E&C

DAILY MARKET ANALYSIS EUROPE

27/05/2022

Section	Product	Period	Type	Close 27/05/2022	Previous 26/05/2022	Trend	% Change	2022 Max	2022 Min	Unit
Oil, valuta, carbon & coal	Brent	M+1		119,43	117,40	↗	1,73%	127,98	78,98	USD/barrel
	Brent	M+1		111,39	109,75	↗	1,49%	117,50	69,56	EUR/barrel
	1 € = $			1,0722	1,0697	↗	0,23%	1,15	1,04	
	EUA (€/tCO_2)	DEC		84,20	84,76	↘	-0,66%	96,93	58,30	EUR/Tonne
	UKA (£/tCO_2)	DEC		82,19	82,47	↘	-0,34%	88,97	68,29	GBP/Tonne
	Coal API2	Y+1		224,75	230,00	↘	-2,28%	262,05	89,50	USD/TCE
	Coal API4	Y+1		207,65	207,33	↗	0,15%	250,47	86,85	USD/TCE
	NEWCASTLE	Y+1		258,51	255,55	↗	1,16%	284,80	107,75	USD/TCE
Electricity forward	BE	Cal 23	Base	190,86	187,40	↗	1,84%	201,114	104,95	EUR/MWh
			Peak	220,85	224,01	↘	-1,41%	233,16	126,05	EUR/MWh
	CZ	Cal 23	Base	234,52	233,70	↗	0,35%	235,38	115,99	EUR/MWh
			Peak	291,28	290,95	↗	0,11%	291,28	152,01	EUR/MWh
	DE	Cal 23	Base	232,12	231,30	↗	0,35%	232,88	113,59	EUR/MWh
			Peak	284,18	283,85	↗	0,12%	284,18	145,01	EUR/MWh
	AT	Cal 23	Base	246,54	245,72	↗	0,33%	246,54	117,99	EUR/MWh
			Peak	298,58	298,25	↗	0,11%	298,58	149,31	EUR/MWh
	ES	Cal 23	Base	149,20	146,25	↗	2,02%	168	96,05	EUR/MWh
			Peak	166,52	163,15	↗	2,07%	187,94	105,95	EUR/MWh
	FR	Cal 23	Base	302,61	304,13	↘	-0,50%	311,01	121,92	EUR/MWh
			Peak	518,48	522,50	↘	-0,77%	542,5	192,08	EUR/MWh
	HU	Cal 23	Base	238,03	238,26	↘	-0,10%	239,66	119,86	EUR/MWh
			Peak	288,38	289,06	↘	-0,24%	291,33	155,85	EUR/MWh
	IT	Cal 23	Base	210,08	206,55	↗	1,71%	224,62	122,2	EUR/MWh
			Peak	229,55	225,73	↗	1,69%	241,41	140,49	EUR/MWh
	NL	Cal 23	Base	189,04	185,64	↗	1,83%	201,35	108,75	EUR/MWh
			Peak	231,48	229,34	↗	0,93%	236,736	134,18	EUR/MWh
	PL	Cal 23	Base	1152,20	1190,90	↘	-3,25%	1191,12	585,8	PLN/MWh
			Peak	1368,23	1407,20	↘	-2,77%	1407,2	745,5	PLN/MWh
	PT	Cal 23	Base	149,20	146,25	↗	2,02%	168	96,12	EUR/MWh
	RO	Cal 23	Base	1237,50	1240,00	↘	-0,20%	1340	661	RON/MWh
	SK	Cal 23	Base	236,52	235,90	↗	0,26%	237,68	117,59	EUR/MWh
			Peak	293,48	293,25	↗	0,08%	293,48	154,41	EUR/MWh
	Nord Pool	Cal 23	Base	76,62	74,45	↗	2,91%	79,55	35,5	EUR/MWh
	UK	Winter22	Base	245,67	238,24	↗	3,12%	308,74	154,3	GBP/MWh
		Summer23	Base	163,50	160,24	↗	2,03%	174,63	88,87	GBP/MWh
		Winter22	Peak	310,43	301,89	↗	2,83%	351,01	198,63	GBP/MWh
		Summer23	Peak	194,38	191,03	↗	1,75%	198,99	103,98	GBP/MWh
	CH	Cal 23	Base	250,00	248,74	↗	0,51%	250	116,7	EUR/MWh
Gas forward	UK NBP	Cal 23		195,97	191,93	↗	2,11%	222,56	102,32	Pence/Therms
	DE THE	Cal 23		88,43	88,73	↘	-0,34%	99,54	43,28	EUR/MWh
	FR PEG Nord	Cal 23		70,93	71,97	↘	-1,45%	83,31	43,26	EUR/MWh
	PSV	Cal 23		82,75	82,75		0,00%	88,50	43,70	EUR/MWh
	PL TGE	Cal 23		450,20	453,90	↘	-0,82%	517,17	216,17	PLN/MWh
	MIBGAS	Cal 23		71,10	69,84	↗	1,81%	85,07	43,43	EUR/MWh
	NL TTF	Cal 23		78,60	77,34	↗	1,63%	85,37	42,53	EUR/MWh
	BE ZEE	Cal 23		79,47	79,30	↗	0,22%	89,12	42,60	EUR/MWH
	Gas Point Nordic	MA		16,90	16,90		0,00%	16,90	16,90	EUR/MWh

