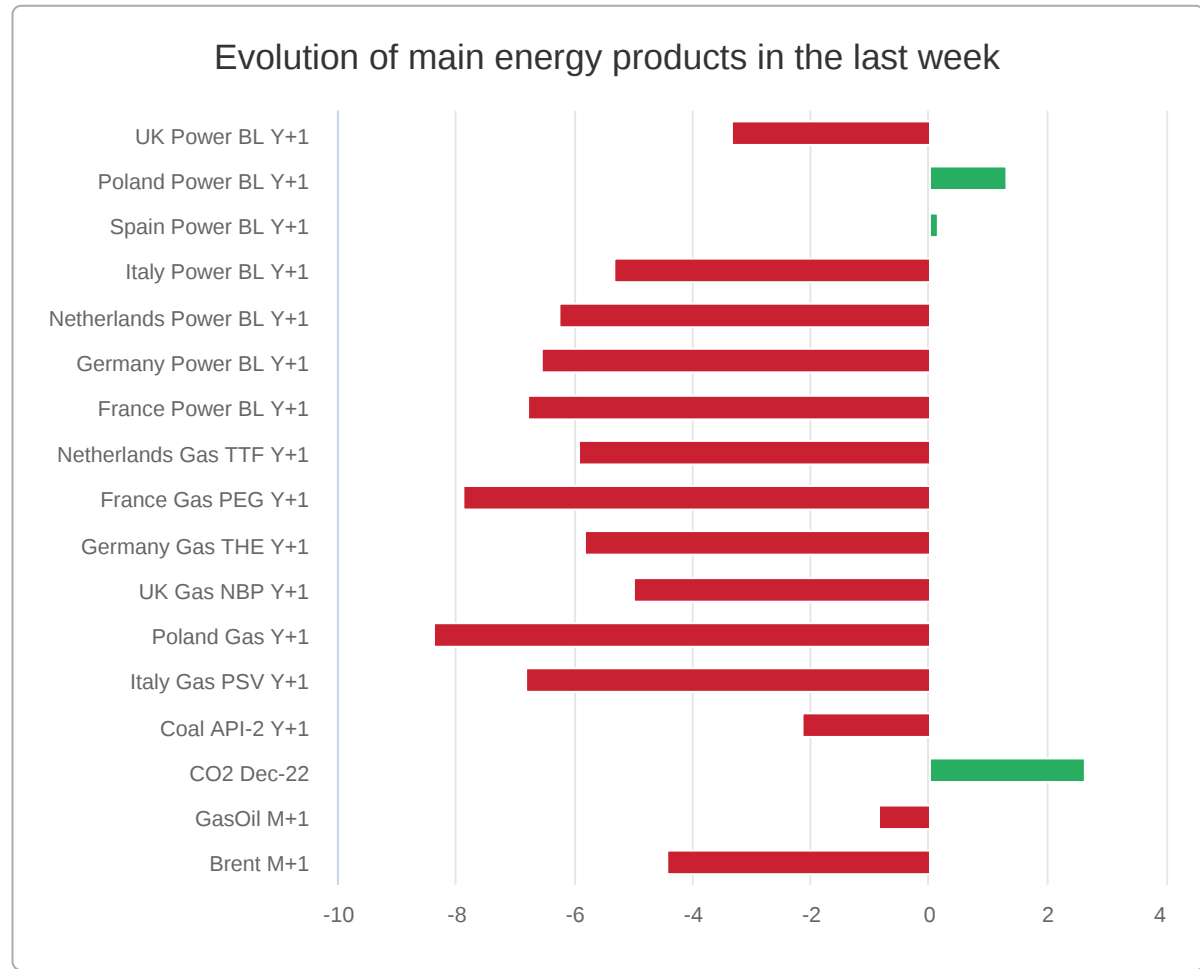
(Horizon 1 week)



Highlights

EVOLUTION OF MAIN ENERGY PRODUCTS IN THE LAST WEEK	
UK Power BL Y+1	▼ (-3.34%)
Poland Power BL Y+1	▲ (1.3%)
Spain Power BL Y+1	▲ (0.14%)
Italy Power BL Y+1	▼ (-5.32%)
Netherlands Power BL Y+1	▼ (-6.26%)
Germany Power BL Y+1	▼ (-6.54%)
France Power BL Y+1	▼ (-6.77%)
Netherlands Gas TTF Y+1	▼ (-5.92%)
France Gas PEG Y+1	▼ (-7.89%)
Germany Gas THE Y+1	▼ (-5.83%)
UK Gas NBP Y+1	▼ (-5%)
Poland Gas Y+1	▼ (-8.37%)
Italy Gas PSV Y+1	▼ (-6.81%)
Coal API-2 Y+1	▼ (-2.15%)
CO2 Dec-22	▲ (2.65%)
GasOil M+1	▼ (-0.84%)
Brent M+1	▼ (-4.43%)

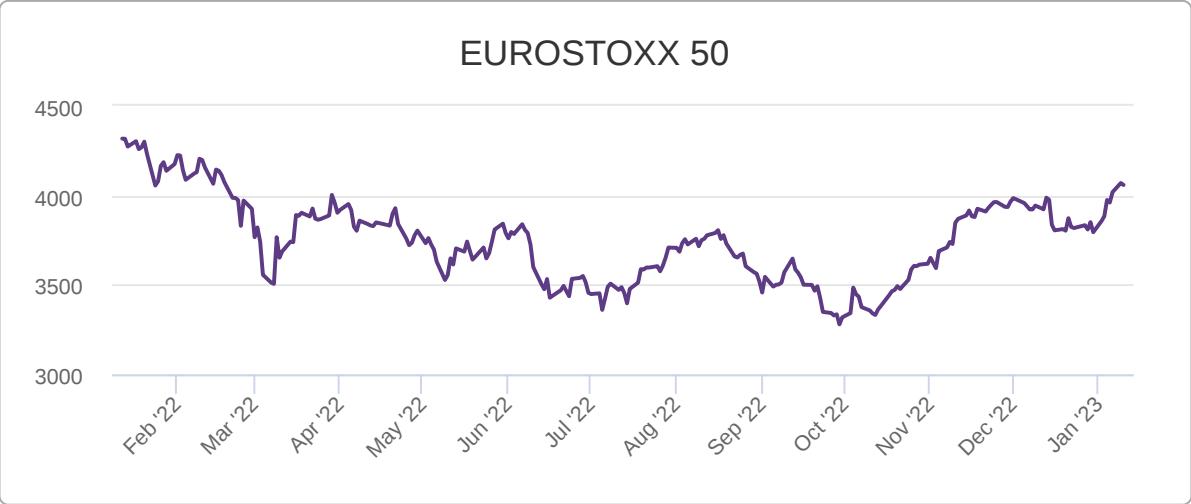
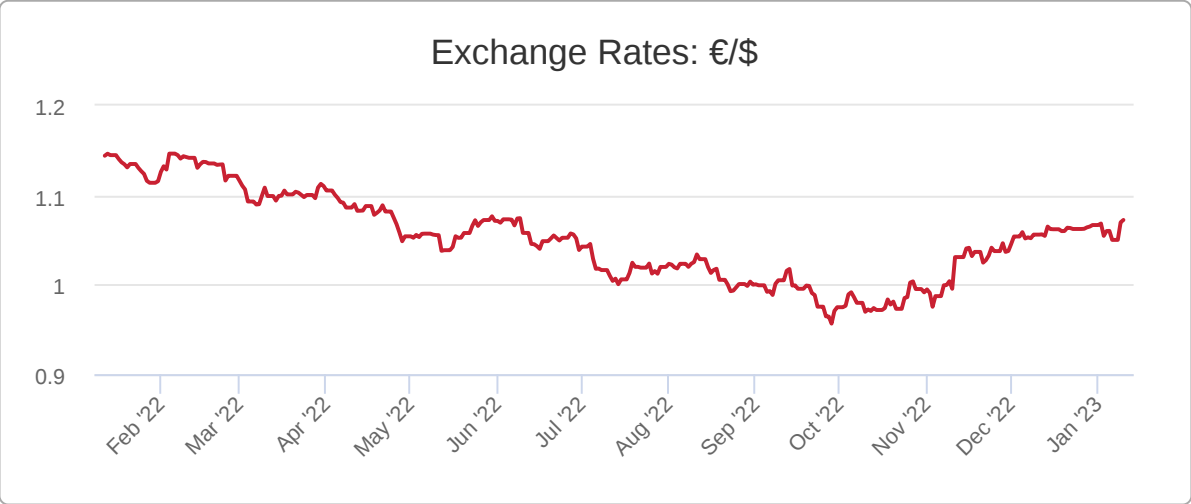
% Change Current Week vs Week-1



