CLIENT DASHBOARD

This is just a sample of the in-depth pricing information we upload every morning.

NEW STREAM RENEWABLES

08/06/2022

New Stream Market Price Assessments

CLICK HERE

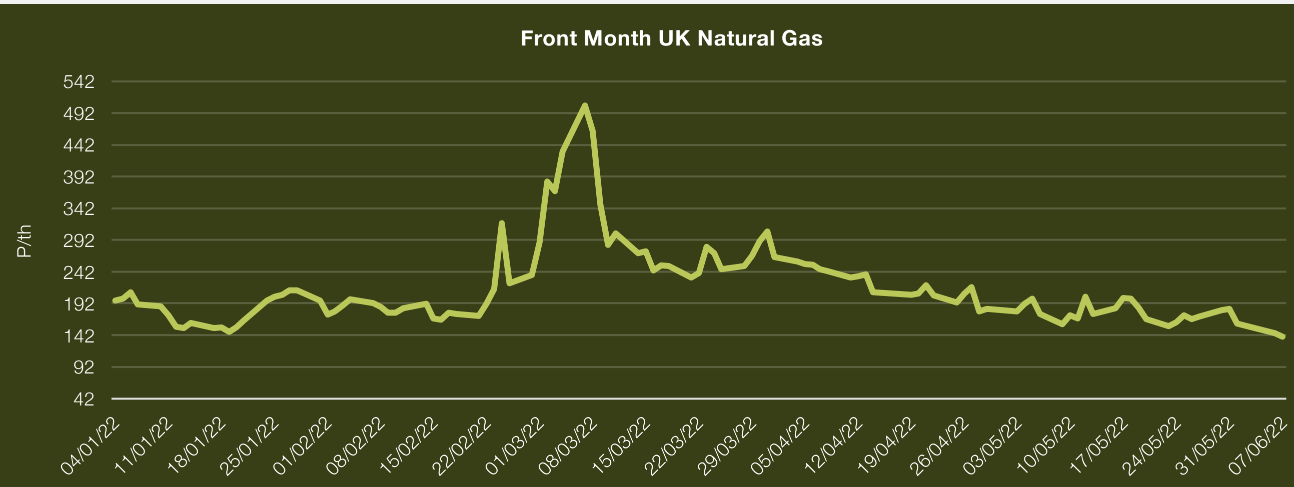
To get your own access to the client dashboard please get in touch with Tom

Gas Trends Lower Putting Downward Pressure on UK Power and PPAs

- European gas prices have eased from a peak in early March, shortly after the invasion of Ukraine.
- Pricing at the NBP is still well above average for this time of year.
- Market sentiment appears to be weaker as the short term trend points lower.
- High pricing at the NBP and TTF has attracted LNG cargos and a time of low demand.
- The US sent nearly three-quarters of its LNG to Europe in the first four months of 2022, up from one-third last year.
- European gas storage sites are now over 50% full, which is above the five year average for this time of year.
- Asian LNG buying ahead of winter could support forward curve pricing.
- New Stream see weaker market fundamentals but expect price volatility to continue in the short term.

“Volatility will remain with any news or event quickly resulting in a change of direction. However, with supply relatively robust and demand remaining really low alongside the storage levels we are seeing, this position is driving the market weakness on the gas side that is putting pressure on PPA pricing. We have done a huge amount of PPA fixing, and now activity continues to be focused on forward years, 2024 and 2025 fixing. ”

Jamie Banks | PPA Manager at New Stream



NEW STREAM RENEWABLES

Asian LNG Buying Returns Ahead of Winter

"You are seeing the market trying to weigh the bearish short term outlook against the uncertainty of winter, and Asian LNG buying could support forward curve pricing. LNG prices remain well above where they normally are, even adjusting for higher crude oil prices.

We also have Chinese buying still to come to the table. They cut deliveries by about 30% in the year's first half after measures to curb a Covid-19 outbreak. They haven't yet started buying spot cargos for winter, but I expect that demand to rebound with the removal of virus restrictions."

Charles Ward |
Head of Renewables at New Stream

- Liquefied natural gas buyers in Asia are already busy securing cargoes for winter.
- India has already bought several cargoes for winter delivery.
- Gujarat State Petroleum Corp has bid for spot LNG cargo for winter delivery at a 25% premium to summer prices.
- Korea and Japan may also buy more fuel on the spot LNG market.
- Europe plans to cut imports of pipeline gas from Russian gas by 75%.
- Traders have been diverting LNG shipments from Asia and choosing to sell into Europe, where pricing is higher.

CLIENT DASHBOARD

This is just a sample of the in-depth pricing information we upload every morning.