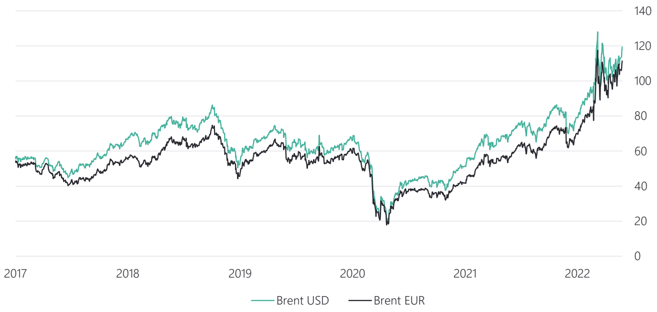
Section	Product	Market	Delivery 30/05/2022	Delivery 27/05/2022	Trend	% Change	2022 Max	2022 Min	Unit
Electricity spot (D+1)	BE	Belpex	225,99	39,61	↗	470,61%	461,95	39,61	EUR/MWh
	CZ		225,99	174,55	↗	29,47%	487,41	56,71	EUR/MWh
	TR		2078,43	2456,12	↘	-15,38%	2456,12	155,91	TRY/MWh
	DE	Phelix	225,99	49,31	↗	358,28%	494,36	40,32	EUR/MWh
	ES	Spanish	206,62	168,54	↗	22,59%	544,98	85,19	EUR/MWh
	FR	Powernext	225,99	162,85	↗	38,77%	551,43	49,12	EUR/MWh
	HU		226,22	206,47	↗	9,56%	544,73	83,07	EUR/MWh
	IT	Mercato Electrico	225,53	244,50	↘	-7,76%	587,67	150,69	EUR/MWh
	NL	APX	225,99	97,21	↗	132,48%	443,32	58,81	EUR/MWh
	SYSTEM PRICE		170,61	18,94	↗	800,80%	206,28	13,17	EUR/MWh
	SE	SE4	205,12	16,92	↗	1112,05%	268,83	12,68	EUR/MWh
	FI		186,72	164,88	↗	13,25%	248,71	13,28	EUR/MWh
	EE		186,72	164,88	↗	13,25%	248,71	20,63	EUR/MWh
	PL		836,85	477,57	↗	75,23%	1233,01	292,99	PLN/MWh
	PT		206,62	168,54	↗	22,59%	542,78	85,19	EUR/MWh
	SK		225,99	174,55	↗	29,47%	487,41	56,71	EUR/MWh
	UK		180,28	100,96	↗	78,57%	396,09	56,25	GBP/MWh
	RO		211,08	207,96	↗	1,50%	540,29	71,76	EUR/MWh
	CH	SWISSIX	221,22	168,63	↗	31,18%	574,54	72,68	EUR/MWh
ot (D+1)	GasPointNordic		84,22	82,59	↗	1,98%	264,08	16,90	EUR/MWh
	ES MIBGAS		72,18	75,58	↘	-4,50%	224,38	57,89	EUR/MWh
	UK NBP		133,00	87,00	↗	52,87%	545,00	38,00	Pence/Therms
	RO BRM		420,90	429,38	↘	-1,98%	1182,73	295,11	RON/MWh

