

Last Week at a Glance

Week 6, 2023



BRENT M+1

83.69 \$/bbl

Oil prices fell on a weekly basis, amid economic growth concerns.

Outlook:

(Horizon 1 week)



GAS TTF Y+1

14.23 €/MWh

TTF year-ahead price declined on a weekly basis amid forecasts of higher wind power output and milder weather.

Outlook:

(Horizon 1 week)



POWER GE Y+1

50.93 €/MWh

The German year-ahead power price rose, tracking high CO2 prices.

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	▲ (1.28%)
Brent M+1	▼ (-0.48%)

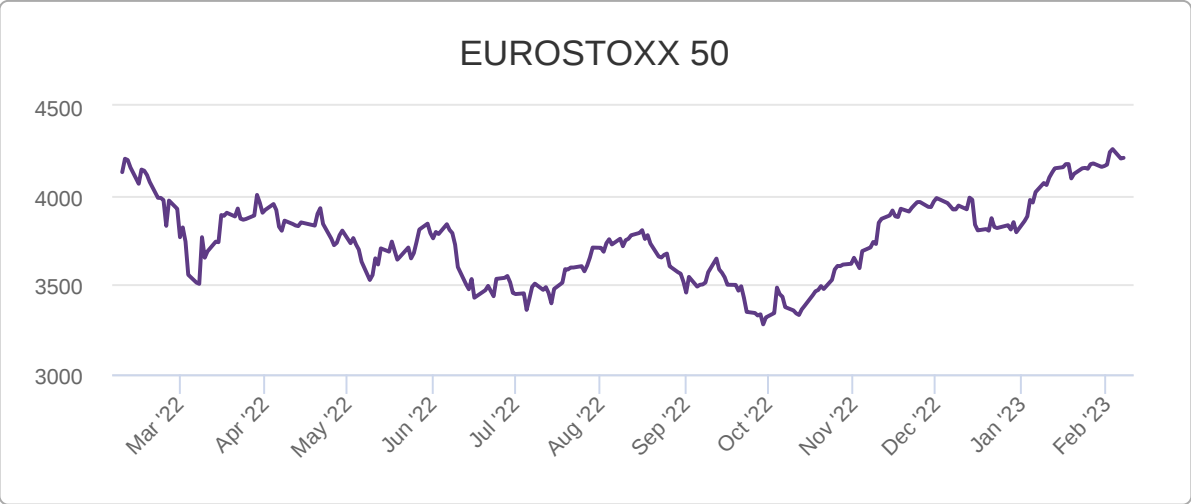
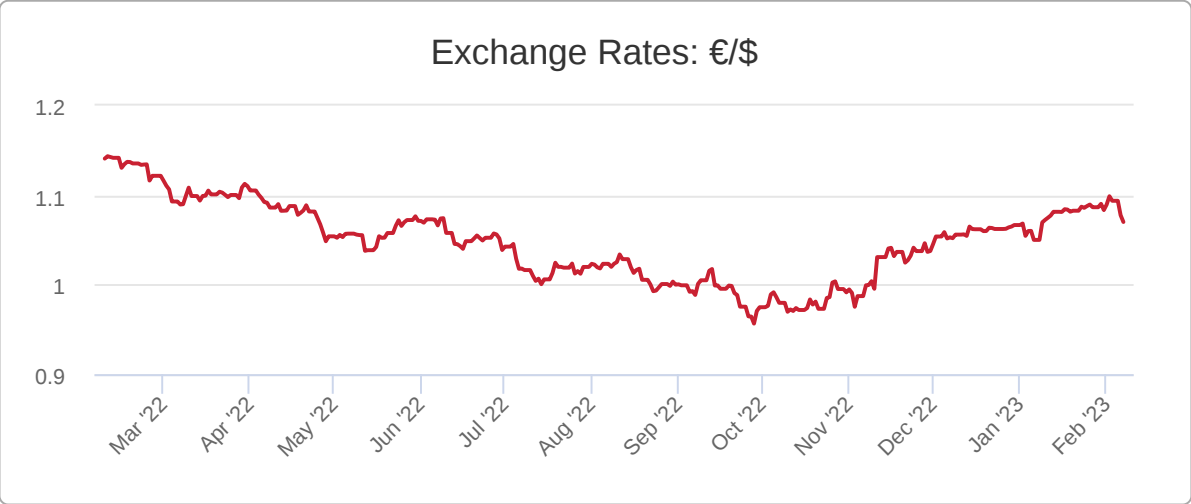
% Change Current Week vs Week-1

Evolution of main energy products in the last week



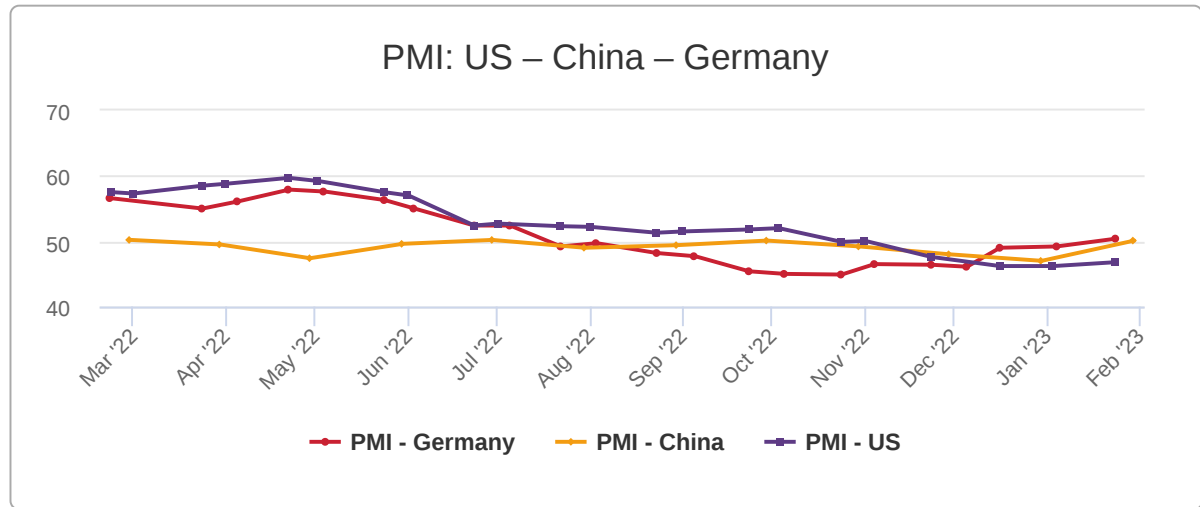
General Overview

✓ EUR/USD pair fell on a weekly basis but managed to stay above 1.0700 as investors await speeches from ECB officials and FOMC Chairman Jerome Powell. Thus, the pair struggles to make a decisive move in either direction.



