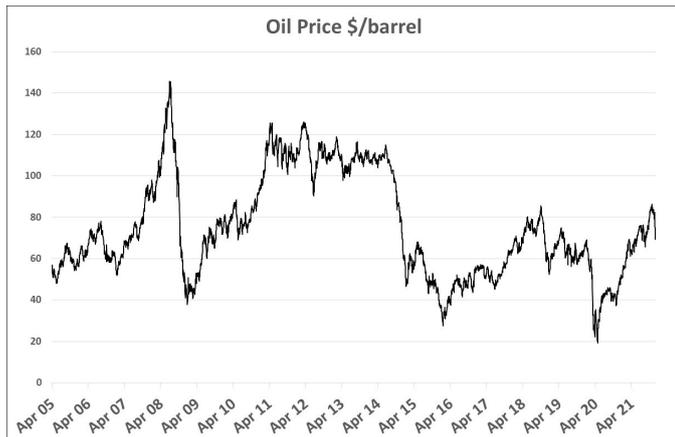


# Energy Market Snapshot

**3rd December 2021**

## Oil:



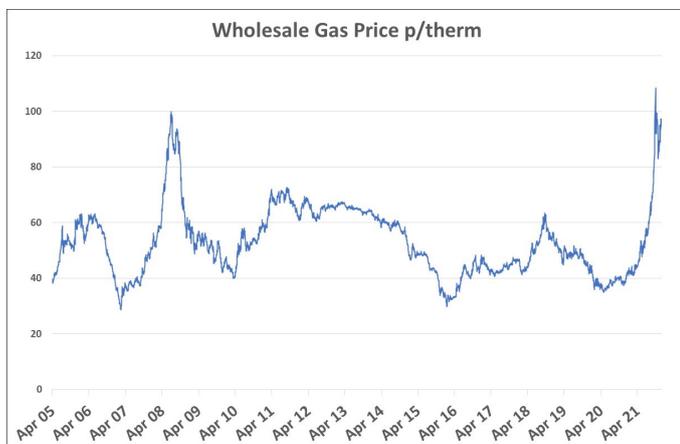
Front month Brent eased on Monday as the new restrictions introduced to tackle the latest Coronavirus variant could weaken demand.

Oil fell nearly \$4/barrel on Tuesday, once again pressured lower by concerns about the Omicron variant and whether the current vaccines would be effective.

Brent bounced higher on Wednesday as market participants anticipated the effect on production quotas of the OPEC meeting scheduled for Friday. The weekly EIA report showed a reduction in US stocks, adding further upward pressure to prices.

Brent fell nearly \$2.5/barrel on Thursday to settle at \$69.45/barrel, down \$6.13/barrel compared to last Friday.

## Gas:



As temperatures dropped below the seasonal norm and Gas demand increased, prices climbed. Near-term contracts gained around 13p/therm.

Q1 22 weakened on Tuesday as Gazprom increased booked transit capacity. However, all other contracts found support from stronger Carbon and Coal markets.

Most contracts rose on Wednesday, although major gains limited to the near curve. Temperatures were forecast to remain below the seasonal norm for the rest of the week, adding upward pressure.

Near term contracts eased on Thursday despite an increase in demand. Movement elsewhere on the curve was mixed.

Last night, all contracts closed higher than last Friday. January 22 closed at 242.1p/therm, up just over 14p/therm compared to last week.

## Electricity:



Power contracts took direction from rising Gas, as well as bullish Carbon markets on Monday.

Near term contracts shrugged off the downside of corresponding Gas contracts on Tuesday as all Power contracts rose - taking direction from bullish wider commodities.

All Power contracts rose on Wednesday, taking direction from their Gas counterparts.

Power mirrored the movements in Gas once again on Thursday.