General Overview

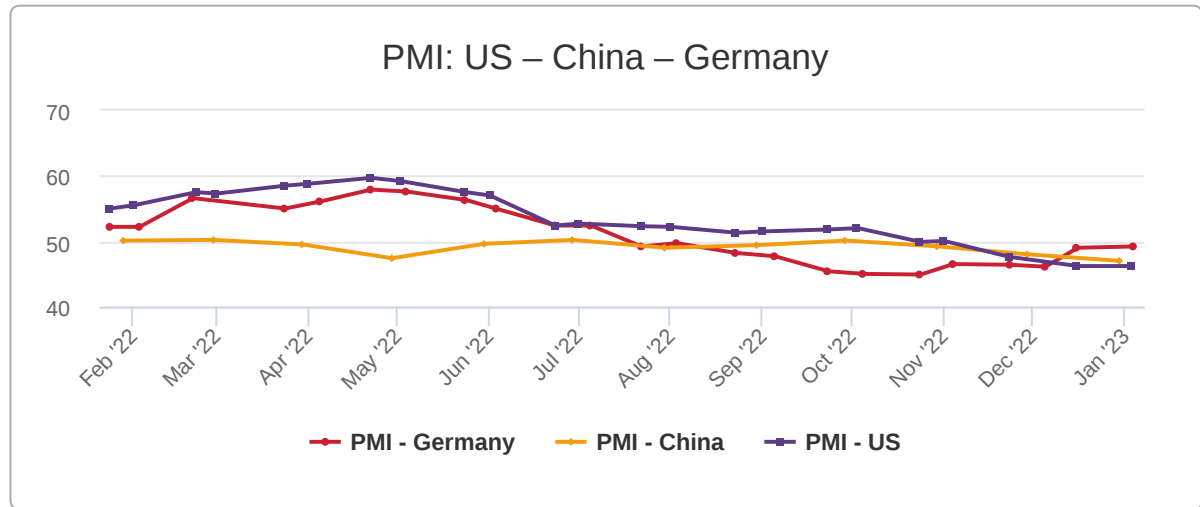
✓ The Euro gained ground on a weekly basis. The most recent unemployment data for the Eurozone gave the single currency a boost, increasing market bets on further interest rate hikes from the European Central Bank (ECB).

The US Dollar plummeted as traders reevaluated the path of U.S. rate increases in the wake of last week's jobs report.



✓ 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





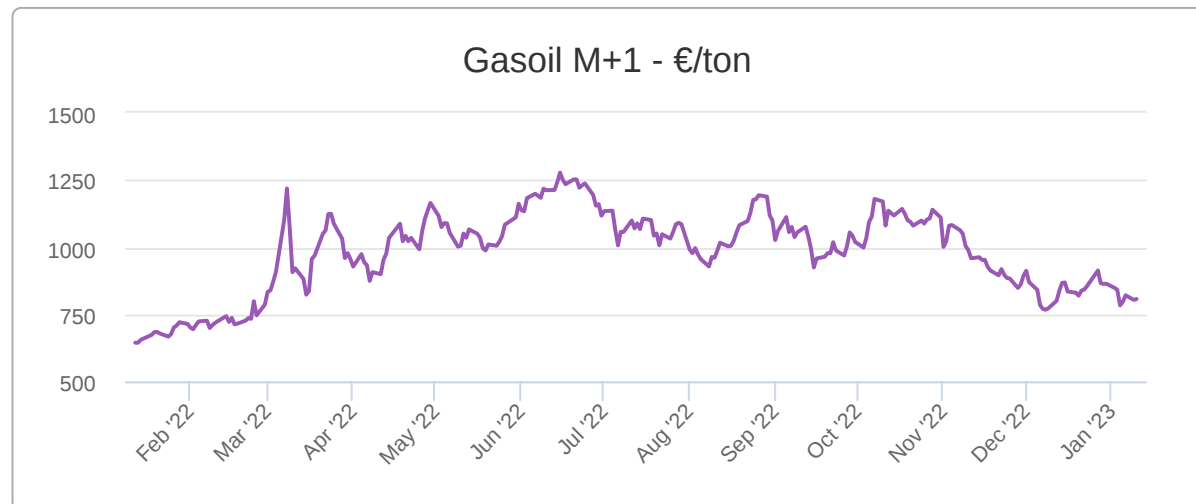
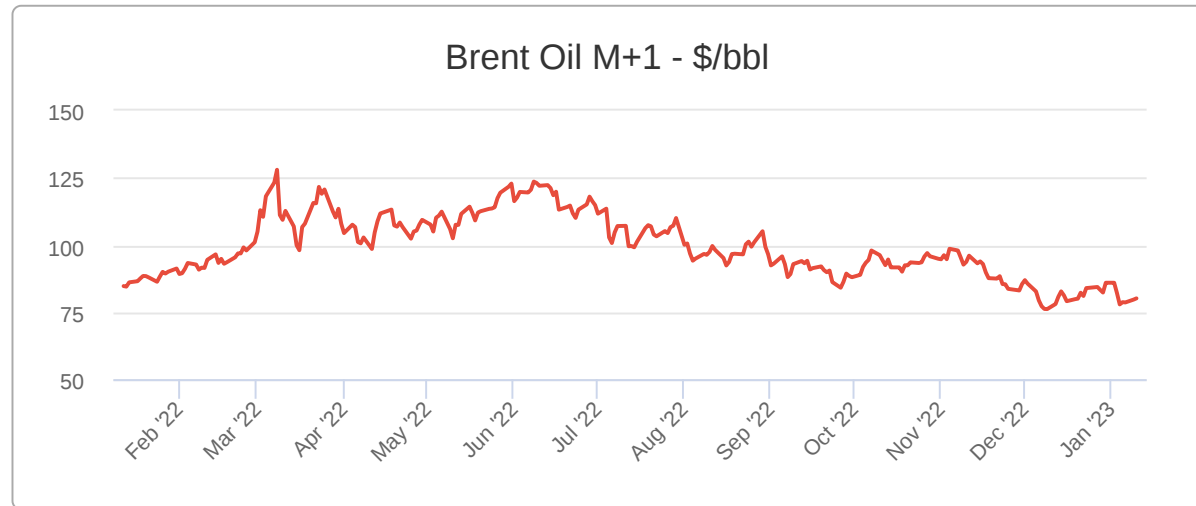
Oil