Natural gas sp

DE THE	83,45	81,73	↗	2,10%	219,47	68,96	EUR/MWh
FR PEG	78,28	74,39	↗	5,22%	206,60	0,00	EUR/MWh
IT PSV	87,25	84,75	↗	2,95%	213,00	16,23	EUR/MWh
PL TGE	403,38	380,15	↗	6,11%	1350,14	314,76	PLN/MWh
NL TTF	84,15	82,70	↗	1,75%	226,30	69,20	EUR/MWh
BE ZEE	76,38	71,61	↗	6,67%	213,70	55,83	EUR/MWH

Oil markets

Brent Futures M+1



Weekly evolution: Bullish

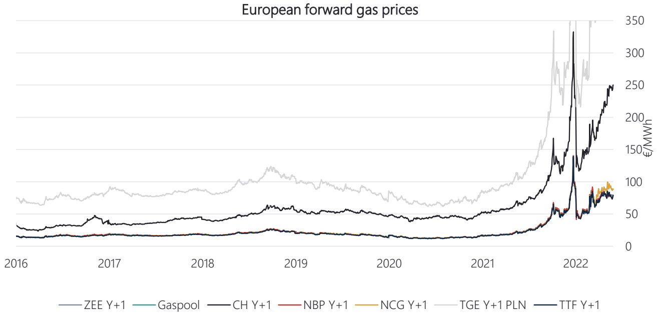
Bearish:
• **Demand suffers from weaker global growth, soaring inflation and the Covid related lockdowns in China.**
• **The US and IEA releasing 240m bpd over 3 months.**
• **EU struggling to reach consensus over a Russian oil embargo**. Hungary continued to veto the Russian oil import ban.
• The US administration gave its green light to Chevron to negotiate with Venezuelan government. **Sanctions to be lifted? More barrels to be add on global markets?**
• **Fears about economic growth and inflation caused oil prices to drop from a six-week high.** Equity markets tumbling.
• China is considering the option to buy Russian oil to fill its strategic reserves.

Bullish:
• **Russian oil embargo by the EU is still expected soon.**
• **Russian oil production was shut in 1m bpd in April (9% decrease)**, driving down global supply to 98,1m bpd. Western countries are boycotting Russian oil, while India's imports climbed by 6%
• **Opec+ total crude production plunged 1,03m bpd** to 43,12m bpd in April due to Russian losses .The production targets are **now about 2,7m bpd below the target.**
• The situation in Shanghai is improving. No new case reported for three days.

Date	Brent			
27/05/2022	$	119,43	€	111,39
26/05/2022	$	117,40	€	109,75
25/05/2022	$	114,03	€	107,01
24/05/2022	$	113,56	€	105,93
23/05/2022	$	113,42	€	106,41

Natural gas markets

European forward gas prices



Date	TTF Y+1
27/05/2022	78,60
26/05/2022	77,34
25/05/2022	77,03
24/05/2022	74,70
23/05/2022	73,55

Date	ZEE Y+1
27/05/2022	79,47
26/05/2022	79,30
25/05/2022	79,08
24/05/2022	78,67
23/05/2022	79,57

Date	NBP Y+1
27/05/2022	78,78
26/05/2022	76,98
25/05/2022	76,59
24/05/2022	73,86
23/05/2022	72,88