✓ 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

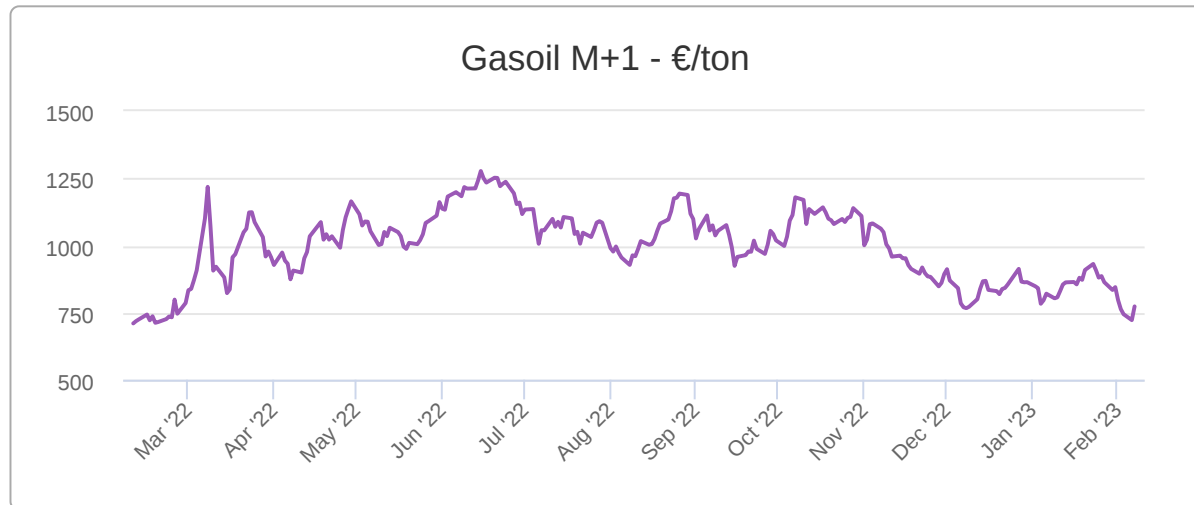
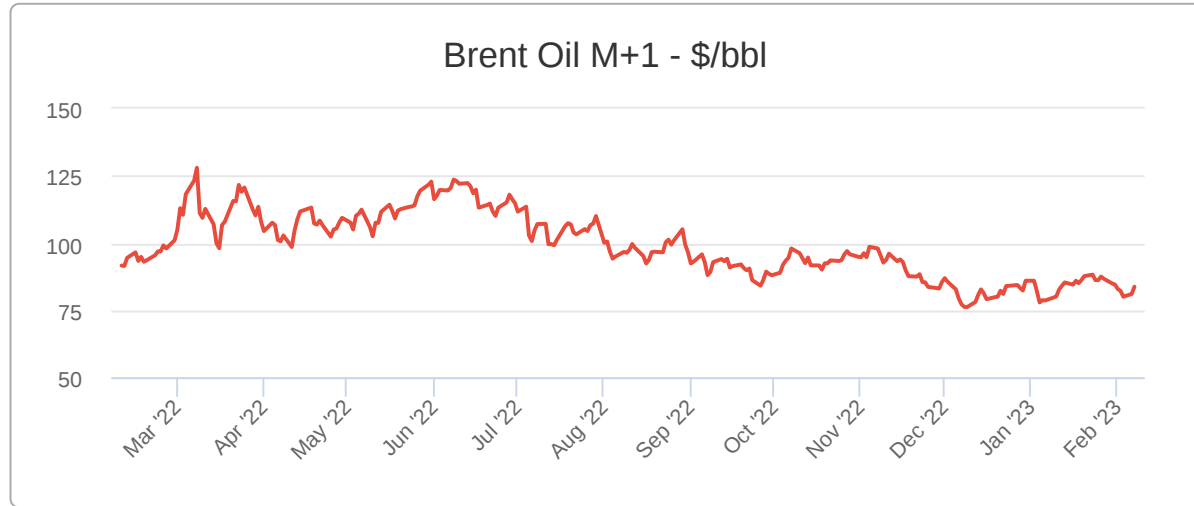
✓ Oil prices fell on a weekly basis, amid economic growth concerns.

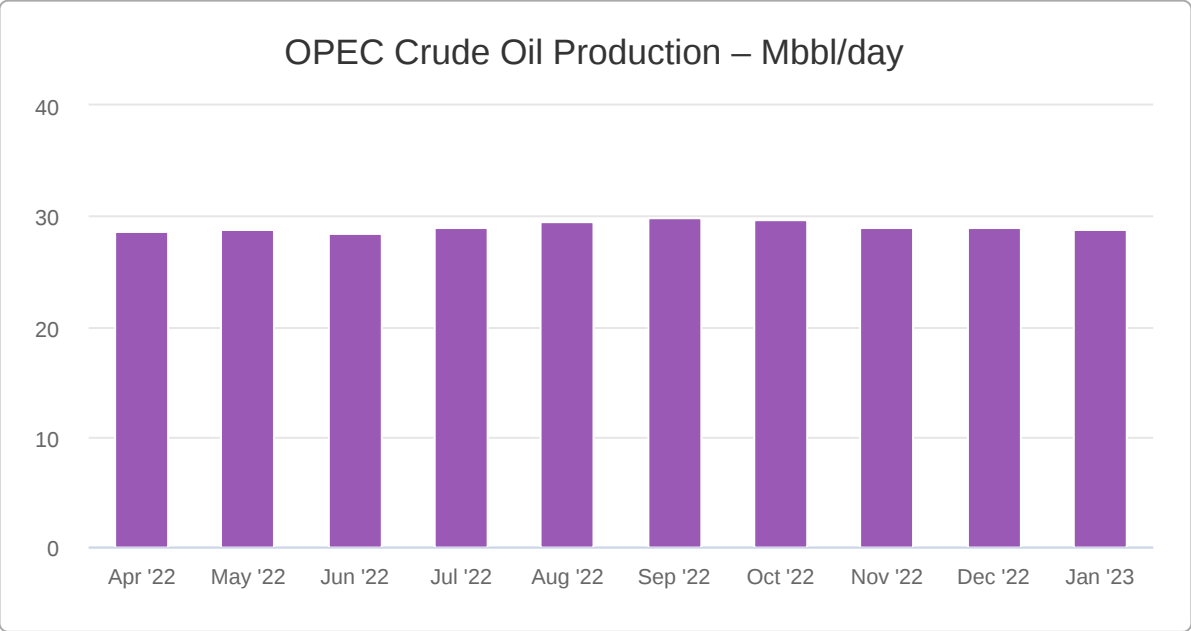
Oil lost nearly 8% last week as further rate hikes from the main central banks had deepened concerns over a recovery in the global economy.

Furthermore, EU and G7 group agreed on Friday to cap the price of seaborne Russian petroleum products like diesel, kerosene and gasoline to USD 100/bbl in order to stop Moscow funding its war in Ukraine via oil sales.

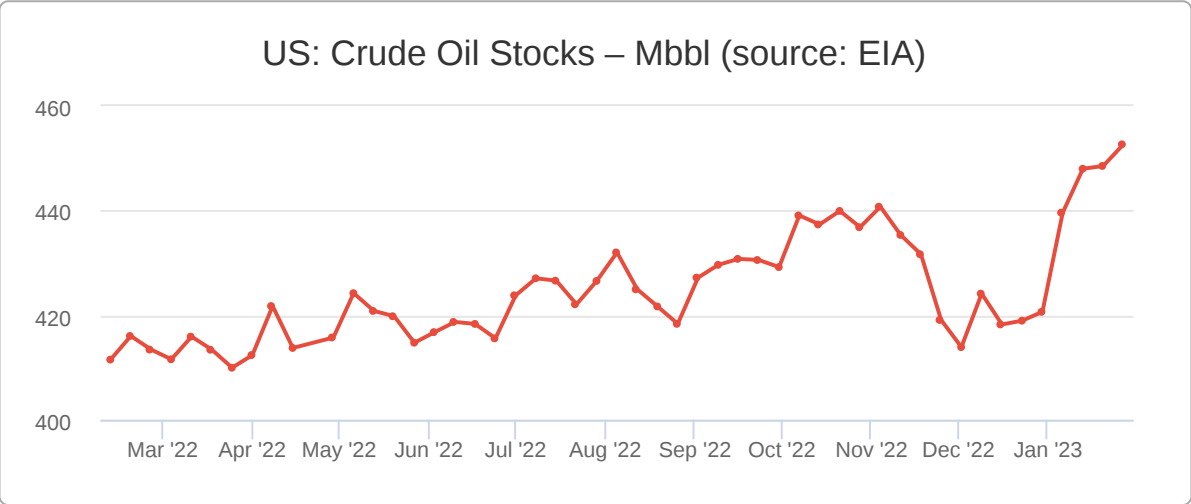
Other driver indicators this week: "reopening-driven Chinese demand and Opec+'s cautious stance on production increases and muted non-Opec supply growth", should help to keep the oil market tight.

