



I hope you and your family are keeping safe and well, from all here at GET Solutions.

As we move into the next phase of 'the new normal' markets are now faced with a conundrum and the trade off between two recoveries: The Global Covid-19 Recovery and the Global Economic Recovery. This trade-off will play out for the weeks, months and potentially years to come; As 'lockdown' measures are eased, the Economic Recovery can begin, however markets are yet to be reassured that this Economic Recovery won't result in a delay or cancellation of the Covid-19 Recovery. This was evident during the week, where the NASDAQ reached a record high, hit over 10,000 points, admittedly the weakness of the US Dollar is a contributing factor, however those gains were quickly eroded, as fears of a 'Second Wave' are now quickly becoming a global concern. There may even be a sense that markets had been slightly too-optimistic of a quick economic recovery, central banks like the FED remain ultra-cautious which is feeding into market sentiment.

Oil Prices, have followed a similar pattern, with offers steadily increasing from their low point towards the end of April, with Brent Crude Front Month offers reaching over \$40/bl during the last week of Trading. There are multiple reasons for this steady increase, supply cuts from OPEC, slightly higher demand as 'lockdown' restrictions are eased, but the largest contributing factor is the weakness of the US Dollar, which has slipped massively since the Pandemic hit the US, with the FED rolling out staggering stimulus packages.

As a result, Gas and Electricity Offers have been able to enter a bullish trend, however it must be noted that both commodities remain at staggering lows; especially gas offers, where Front Month offers are still trading below 15p/Therm. This bullish trend, although helped by rising Oil Prices is also being fuelled by dwindling LNG Supply levels and stronger Gas-for-Power Demand as there was lower renewable power generation last week compared to the previous weeks. Therefore, Gas Markets are on the receiving end of a two pronged assault, where Curve Offers deal with rising Oil Prices and Spot Offers deal with demand/supply issues. Yet, there are signs that in the short term Gas and Power Offers will return to a bearish sentiment as Global Equity and Oil Markets correct themselves downwards as a result of over-optimism. We are likely to see a slight flattening or even mild reductions in Gas and Electricity offers in the early part of week commencing 15th June.