Date	Gaspool
27/05/2022	88,43
26/05/2022	88,73
25/05/2022	88,87
24/05/2022	87,18
23/05/2022	86,59

Date	THE Y+1
27/05/2022	88,43
26/05/2022	88,73
25/05/2022	88,87
24/05/2022	87,18
23/05/2022	86,59

Date	PEG N Y+1
27/05/2022	70,93
26/05/2022	71,97
25/05/2022	70,86
24/05/2022	69,80
23/05/2022	69,93

Date	PL gas
27/05/2022	98,17
26/05/2022	98,50
25/05/2022	97,81
24/05/2022	97,73
23/05/2022	96,23

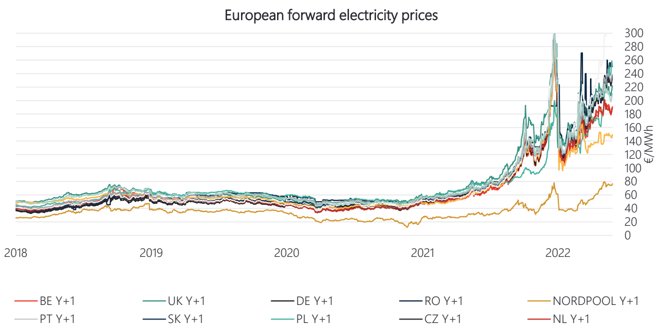
Weekly evolution futures: mixed

Bearish:
• **Gas storages now only 3% below the 2015-2021 average** (vs 17% lower at the start of the year).
• Weak demand and comfortable supply pushed prices down. Rise in coal prices limited the loss.
• **LNG flows dropped, bit still high.**
• **The EC confirmed that EU sanctions do not prevent companies to open a bank account to pay for Russian gas**, so long as they do so in the currency agreed in their contracts.

Bullish:
• **Russia listed 31 companies no longer eligible to conduct business in and with Russia** including the Polish pipeline owner EuRoPol Gaz, Gazprom Germania, and 29 Gazprom Germania subsidiaries amongst which Wingas, GM&T, WIEH and Astora. **Impact limited now but could be more severe during next winter.**
• Iberia approves average gas price cap of 48,8 €/MWh over the next 12 months, starting at 40 €/MWh for the first 6 months.
• EC backs principle of gas price caps for power, while a big Russian gas cut could trigger the implementation of a general EU-wide maximum gas price.
• Potential for a Russian gas supply cut in retaliation to an EU oil embargo.

- **Russia halted gas supplies to Finland**. Gas flows through the Imatra point stopped on May 21.
- Drop of Russian gas via Ukraine.

Power markets



Date	BE Y+1
27/05/2022	190,86
26/05/2022	187,40
25/05/2022	187,93
24/05/2022	181,17
23/05/2022	178,65

Date	NL Y+1
27/05/2022	189,04
26/05/2022	185,64
25/05/2022	182,55
24/05/2022	181,72
23/05/2022	179,88

Date	FR Y+1
27/05/2022	302,61
26/05/2022	304,13
25/05/2022	300,88
24/05/2022	303,75
23/05/2022	304,49

Date	DE Y+1
27/05/2022	232,12
26/05/2022	231,30
25/05/2022	227,20
24/05/2022	224,04
23/05/2022	221,64

Date	UK Y+1
27/05/2022	221,99
26/05/2022	217,06
25/05/2022	215,12
24/05/2022	209,25
23/05/2022	206,80

Date	ES Y+1
27/05/2022	149,20
26/05/2022	146,25
25/05/2022	144,50
24/05/2022	146,00
23/05/2022	147,00

Date	PT Y+1
27/05/2022	149,20
26/05/2022	146,25
25/05/2022	144,50
24/05/2022	146,00
23/05/2022	147,00

Date	IT Y+1
27/05/2022	210,08
26/05/2022	206,55
25/05/2022	202,81
24/05/2022	200,74
23/05/2022	198,33

Date	PL Y+1
27/05/2022	251,25
26/05/2022	258,43
25/05/2022	257,76
24/05/2022	250,35
23/05/2022	240,47