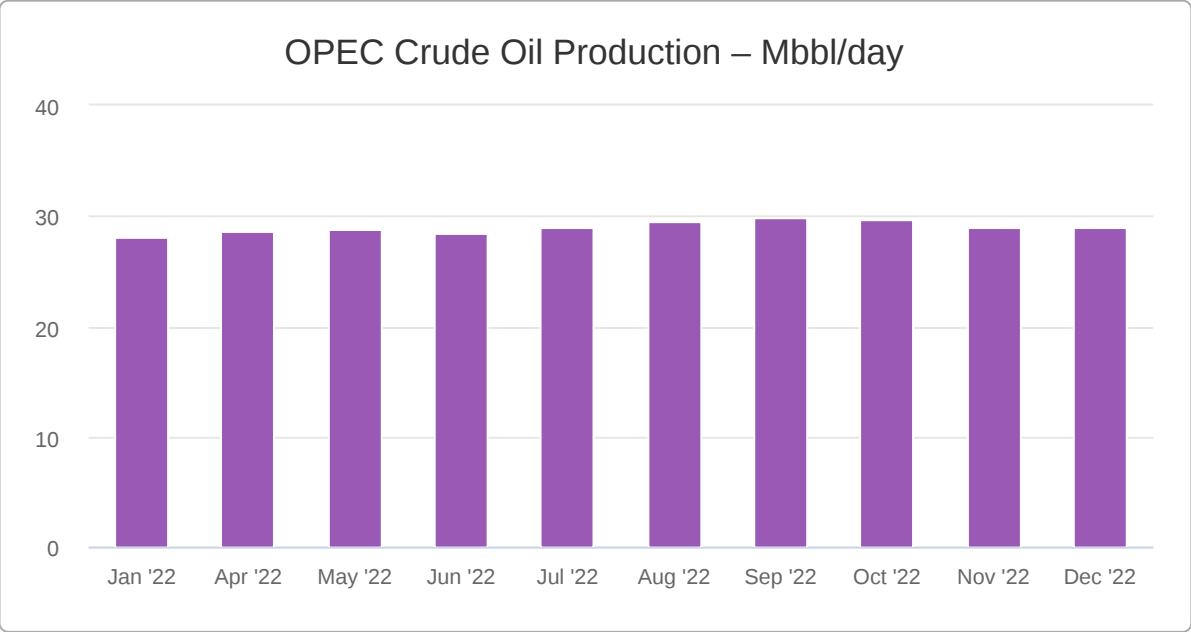
- ✓ Oil prices dropped last week amid economic uncertainty on the market and recession fears.

The first week in January was the weakest year-opening for oil prices in decades, the fall being attributed to weak demand driven by sluggish economic performance across Europe, Asia and the U.S., as well as a rising number of reported cases of COVID-19 from China.

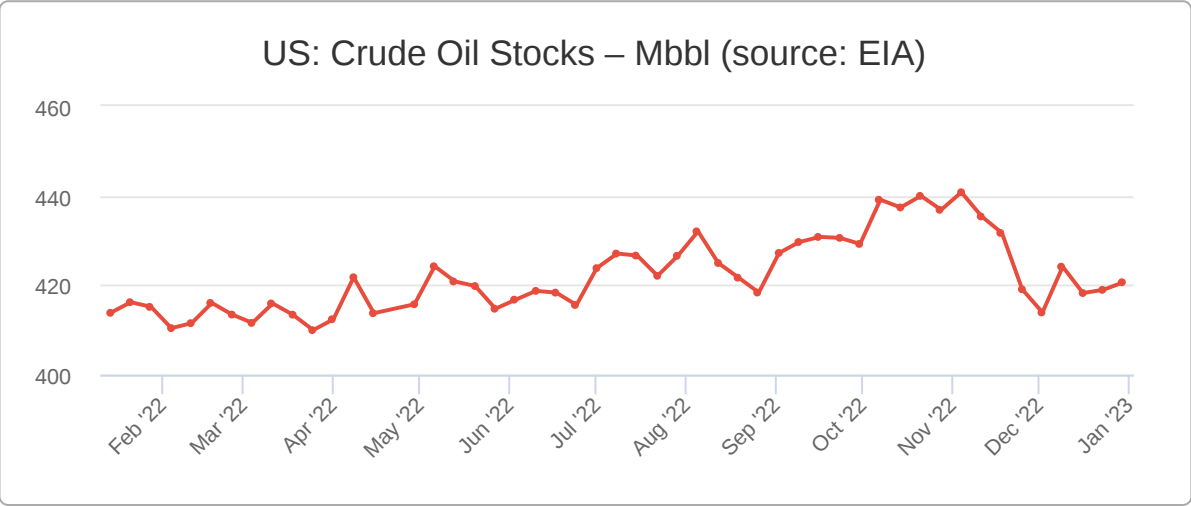
However, the recent China's move to reopen borders, lifted the fuel demand outlook and partly offset concerns of the global recession.

The market is also looking ahead for upcoming inflation data later this week, which could affect prices.





✓ The number of oil rigs in the United States decreased by 3 to 618 in the week ending January 6 compared to the previous week, according to the Baker Hughes weekly rig count released on Friday.



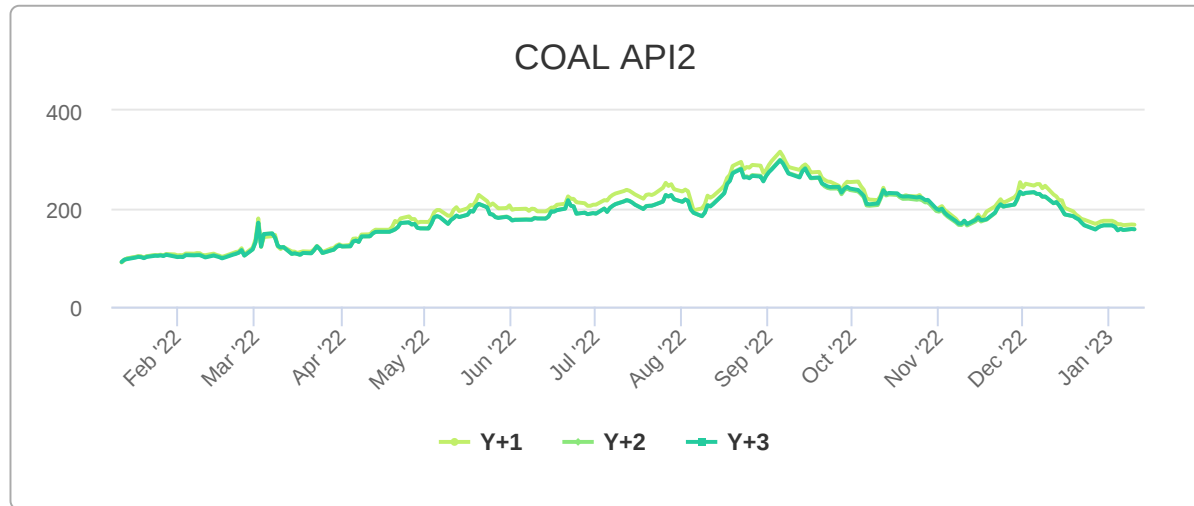
Coal & CO2

- ✓ European coal prices tumbled from record highs amid low demand and high stocks. Mild and windy weather as well weaker gas prices also weighed on prices.

Coal stocks at four key Amsterdam, Rotterdam and Antwerp (ARA) dry bulk import terminals last week reached three-month highs of 6.4m tonnes, according to Montel.

China's ban on Australian coal could be lifted, but any gains would likely be small as miners have redirected supplies elsewhere. The ban was implemented in mid-2020 amid deteriorating bilateral relations that have since begun to improve.

India's Power Ministry has requested utilities to import 6% of their coal necessities until September, warning that domestic supplies could be reduced if the import targets are not met

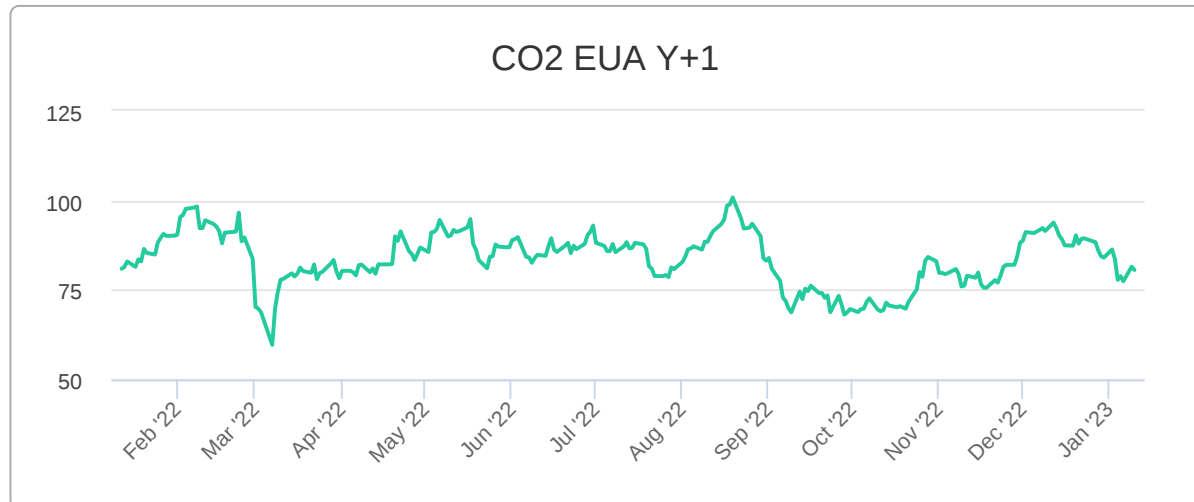


- ✓ European carbon prices plunged in the first week of January due to a warmer winter. The temperatures above seasonal norm contribute to a decline in energy demand and, consequently, to a reduction in emission allowances.

