

Daily Gas Market Report



Report Date 08-01-2008

Market prices

Price Period	Closing Price PPT	Opening Price PPT	Change
Day-Ahead	54.60	57.00	2.40
Feb-08	56.15	57.80	1.65
Mar-08	55.35	56.75	1.40
Apr-08	53.00	54.40	1.40
May-08	51.15	52.30	1.15
Jun-08	49.00	50.15	1.15
Jul-08	49.60	49.80	0.20
Aug-08	50.80	51.65	0.85
Sep-08	50.00	50.80	0.80
Oct-08	56.50	58.83	2.33
Qtr208	50.95	52.28	1.33
Qtr308	49.55	50.75	1.20
Qtr408	61.90	63.96	2.06
Qtr1-09	67.50	69.44	1.94
Qtr2-09	51.25	52.60	1.35
S08	50.30	51.51	1.21
W08	64.80	66.67	1.87
S09	50.25	51.64	1.39

Market Close Commentary

System demand increased steadily throughout the day yesterday however linepack kept pace with the increases remaining around 4mcm long for the majority of the session.

WD traded on the underside of 55p/therm throughout the session which in turn attracted imports through the Bacton IC of around 12mcm. The systems recovery to a positive balance failed to instill any positive sentiment as prices remained firm softening marginally late morning before rallying upwards again in the afternoon.

A mild 10 day forecast did nothing to ease the prompt. The bullish prompt lent firm support to the front months which continued their climb. W-08 was also driven higher by bullish sentiment across the board and Brent crude oil trading at nearly \$97p/barrell

Market Opening Commentary

Demand opened 4mcm above forecast and 10mcm above SND this morning. Linepack opened balanced however large gains across the prompt and curve have been posted this morning.

Broadly speaking the fundamentals driving the prompt and curve are unchanged. Conflicting weather reports suggest a cold spell may hit late next week fuelling a bullish sentiment. A tightly balanced system over the last few days also fuels the ascent of the prompt and front months.

Concern is also ripe that continued storage withdrawals at current levels will deplete storage stocks by the beginning of March helping to further boost the bullish sentiment.

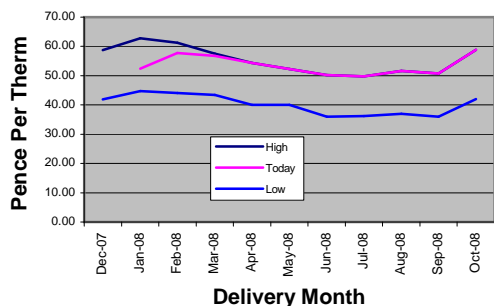
System Position

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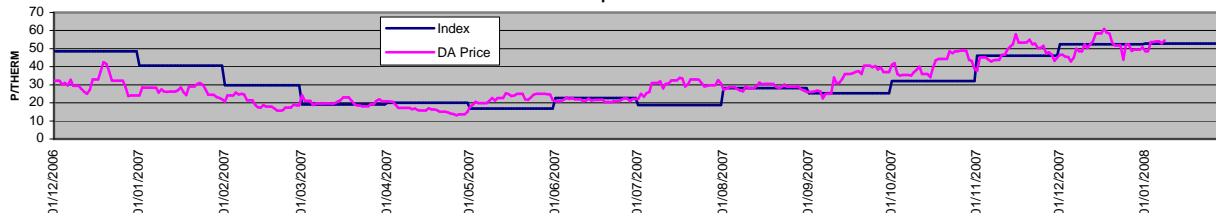
Gas Day	Demand	Opening System Position
08/01/2008	373.3	1.8mcm long
09/01/2008	373	Forecast
10/01/2008	370	Forecast
11/01/2008	372	Forecast
12/01/2008	359	Forecast

	Opening Prices	08/01/2008
SAP	SMP BUY	SMP Sell
56.57	57.42	55.62

UK High & Low Market Prices



M-1 index compared to DA Price



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