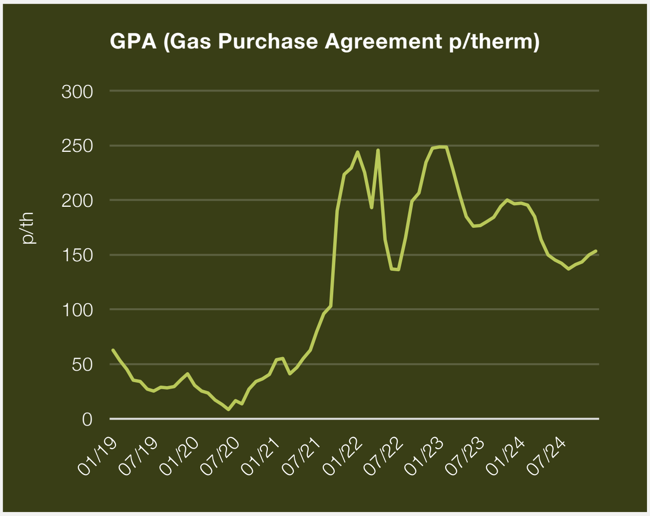
NEW STREAM RENEWABLES

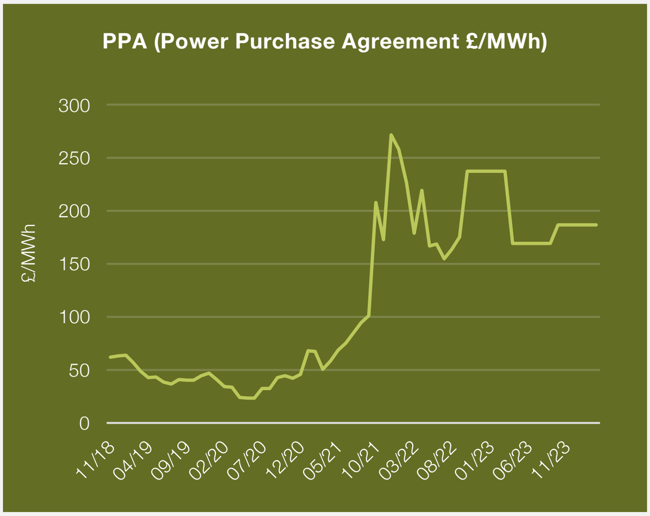
UK Power and PPAs:

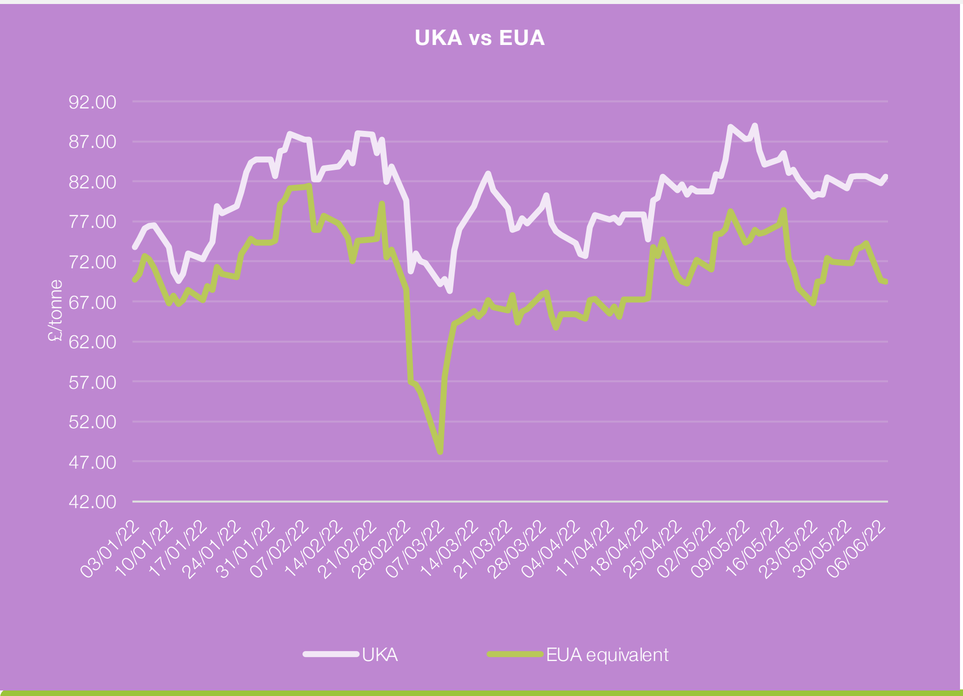
- Gas is still the big driver of PPAs and UK power.
- Price volatility returns at the front end of the curve.
- Generators are looking at forward PPA fixing to protect against downside risks.
- Increased LNG, low demand and positive storage news had moved UK pricing lower.
- Higher wind generation has decreased power market pricing and volatility on the spot market.

Key Drivers :

- Gas demand and Renewable weather forecasts.
- Carbon markets.
- Geopolitics and Russian gas flows.
- European storage levels.
- LNG supply.







Carbon:

EUAs are currently trading around 80 €/t, with UKAs around 81 £/t.

Both Carbon markets continue to trade sideways with lowering seasonal demand and weaker gas pricing.

Geopolitical tension with Russian gas flows could influence short term price movements