European temperatures are expected to remain 4-9C above normal next week, according to the forecast – with the weather outlook set to remain mild until February.

The EEX exchange will auction 9.2m allowances next week.

The EEX auctioned roughly 482m allowances last year.



Natural Gas

Natural Gas Storage Total EU 28

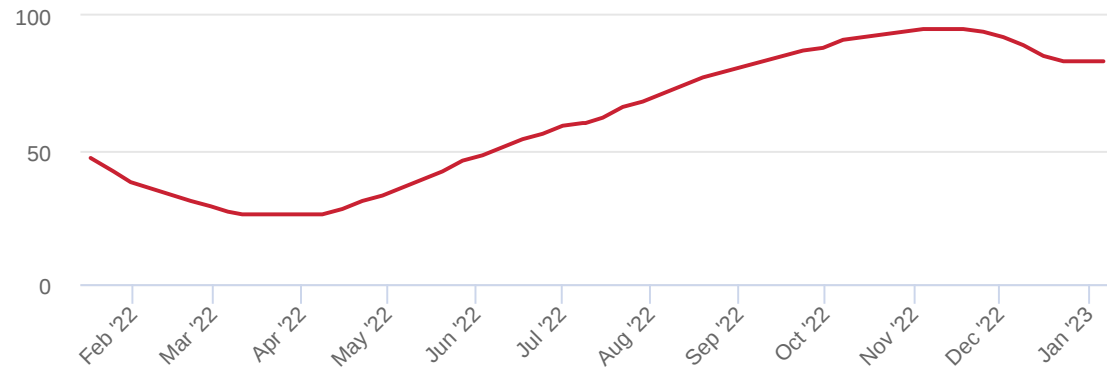
Date: 06.01.2023










Outlook:



Gas Storage Inventory in % (EU)



Natural Gas Storage

 United Kingdom	98%
 Germany	91%
 France	83%
 Spain	94%
 Portugal	98%
 Italy	82%
 Netherlands	77%



LNG Storage

LNG Storage Total EU 28

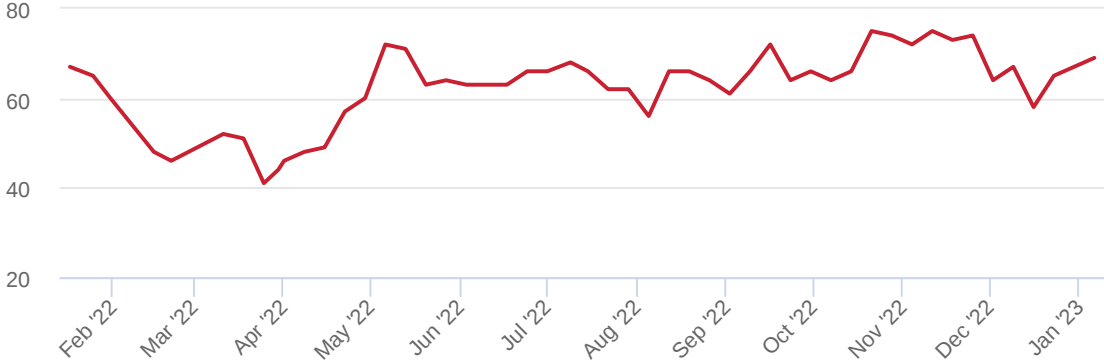
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Outlook:



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



LNG Storage

 United Kingdom	49%
 France	78%
 Spain	71%
 Portugal	76%
 Italy	40%
 Netherlands	66%



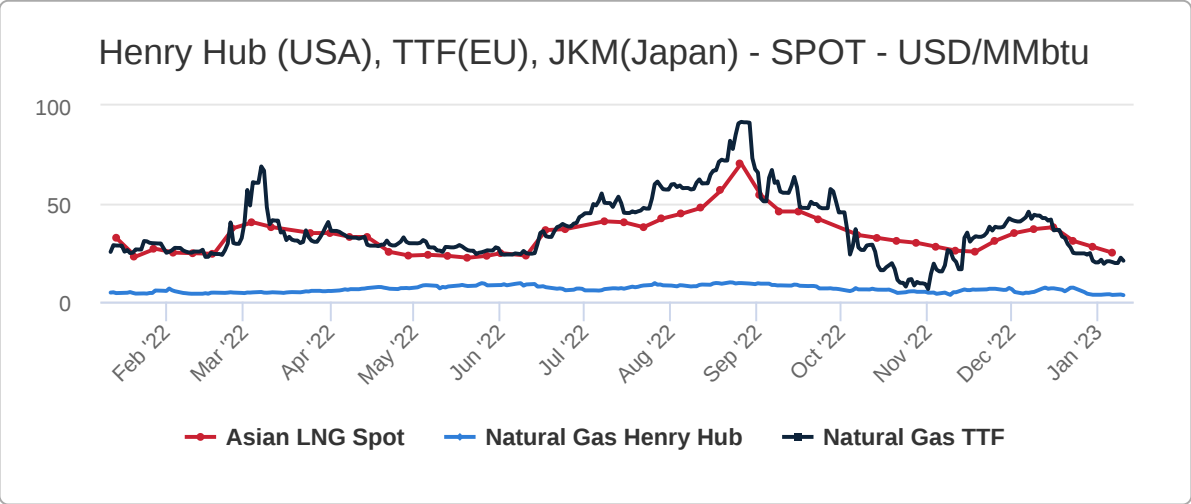
Henry Hub - TTF - JKM

✓ Asian spot liquefied natural gas (LNG) prices decreased for a second consecutive week amid healthy storage due to a mild winter.

China opened its borders over the weekend for the first time in three years, as part of a "new phase" in the fight against COVID-19.

China issued a second set of 2023 crude import quotas, according to Reuters, increasing the total for this year by 20% from the same time last year.

Despite Monday's oil rebound, there are still worries that the massive flow of Chinese travellers could cause another surge in COVID infections. Broader economic concerns still persist.



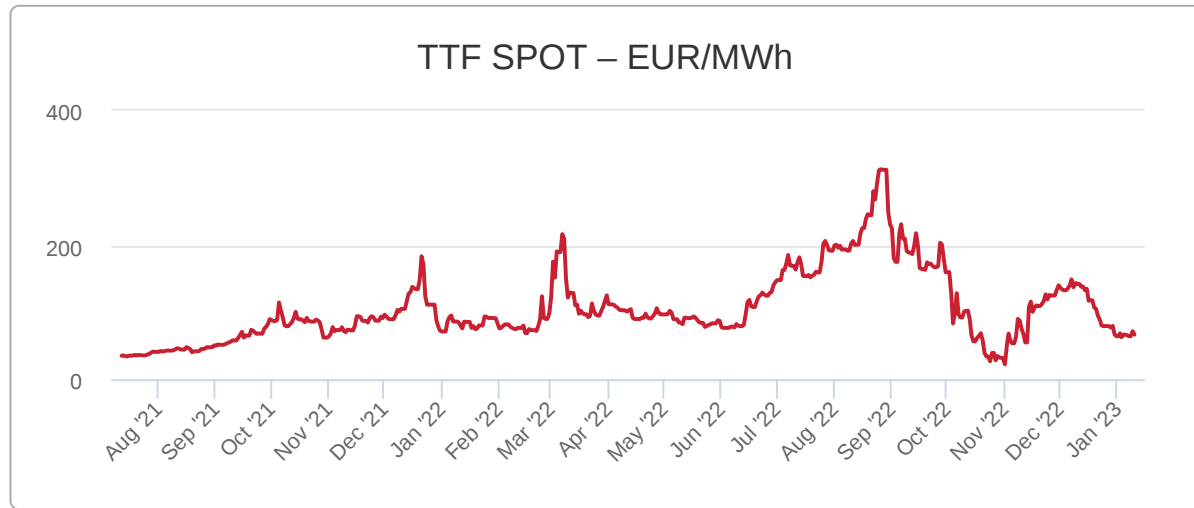
TTF

MARKET AVERAGE	PERIOD	PRICE €/MWh
Month M-12	January 22	83.8
Month M-1	December 22	112.7
Month M	January 23	65.9
Current Year	2023	65.9
Year Y-1	2022	121.1

- ✓ TTF spot price dived amid expectations of increasing wind power output.