According to ANZ, bullish near-term drivers are possible. An earthquake in Turkey that had halted oil flows at its Ceyhan export terminal, while technical problems impacted output at Norway's giant Johan Sverdrup field.





✓ The number of oil rigs in the United States fell by 10, on a weekly basis, to 599 in the week ending February 3, according to the Baker Hughes rig count data released on Friday.

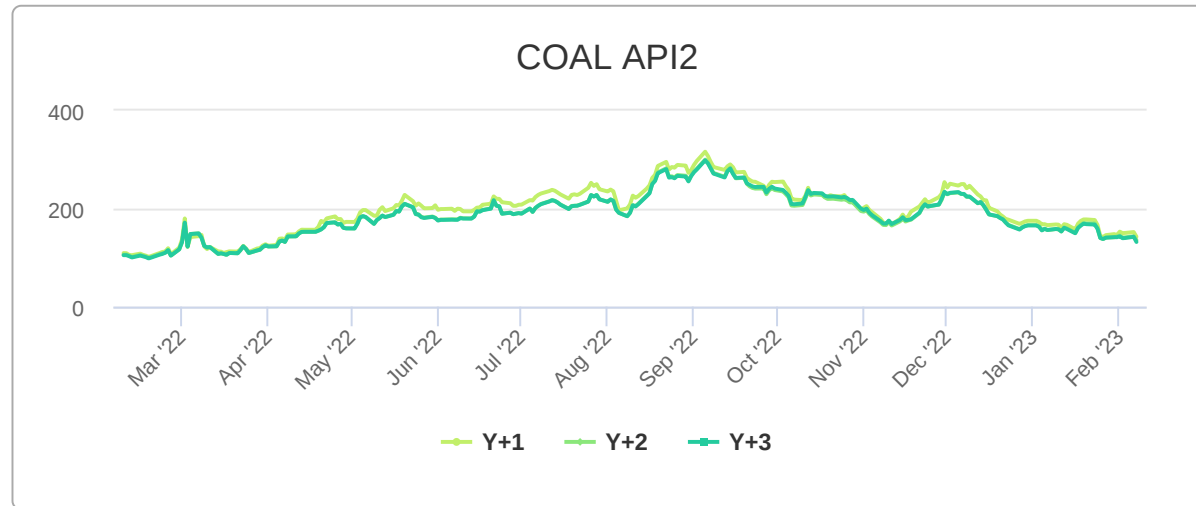


Coal & CO2

- ✓ European coal prices declined on a weekly basis amid high stocks and limited demand.

At EMO at Rotterdam and OBA at Amsterdam, two of the main northwest European coal import hubs of combined coal, stocks were seen this week at 5.35m tonnes, their lowest since early November, but still 2.6m tonnes higher on the year, according to Montel data.

Anticipation of weak generation demand for the remainder of winter season coupled with high stocks had lowered import demand.

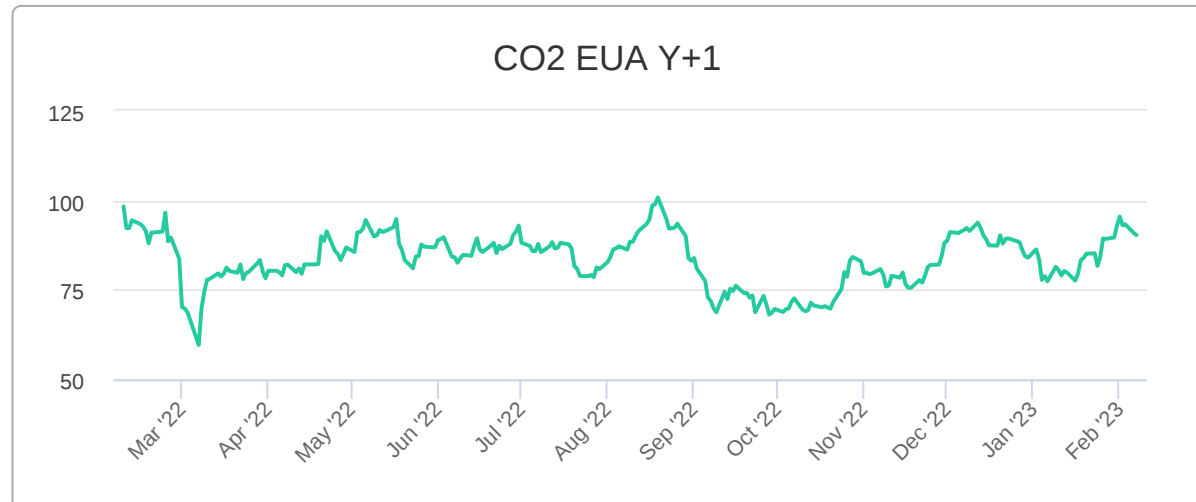


- ✓ European carbon prices increased amid a bullish energy complex and hedging ahead of April's compliance deadline.

The upcoming compliance deadline is on 30 April, which added pressure and tightness to the market.

The European Commission has proposed making it temporarily easier for renewable energy and industrial decarbonisation projects to access state aid. The proposal is in part a bid to encourage investment in net-zero emission technologies to stay in Europe rather than flow to the US, which is offering subsidies for clean technologies under its Inflation Reduction Act.

The proposal would enable the EU's national governments to speed up giving aid to renewable energy and industrial decarbonisation projects until the end of 2025.



Natural Gas

Natural Gas Storage Total EU 28

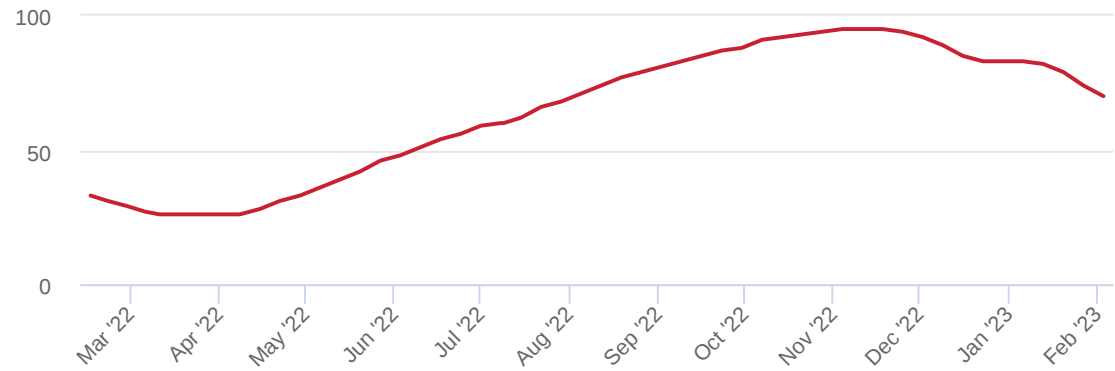
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Outlook:



Gas Storage Inventory in % (EU)



Natural Gas Storage

 United Kingdom	65%
 Germany	78%
 France	62%
 Spain	89%
 Portugal	98%
 Italy	39%
 Netherlands	68%