Date	CZ Y+1
27/05/2022	234,52
26/05/2022	233,70
25/05/2022	229,60
24/05/2022	226,44
23/05/2022	224,04

Date	SK Y+1
27/05/2022	236,52
26/05/2022	235,90
25/05/2022	231,80
24/05/2022	228,64
23/05/2022	226,24

Date	HU Y+1
27/05/2022	238,03
26/05/2022	238,26
25/05/2022	233,48
24/05/2022	230,36
23/05/2022	228,06

Date	NORDPOOL Y+1
27/05/2022	76,62
26/05/2022	74,45
25/05/2022	74,45
24/05/2022	74,50
23/05/2022	74,00

Date	RO Y+1
27/05/2022	250,37
26/05/2022	250,90
25/05/2022	257,20
24/05/2022	256,04
23/05/2022	249,65

Weekly evolution: relatively flat

Bearish:

- Warm and sunny weather .
- Steady pipeline gas flows and ample LNG.
- Better wind outlook.
- Drop in carbon prices.

Bullish:

- EDF has cut their 2022 nuclear output by another 5% to 280-300 TWh citing corrosion checks on a dozen of reactors which could impact production until 2024. This would be the lowest production in 34 years and well below last year's 360,7 TWh.
- Russia now also cutting gas flows to Finland (after Poland and Bulgaria).
- Hydro levels are at multi-year lows across Europe, supporting both power prices and fossil fuel burn.
- Continued high gas, coal and carbon prices

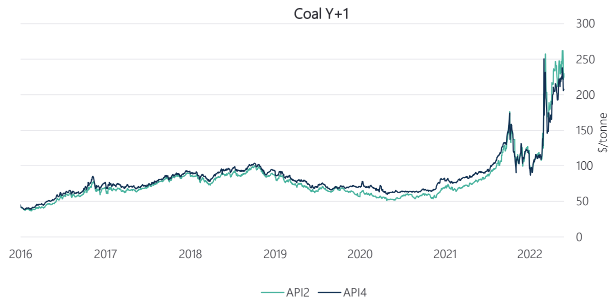
Other news:

- Denmark, Germany, the Netherlands and Belgium want to develop 150 GW iffshore wind capacitiy in the North Sea by 2050.

Emission rights & coal markets

Date	EUA
27/05/2022	84,20
26/05/2022	84,76
25/05/2022	81,40
24/05/2022	81,32
23/05/2022	78,15

Date	API2	API4
27/05/2022	224,75	207,65
26/05/2022	230,00	207,33
25/05/2022	221,55	205,68
24/05/2022	246,20	208,33
23/05/2022	262,05	225,04



Weekly evolution: bearish

Weekly evolution: bullish

Bearish:

• The EC plans to sell around 250m EUAs (about 1/5 of last year's demand) from the MSR over the coming years to raise € 20bn to accelerate investments in alternatives to Russian fossil fuels.
• Deterioration of the economic outlook.
• High prices of fossil fuels pressuring demand.
• ENVI open to limiting financial companies' access to the EU ETS from 2025 if needed to tackle speculation but not if it would have a negative impact on the market's operation and the EU's ability to achieve its 2030 & 2050 decarbonisation goals.

Bullish:

• Market participants are expecting more allowances to be needed this year due to a further increase in gas-to-coal switching

Bearish:

• High ARA stocks levels.
• An increase in exports from Russian ports m-o-m in in anticipation to the EU ban as of August 10.
• NW Europe expected to import 7,3m tonnes of coal by sea this month versus 4,5m tonnes in the same month last year. South Africa exported 2,2m tonnes of coal to Europe since war versus almost no such shipments last year (despite railway issues).
• Improvements in Chinese production.

Bullish:

• Strong demand from India for electricity generation for cooling purposes upon heatwave.
• China has waived coal import duties increasing competition for coal shipments.
• EU embargo on Russian coal on new volumes and all out ban from the 10th of August.