Wind power output is likely to account for more than 40% of Germany's power consumption next week, with an average generation of 25 GW, nearly 4 GW above normal, according to data from Montel.

Temperatures are expected to drop early next week in Germany, down from 4.7C currently to 1.8C, close to the seasonal average.

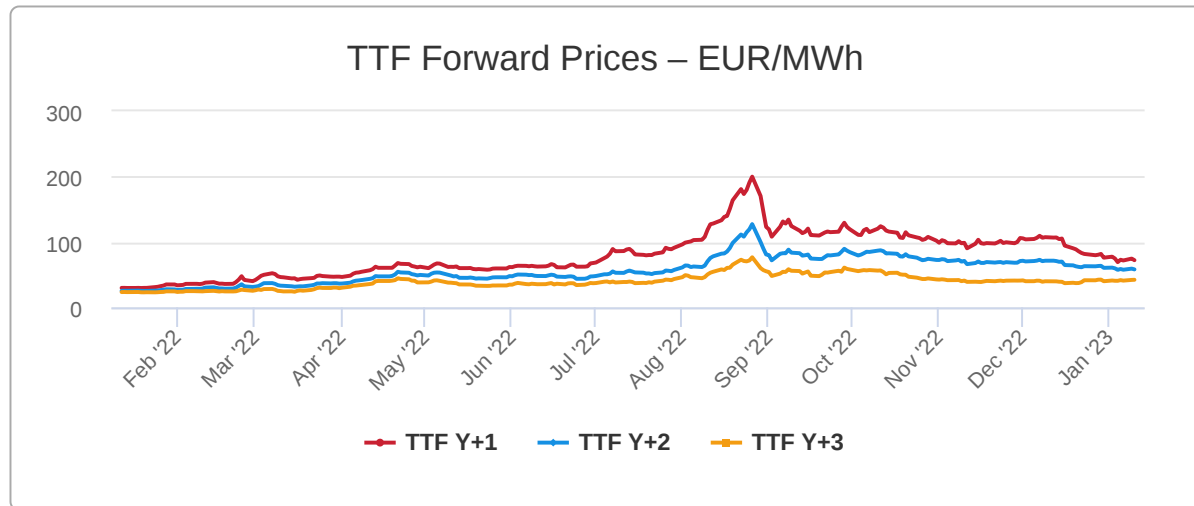


SPREAD €/MWh	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
TTF Y+2 vs Y+1	-23.8	-14.7
TTF Y+3 vs Y+1	-41	-31.3

- ✓ TTF gas prices lost ground due to a decrease in demand and temperatures above seasonal norm.

LNG cargoes - 19 vessels are scheduled to arrive in Britain over the next two weeks, according to data from Auxilione.

Russian deliveries via Ukraine have seen a decline over the last week. Flows fell by about 1 Bcf/d from 1.3 Bcf/d.



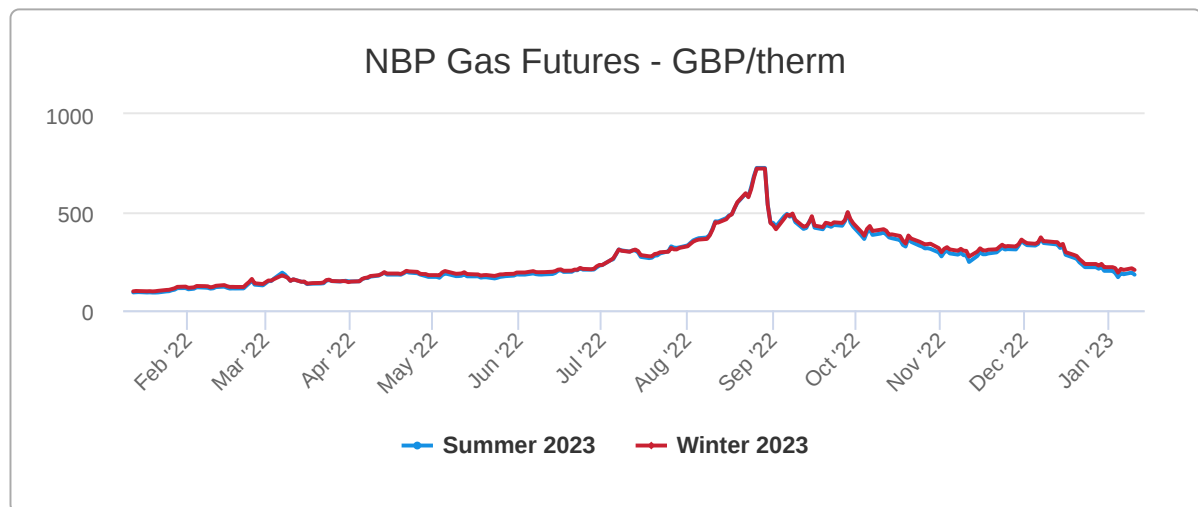
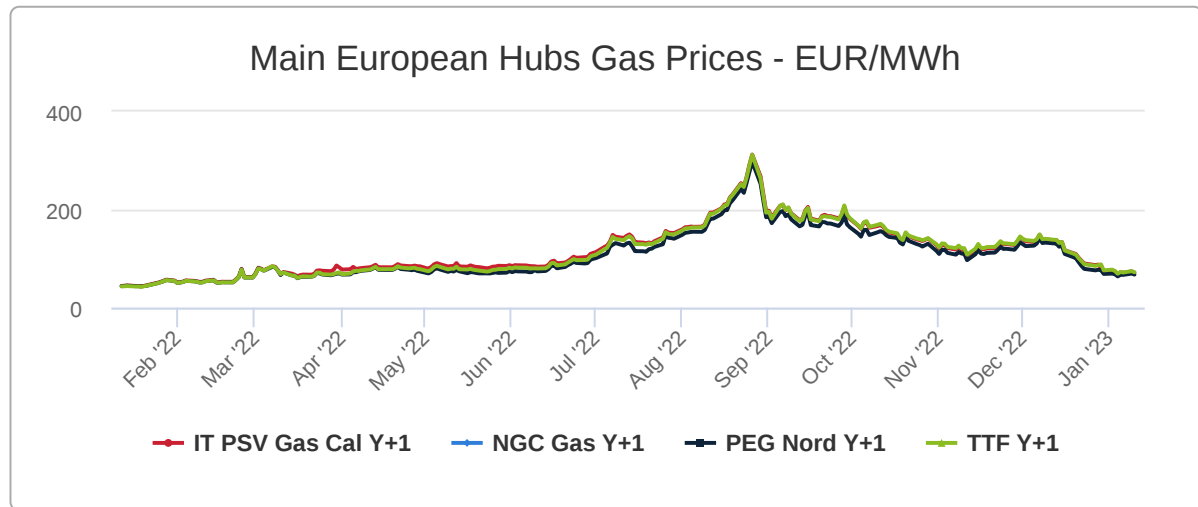
European Gas

Spread vs TTF	12-Month moving average	Last Week average
PSV (IT)	2	-0.7
TRF (FR)	0	-21.4
NCG (GE)	-6.9	-4.9

- ✓ European gas storage sites were last seen at 83% of capacity, almost unchanged since the start of the year, with Germany's above 90%.

The weather across Europe should remain "mild" over the upcoming four weeks, with temperatures above seasonal norm and weaker gas demand for heating.