LNG Storage

LNG Storage Total EU 28

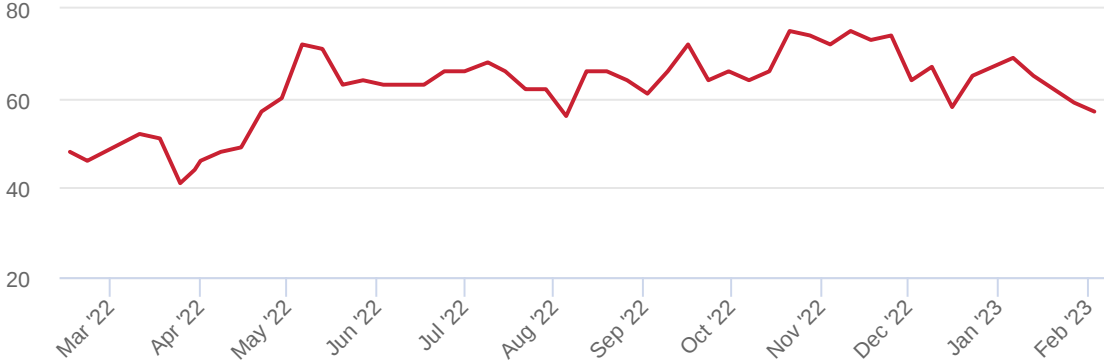
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Outlook:



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



LNG Storage

 United Kingdom	49%
 France	71%
 Spain	59%
 Portugal	26%
 Italy	56%
 Netherlands	38%



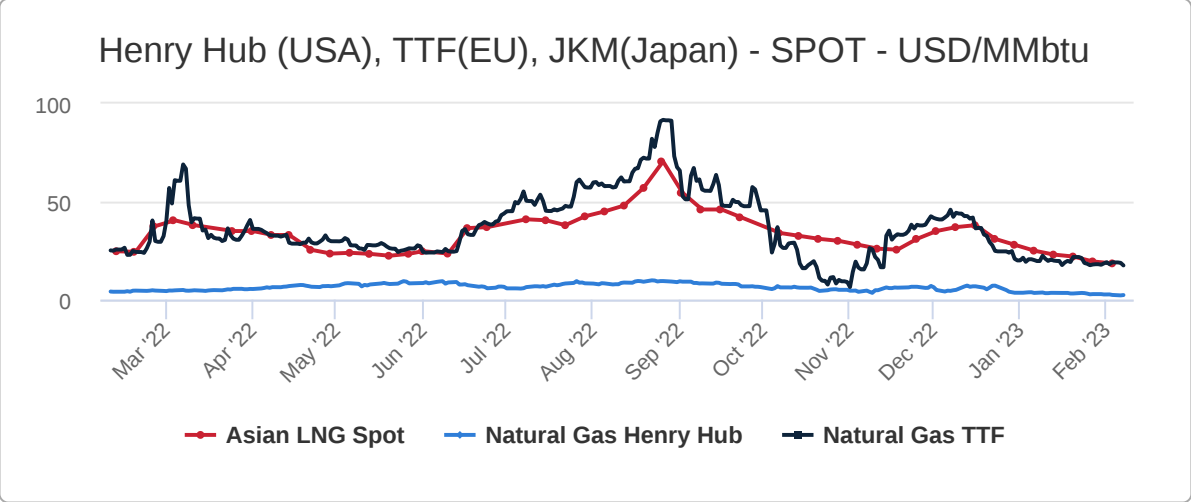
Henry Hub - TTF - JKM

✓ Asian spot liquefied natural gas (LNG) prices fell for the seventh week in a row due to muted demand and ample inventories.

Asia's imports of the super-chilled fuel rose to 24.0 million tonnes in January, up from 23.74 million in December, according to data from Kpler.

Saudi Arabia, raised crude prices to Asia for the first time in six months on China's expected recovery. The official selling price (OSP) for March-loading Arab Light to Asia was raised by 20 cents a barrel from February to \$2.00 a barrel.

US liquefied natural gas slightly decreased amid rising output, warmer weather and lower demand expected next week. Freeport's plan to return to full LNG production until mid-March is likely to be postponed. Further information will be published later.



TTF

MARKET AVERAGE	PERIOD	PRICE €/MWH
Month M-12	February 22	80.5
Month M-1	January 23	62.5
Month M	February 23	58.5
Current Year	2023	61.8
Year Y-1	2022	121.1

✓ TTF spot price increased last week due to a present cold spell.

However, the latest weather forecasts for Germany, Europe's largest gas consumer, showed that a current cold spell would end this weekend, with temperatures set to rise from -1.9C to 3.5C.

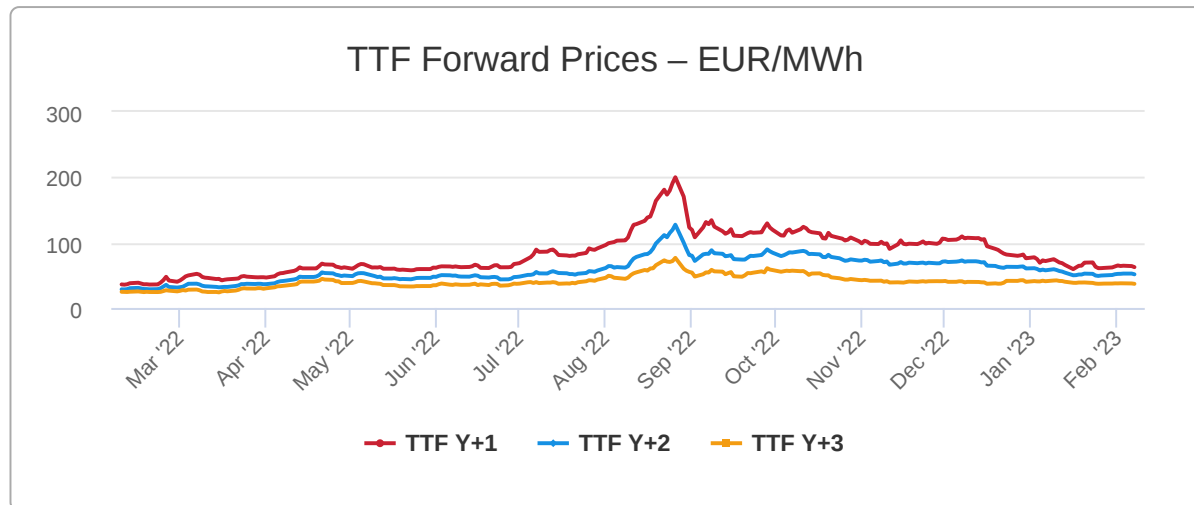
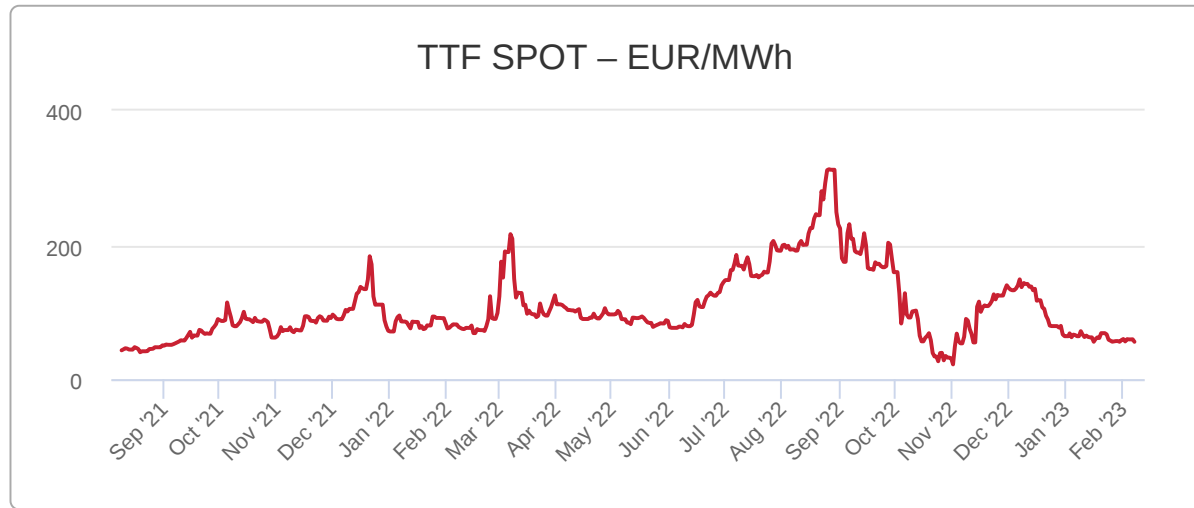
Thereafter they would increase to 4.6-5.3C, up to 3.2C above the seasonal norm, according to Montel's Energy Quantified (EQ).

