

# Daily Gas Market Report



Report Date 11-01-2008

## Market prices

Price Period	Closing Price PPT	Opening Price PPT	Change
Day-Ahead	57.50	59.00	1.50
Feb-08	58.50	59.20	0.70
Mar-08	57.80	58.80	1.00
Apr-08	53.90	54.35	0.45
May-08	52.10	52.45	0.35
Jun-08	50.15	50.45	0.30
Jul-08	49.60	49.50	-0.10
Aug-08	50.90	51.25	0.35
Sep-08	50.30	50.50	0.20
Oct-08	56.20	58.24	2.04
Qtr208	52.10	52.42	0.32
Qtr308	49.90	50.42	0.52
Qtr408	62.60	63.31	0.71
Qtr1-09	69.20	69.85	0.65
Qtr2-09	52.20	52.95	0.75
S08	51.10	51.41	0.31
W08	65.90	66.54	0.64
S09	51.10	51.92	0.82

## Market Close Commentary

System demand steadily declined on Thursday from morning highs of 377mcm to 369mcm however the journey was not without issue! WD prices traded as high as 60.75p/therm as linepack dropped 11mcm falling short.

Interruptible capacity was scaled back at some of the UK beach terminals and reduced flows through the St Fergus Shell sub terminal also contributed to the WD price surge.

The afternoon brought with it a change in sentiment as the WD and DA contracts fell back 2p/therm weakening the entire curve in part. By 3pm linepack had recovered from its short position remaining balanced for the remainder of the day.

Other factors contributed to the losses across the curve such as the slump in Brent Crude Oil prices yesterday afternoon. With heavy gains day on day it was inevitable that the ascent would run out of steam without additional fundamentals to support the level of increase however storage stock levels still present a large area of concern to many players and consequently we may simply be in the eye of the storm.

## Market Opening Commentary

System demand opened 7mcm above forecast this morning with system demand 17mcm above SND. Linepack opened short and reached a balanced position at 10am.

Prices firmed this morning from yesterdays closing positions in a very prompt price and linepack sensitive market. Prompt prices continue to pass sentiment through the curve however forward prices remain below the levels seen yesterday morning.

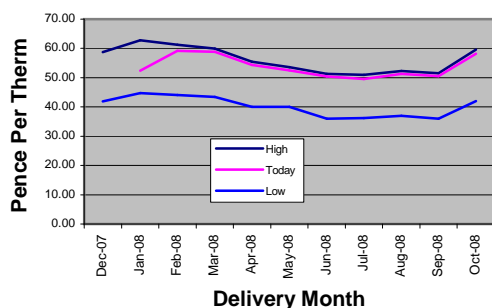
## System Position

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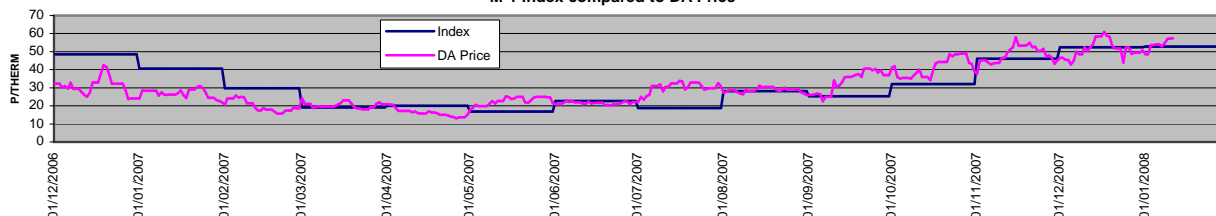
Gas Day	Demand	Opening System Position
11/01/2008	375.2	12.5mcm short
12/01/2008	340	Forecast
13/01/2008	333	Forecast
14/01/2008	344	Forecast
15/01/2008	338	Forecast

	Opening Prices	11/01/2008
SAP	SMP BUY	SMP Sell
59.50	60.34	58.55

## UK High & Low Market Prices



## M-1 index compared to DA Price



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