The UK joins Estonia, Latvia and Lithuania to officially ban Russian liquefied natural gas imports.



German Power

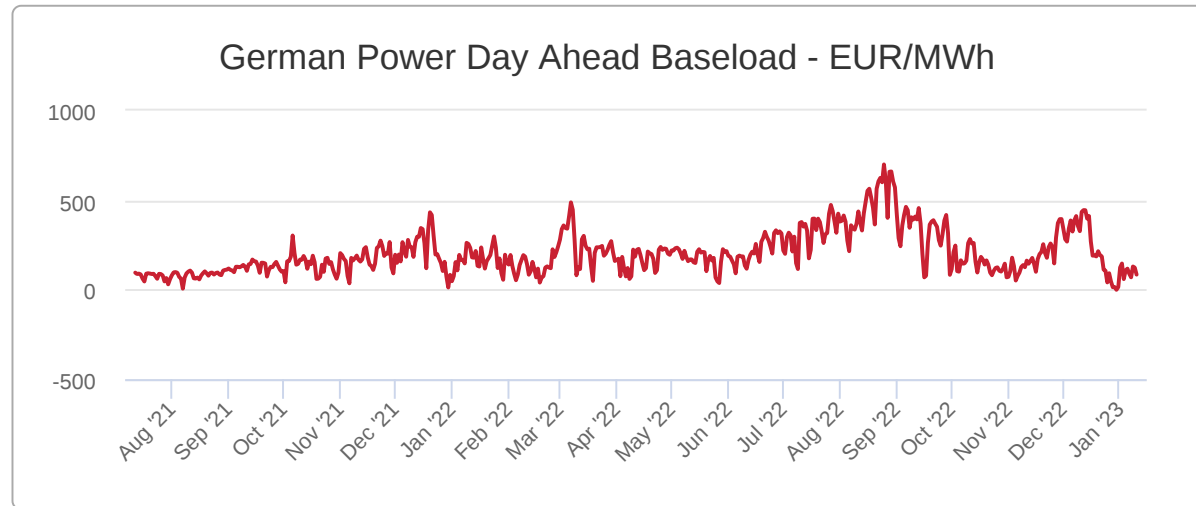
MARKET AVERAGE	PERIOD	PRICE €/MWH
Month M-12	January 22	169.9
Month M-1	December 22	239.4
Month M	January 23	104.8
Current Year	2023	104.8
Year Y-1	2022	235.3

- ✓ The German day-ahead power price fell amid expectations of rising wind generation, warmer weather and lower gas prices.

Wind power generation should rise to 27.8 GW, according to forecasts by Montel.

Average solar output was expected to rise 0.3 GW to 1.4 GW, with peak generation increasing from 5.3 GW to 6.6 GW.

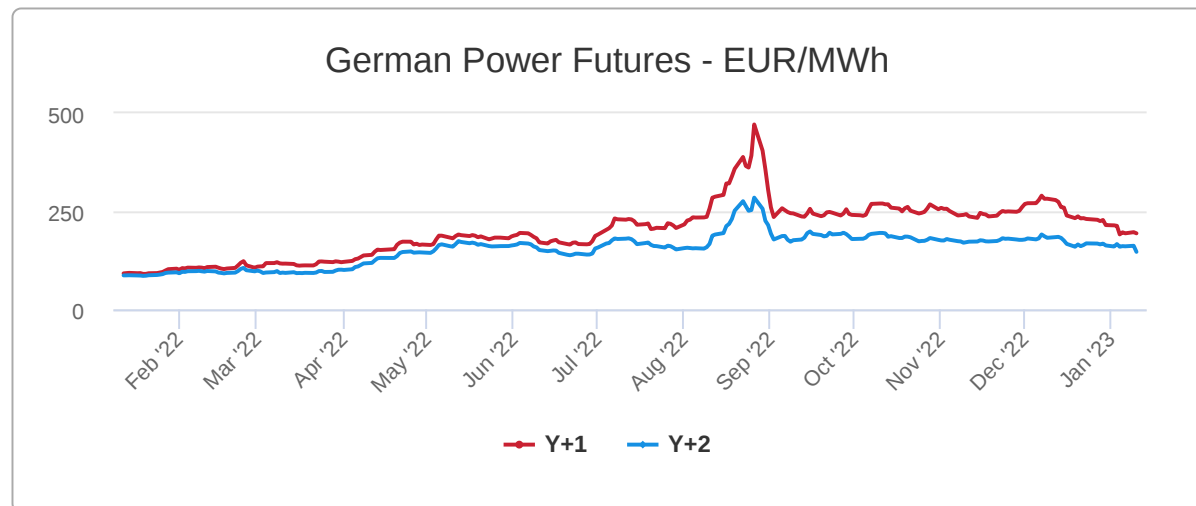
Average power demand should surge by 1.6 GW, still 0.9 GW below normal. Peak demand was set to rise by 0.7 GW to 74.6 GW.



SPREAD €/MWH	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
GE BL Y+2 vs Y+1	-46.2	-41
GE BL Y+3 vs Y+1	-67	-63

- ✓ German power futures prices decreased weighed by ample supply, decreasing gas prices and unusually lower demand for the season.

Britain's Octopus Germany, is targeting one million German customers by the end of 2025 after strong increases in wholesale prices which caused a two-month stop in customer acquisitions last year.



According to the chief executive of RWE, Germany's top power producer, warned that electricity prices in the country would remain at least twice as high as they were before the energy crisis despite government countermeasures.

This month, the lower house of Germany's parliament approved legislation that will regulate electricity rates for homes and businesses starting in January. The law is estimated to be worth 100 billion euros (\$107 billion).

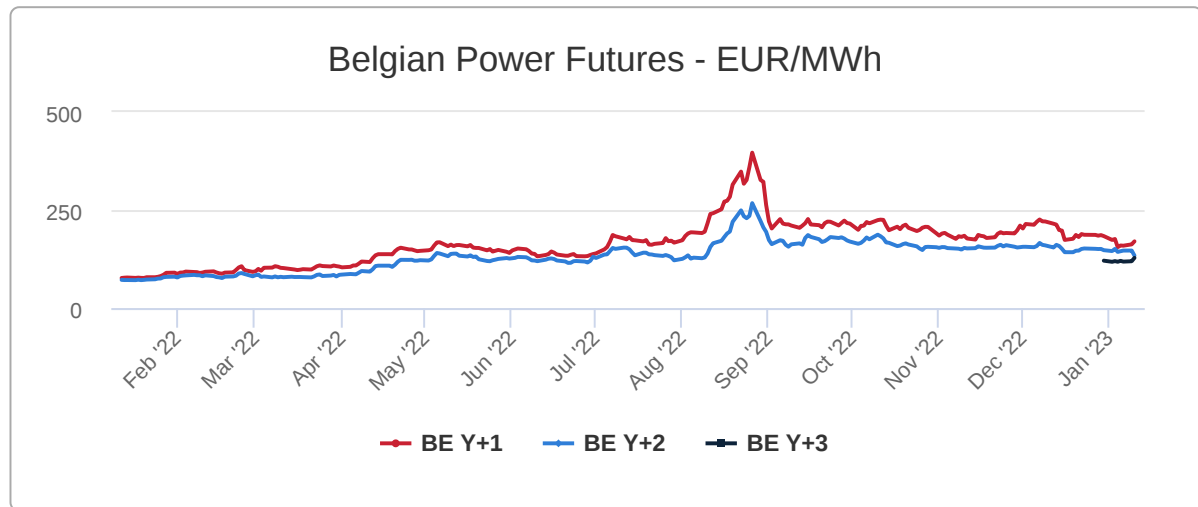
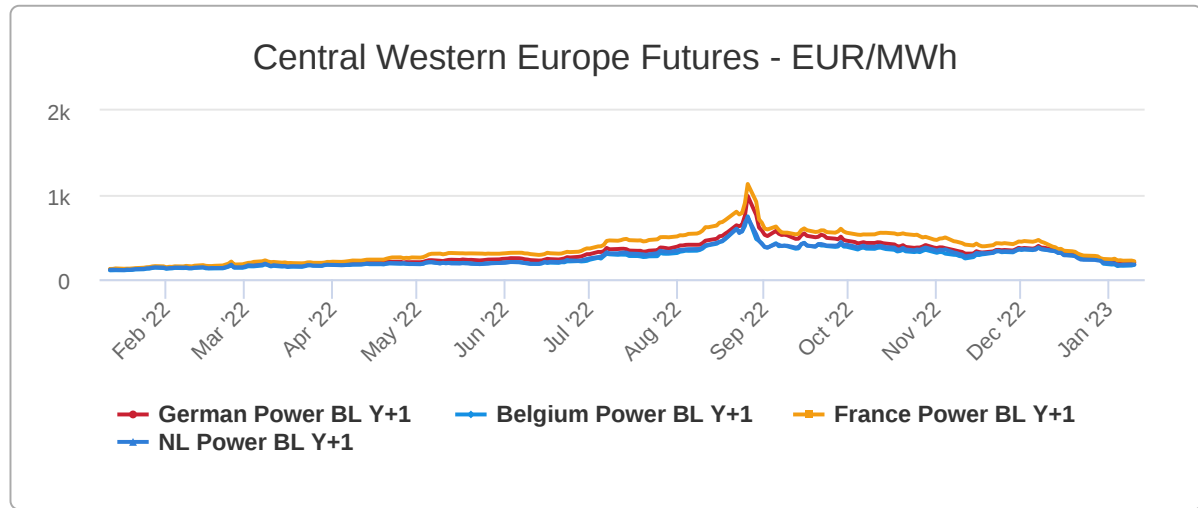
Central Western Europe