SPREAD €/MWH	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
TTF Y+2 vs Y+1	-24.3	-11.2
TTF Y+3 vs Y+1	-42.3	-26.1

✓ TTF gas prices fell on a weekly basis amid forecasts of higher wind power output and milder weather. The prospect of more LNG deliveries also weighed on prices.

European storage sites were last seen around 35% points higher year on year, or at 70% of capacity, according to data from Gas Infrastructure Europe.

Russian flows to Europe were stable at nearly 49mcm/day on Monday, while nominations from Norway rose 5mcm to 335mcm.



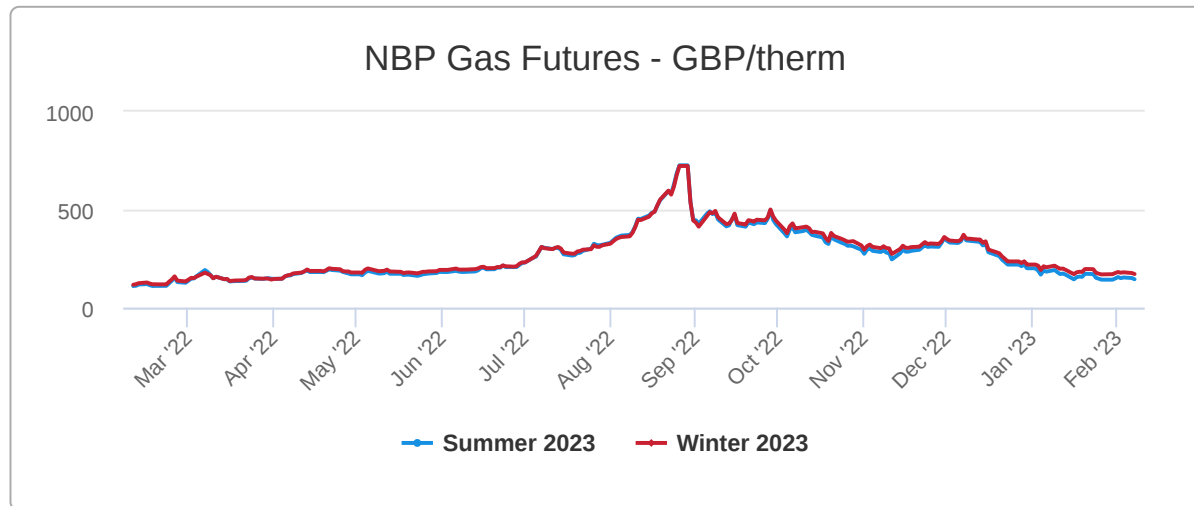
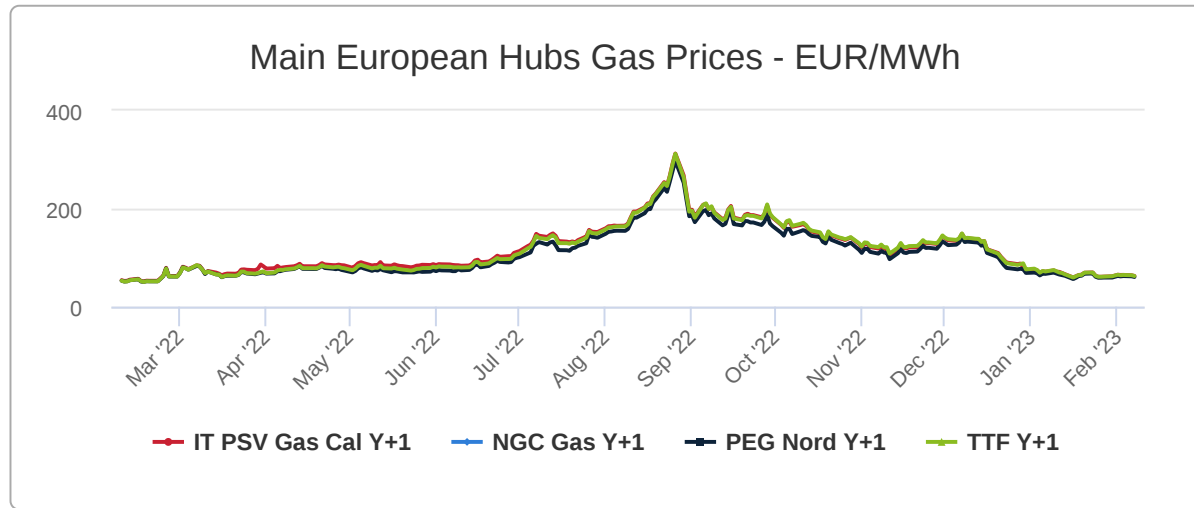
European Gas

Spread vs TTF	12-Month moving average	Last Week average
PSV (IT)	2	0
TRF (FR)	0	-11.3
NCG (GE)	-7.1	-2

✓ Italy intends to apply funds coming from the European Union under the so-called “REPowerEU plan” to wean itself off Russian gas and turn the country into an energy hub for the bloc, Prime Minister Giorgia Meloni said in a statement yesterday

With total funds close to 300 billion euros (\$321.36 billion), the REPowerEU plan is aimed at ending the EU's dependence on Russian fossil fuels and tackling the climate crisis.

Britain might be vulnerable to gas shortages and elevated energy prices next winter because of the failure of the government and Centrica to reach an agreement on expanding the UK's largest gas storage site, according to the energy experts and MPs.



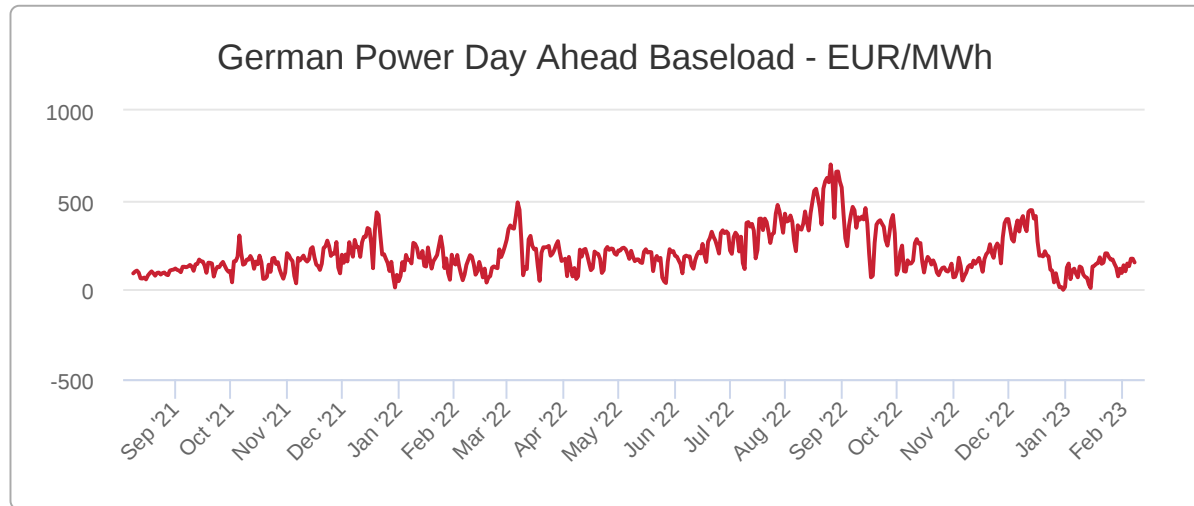
German Power

MARKET AVERAGE	PERIOD	PRICE €/MWH
Month M-12	February 22	132.1
Month M-1	January 23	120.4
Month M	February 23	144.9
Current Year	2023	124.9
Year Y-1	2022	235.3