SPREAD VS GE POWER	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
BE	-45.6	-30.9
FR	67.8	19.9
NL	-36.3	-22.7

✓ French electricity usage from public illumination plummeted by a historic 20% between midnight and 4:00am compared to previous year in France.

France's electrical grid operator has lowered its forecast of power cuts through the rest of the winter, mainly due to a reduced demand from consumers and higher than expected nuclear and hydropower availability.

According to the prime minister of Belgium, the country has reached an agreement with French utility Engie to extend the life of two nuclear reactors by 10 years, delaying the plan to exit nuclear power by 2025 as the Ukraine situation has changed energy strategy.



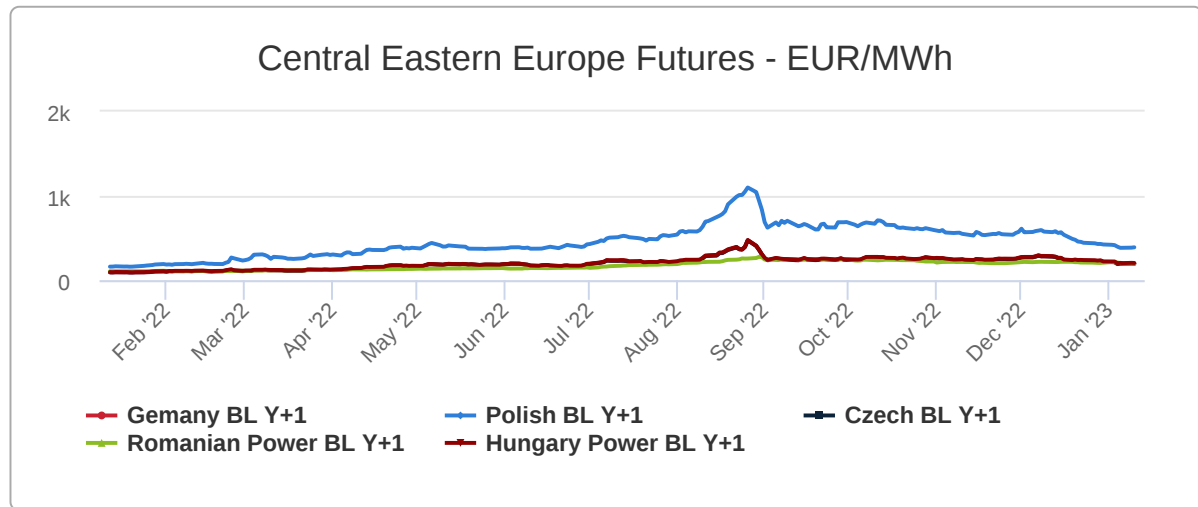
Central Eastern Europe

SPREAD VS GE POWER	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
Polish BL Y+1	262.7	192.9
Czech BL Y+1	2.1	2
Romanian Power BL Y+1	-25.5	1.4
Hungarian Power BL Y+1	5.9	9.8

- ✓ Portuguese renewable energy provider EDP Renovaveis, will take legal action against newly created taxes on energy in Poland and Romania. EDP Renovaveis claimed in a statement that it believes the measures in both countries do not follow the European Union principle.

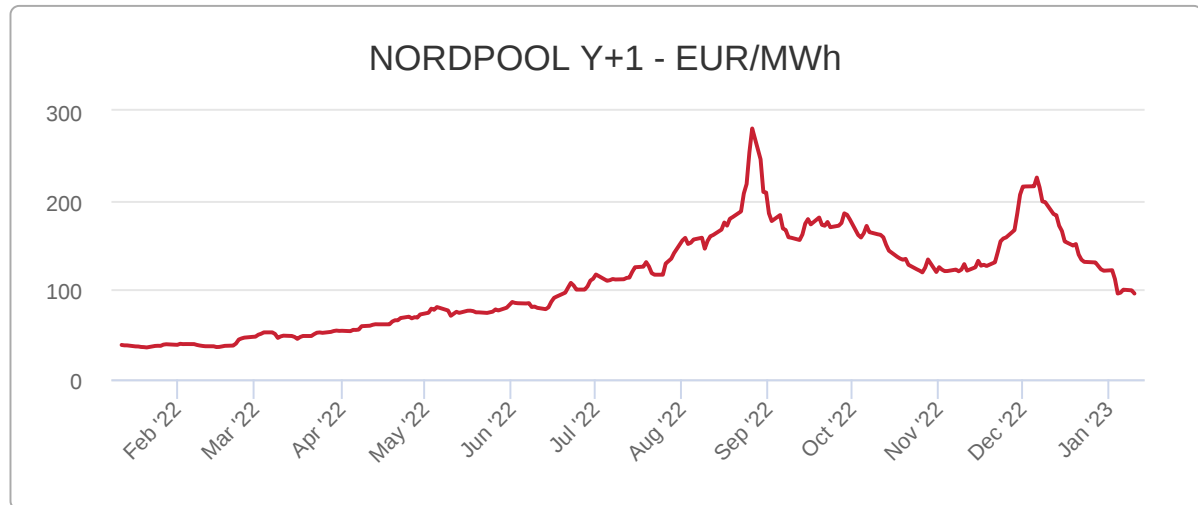
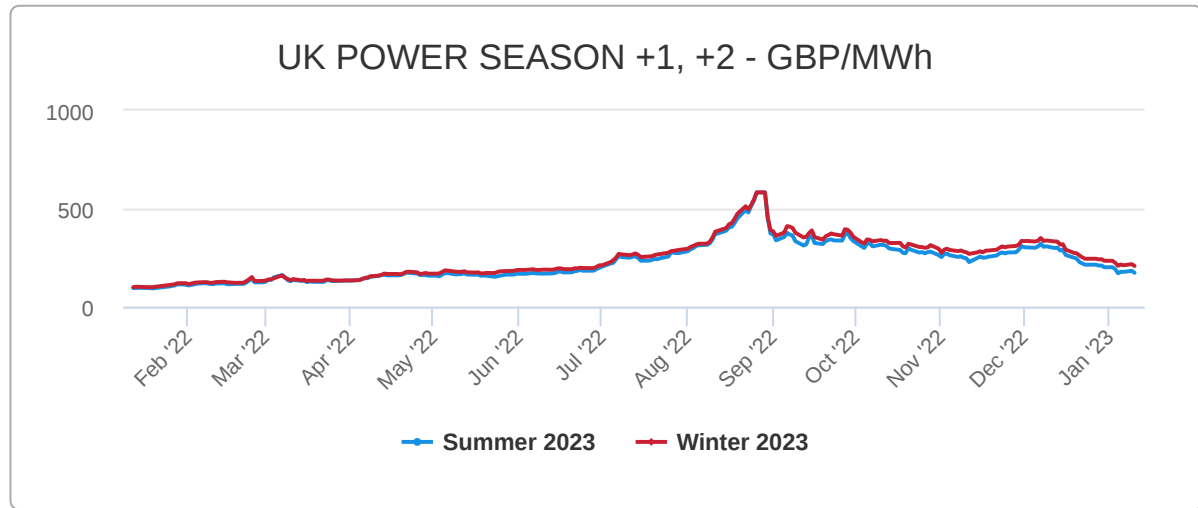
It said the new taxes classify as "unreasonable payments" and potential costs of about 300 million euros (\$320 million). EDP operates renewable power plants with a capacity of 697 megawatts (MW) in Poland and 521 megawatts (MW) in Romania.

The leaders of Azerbaijan, Romania and Hungary inked an agreement on laying an underwater electric cable under the Black Sea to provide Azerbaijani energy to Europe.



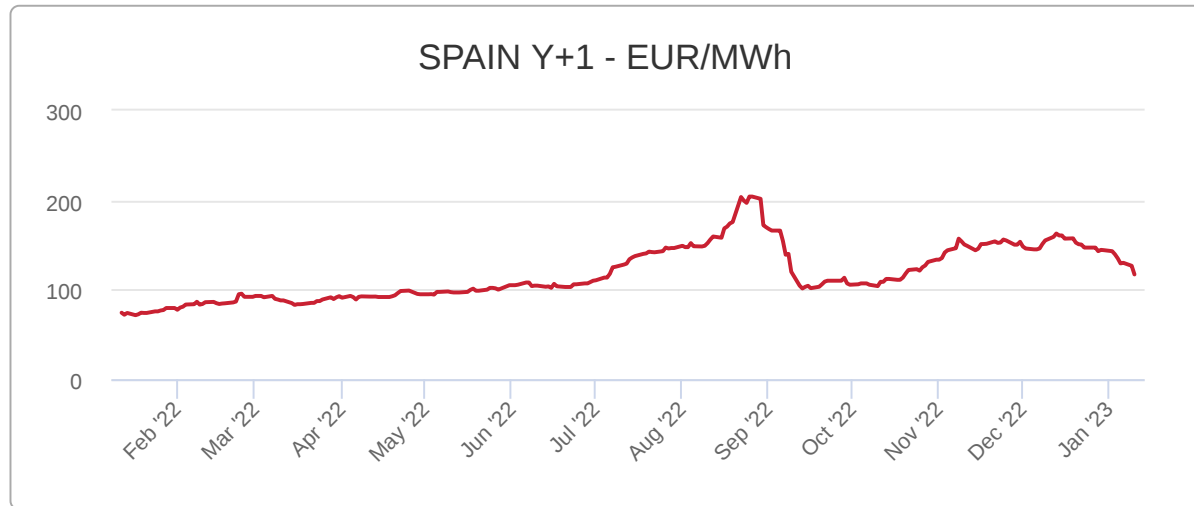
UK - Nordpool

- ✓ UK Government announced the new "Energy Bills Discount Scheme" for UK businesses, charities, and the public sector from April. The scheme will give businesses security and reduce taxpayers' vulnerability to fluctuating energy markets, the plan will offer a discount on high energy costs. Businesses in industries with particularly high levels of energy use and trade intensity will get more assistance.

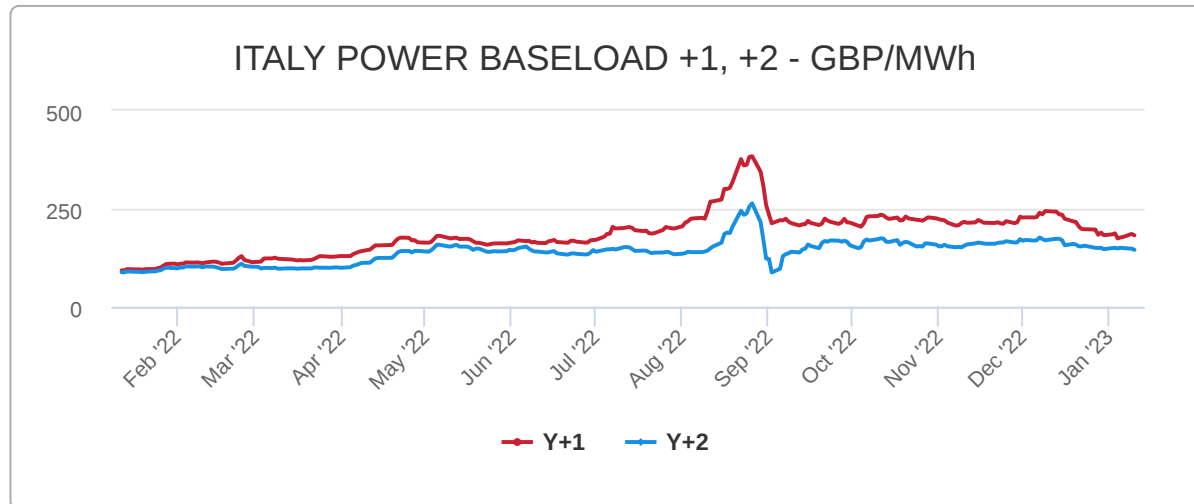


Electricity Spain - Italy

- ✓ While waiting for an update to the EU's power market regulations, the Spanish government announced on Monday that it would ask the EU to prolong a cap on energy prices until the end of 2024.

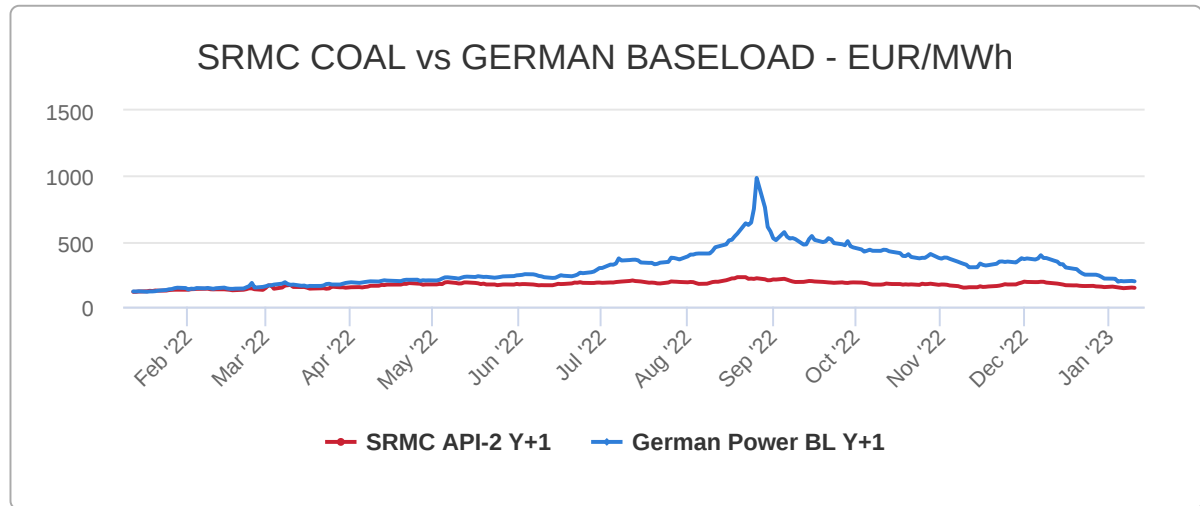


- ✓ The project, which is expected to cost about €850 million in total, received approval from the European Commission for funding of €307 million (\$324 million). The EU will provide funding for a 200-km undersea power line project connecting Italy and Tunisia to import electricity produced by renewable energy sources.



Short Range Marginal Cost

SPREAD SRMC	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
Coal API-2 vs German Power Baseload Y+1	-131.9	-50.4
Gas THE Y+1 vs German Power Peakload Y+1	-283.1	-180.6



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