✓ The German day-ahead power jumped due to low wind generation.

Wind farms in Germany would operate only 5.7 GW on average on Tuesday, 15 GW below the norm.

Meanwhile, solar farms were set to generate 6.2 GW, almost double the norm.

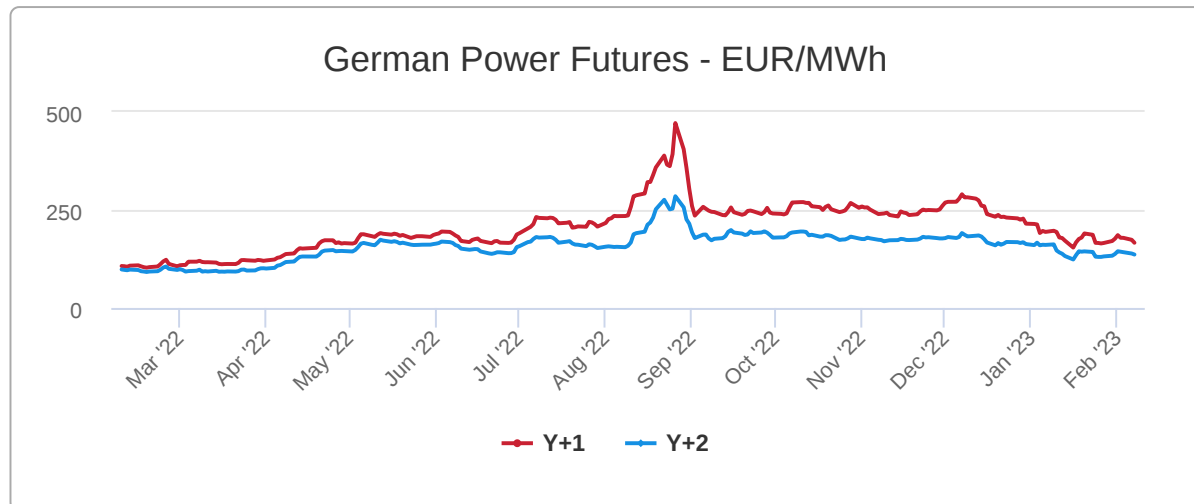


SPREAD €/MWH	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
GE BL Y+2 vs Y+1	-48.4	-32.5
GE BL Y+3 vs Y+1	-70.3	-50.3

✓ German power futures prices rose on a weekly basis, tracking high CO2 prices.

Germany should double its current solar installation growth and a triple onshore wind per annum if it wants to meet its climate goals by 2030, according to a mutual report made by EY and German lobby energy group BDEW.

Meanwhile, Germany's regulator, BNA, released a similar study last week mentioning that its energy supply was secure through to 2030, but added investments were needed to reach renewable goals. The BDEW pointed out within hours that the goals were unrealistic given planned construction rates. The Germany intend to add 226.5 GW of renewable energy capacity over the rest of this decade to reach a target of 365.5 GW by 2030.



Central Western Europe

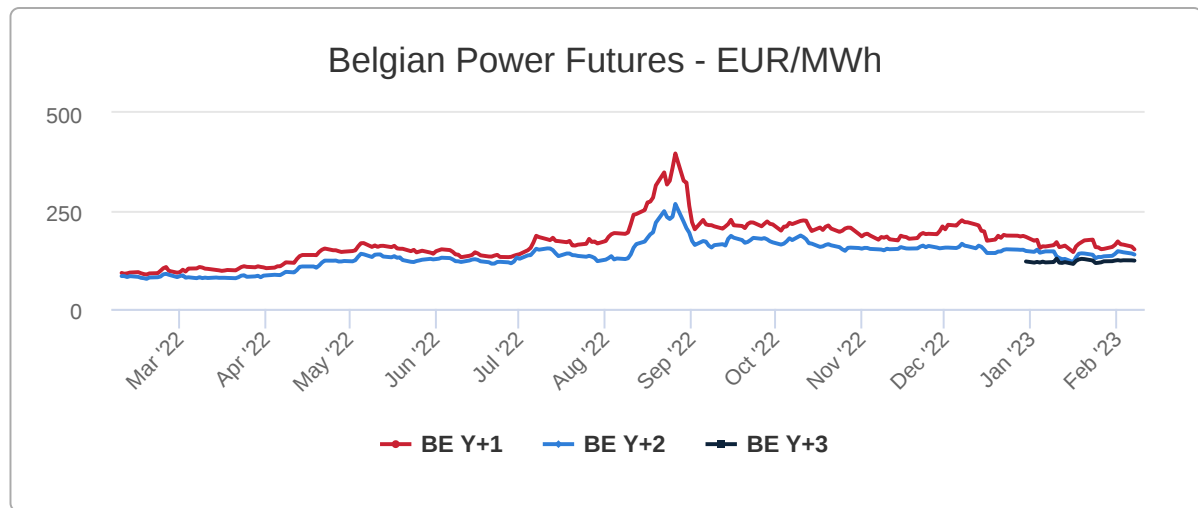
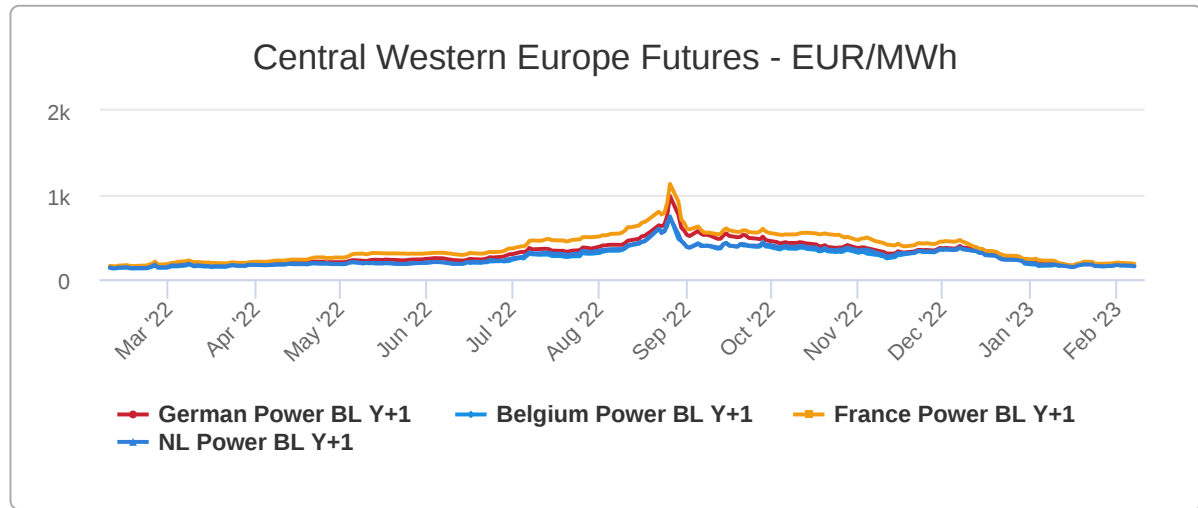
SPREAD VS GE POWER	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
BE	-45.9	-15.8
FR	67.9	14.2
NL	-37	-13.9

✓ Electricity, oil and gas supplies were disrupted on Tuesday in France as people were taking to the streets for a third round of country's strikes and protests against the government's pension reform plans.

Power producer EDF claimed that the protest movement led to a decline in electricity supplies, without causing blackouts, because more than half of the workforce was on strike.

Elogen, a GTT group company, announces the signature of a contract with CrossWind1, a joint venture between Shell and Eneco for the development of the Hollandse Kust Noord (HKN) offshore wind project (2.5 MW).

Elogen's PEM electrolyser will be deployed offshore in 2025, off the coast of the Netherlands, and will convert electricity produced on-site into green hydrogen, giving the project more flexibility to adapt to variations in power output.



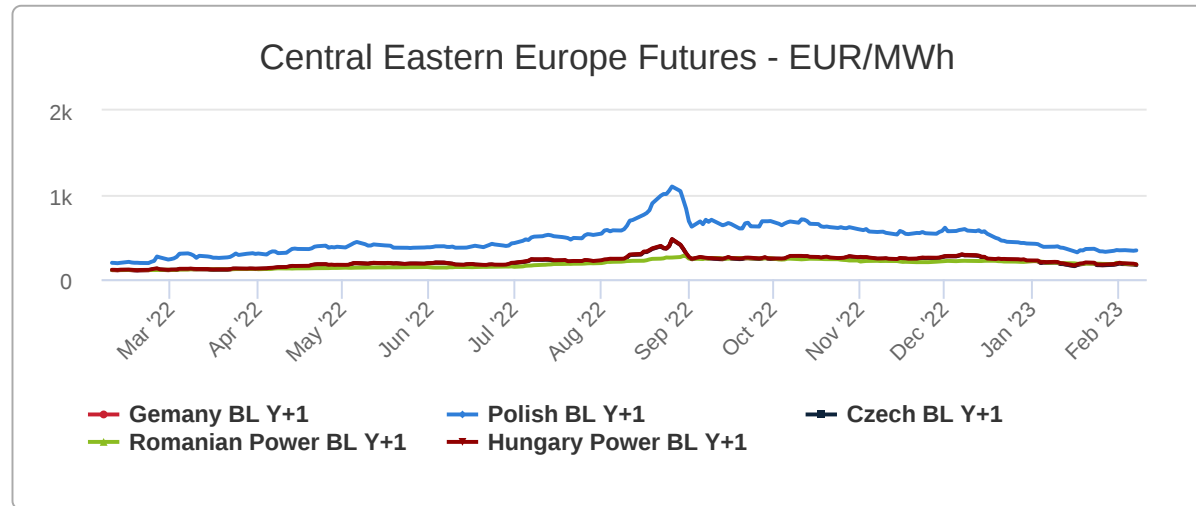
Central Eastern Europe

SPREAD VS GE POWER	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
Polish BL Y+1	269.4	169.7
Czech BL Y+1	2	1.7
Romanian Power BL Y+1	-25.5	6.5
Hungarian Power BL Y+1	6.3	10

✓ A new 121 MW wind farm has been opened in Poland, the second largest in the country, which features Europe's longest underground power line.

In an effort to prevent a repetition of last year, when Russian gas supply disruptions caused a spike in European power prices, the European Union plans to propose an overhaul to the power market next month.

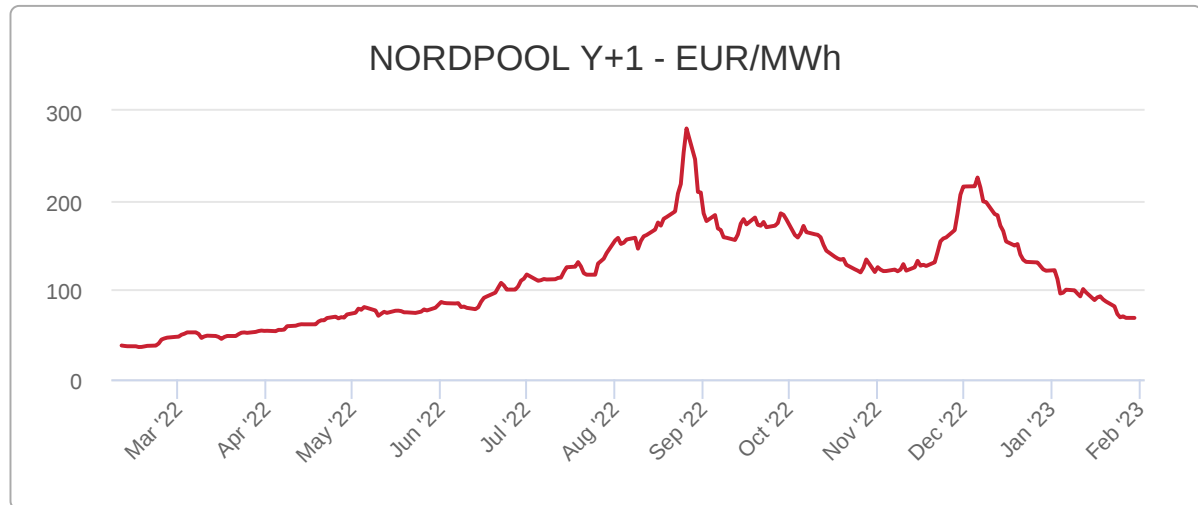
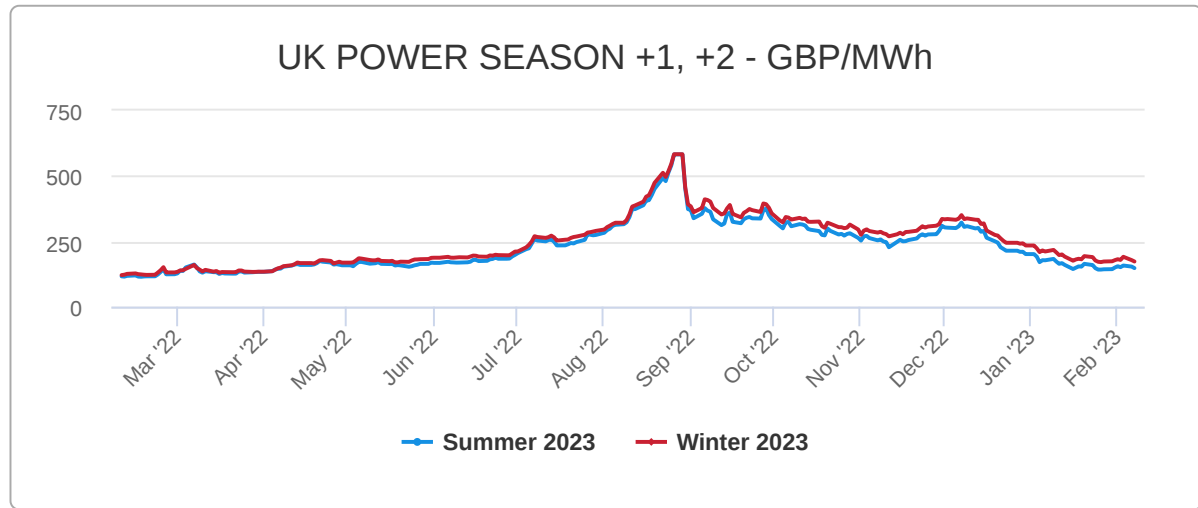
Poland has asked the European Union to use upcoming electricity market reforms to support nuclear energy investments more.



UK - Nordpool

- ✓ Britain is dealing with the lack of wind storage. Enough wind power to supply 1.2m homes a day or around 1.35TWh was wasted over the winter between October 2022 and January because there was no capacity to store extra energy generated, according to new research.

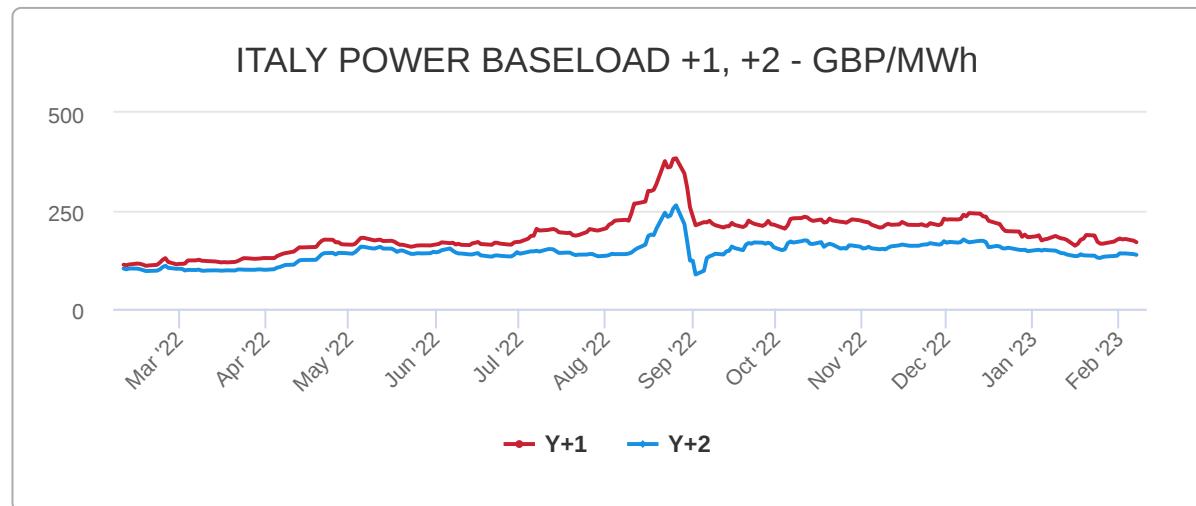
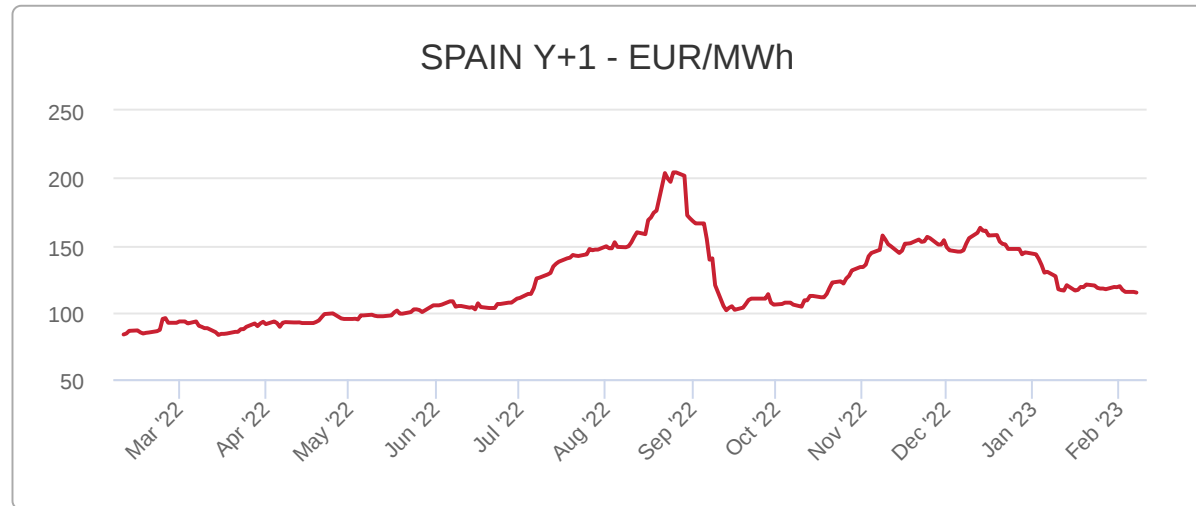
Households(200 £), businesses and organisations (150 £) off the gas grid are likely to receive energy bill support over the coming weeks by 10 March.



Electricity Spain - Italy

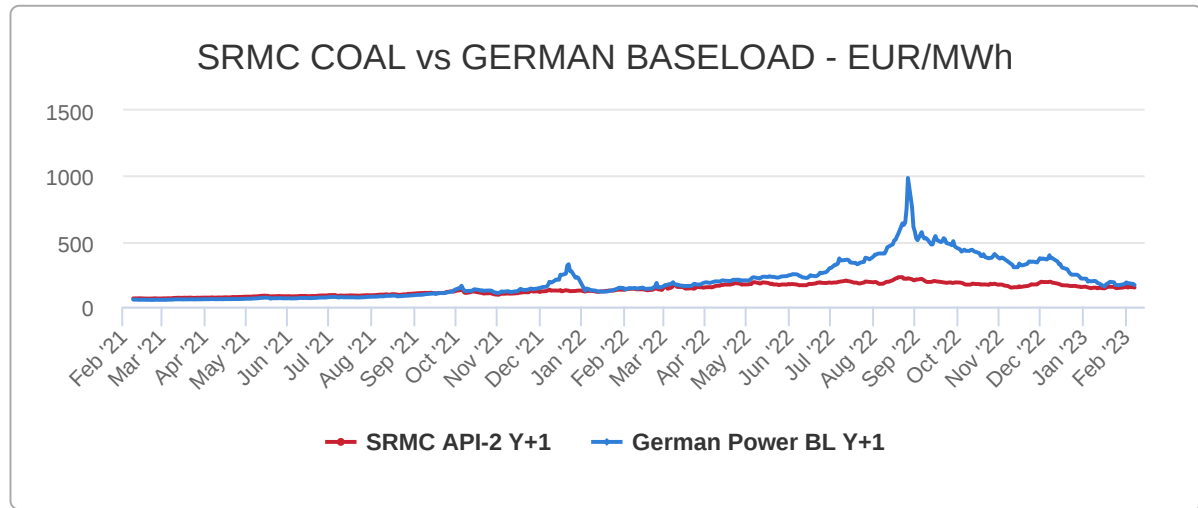
✓ Repsol has successfully completed the grid connection of the first wind turbines at the wind complex in Castilla y León, in Spain. The PI wind complex, consists of seven wind farms which will have a total installed capacity of 175MW once completed.

Repsol is also making progress to the other renewable projects and has added another 100MW in operation to the Delta 2 wind project (Aragón). Delta 2, which comprises 26 wind farms and has a total installed capacity of 860MW, already has four wind farms in operation and another 18 will start to be built soon.



Short Range Marginal Cost

SPREAD SRMC	12-MONTH MOVING AVERAGE	LAST WEEK AVERAGE
Coal API-2 vs German Power Baseload Y+1	-132.9	-27.1
Gas THE Y+1 vs German Power Peakload Y+1	-287.3	-160.4



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

