

CORONA ENERGY MARKET RADAR GERMANY

30.06.2021

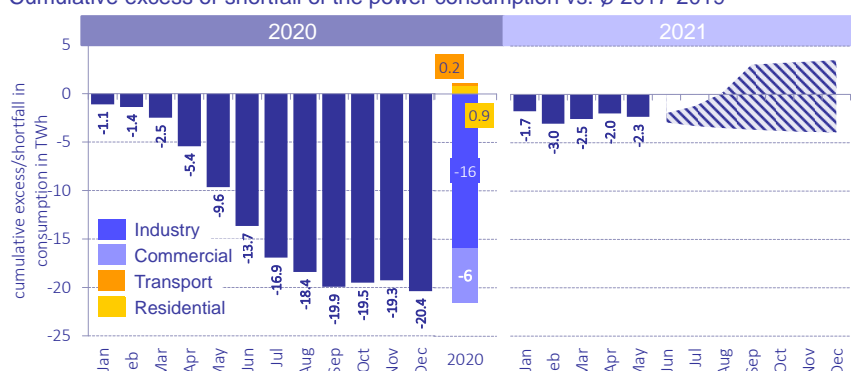
KEY FACTS

- Electricity consumption is stagnating at pre-crisis levels, the economic rebound could lift consumption above the level of previous years. By May, year-to-date industrial gas consumption was 3 TWh higher than in prev. years.
- Commodity prices are experiencing a price rally and are almost consistently above the level of previous years. The economic upturn will continue to sustain demand for commodities and exert upward pressure on prices.
- Economic indicators point to a strong recovery in the manufacturing sector, with all ifo indicators exceeding pre-crisis levels and the incoming orders index reaching 4-year highs.

Power consumption

- The chart shows the cumulative shortfall in consumption p.a., which reached the maximum in Feb. No additional shortfall has occurred since Mar.
- In the optimistic scenario, there is a slight increase in consumption (+4 TWh/a) due to catch-up effects until Sep.
- In the pessimistic scenario, there is a minor additional shortfall in consumption with a normalization in H2 2021

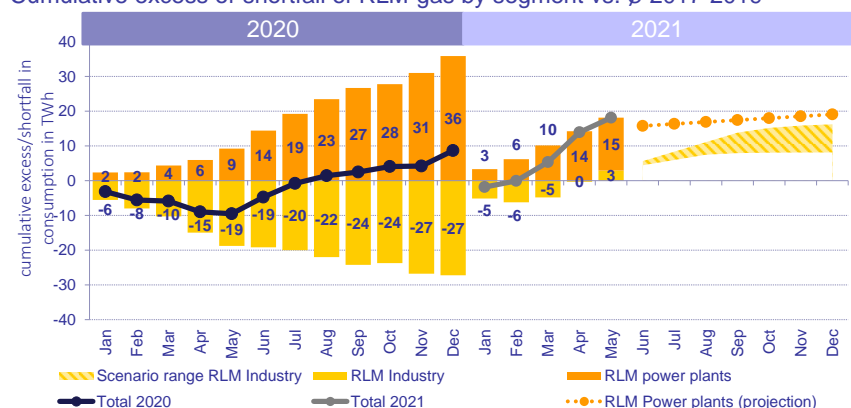
Cumulative excess or shortfall of the power consumption vs. $\bar{\varnothing}$ 2017-2019



Gas consumption

- In the RLM sector, power plants continued to show high consumption and replaced coal-fired generation
- The industrial sector in the RLM segment was able to compensate for the shortfall in Q1/2021 and currently shows an excess in consumption as well
- Over the entire year, a total consumption of +25 to +35 TWh/a compared to the previous years 2017-2019 is possible

Cumulative excess or shortfall of RLM-gas by segment vs. $\bar{\varnothing}$ 2017-2019



Source: Entso-E, NCG, GPL, BDEW, Team Consult Analysis

The effect of the pandemic on electricity consumption can be easily identified and also predicted due to its tight correlation with economic activity in general. Gas-fired power plants have partially replaced lignite and hard coal-fired power plants in recent months, gas consumption in the industry has risen sharply compared with previous years as the economy is recovering.

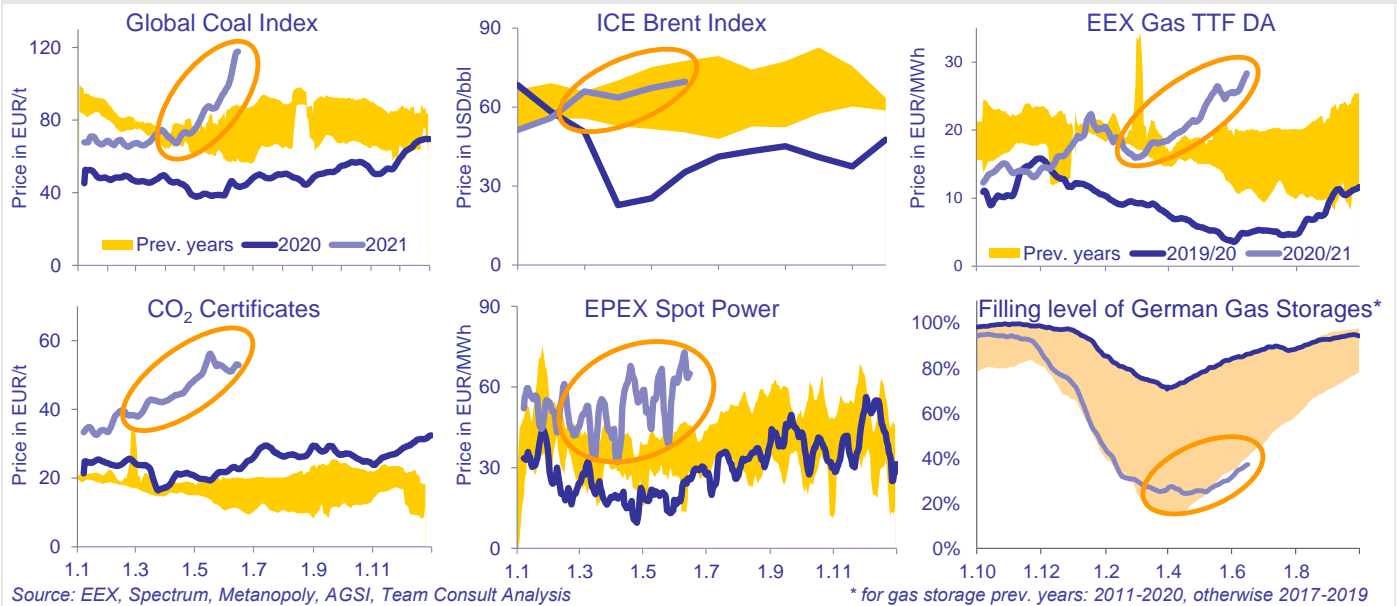
GDP forecast	Last forecast 2021	Current forecast 2021	Current forecast 2022
Ifo-Institute	+4.2%	+3.7% (Collaborative forecast)	+3.9% (Collaborative forecast)
IfW Kiel	+3.7%		
DIW Berlin	+3.0%		
HWWI	+3.0%		

Energy Prices	28.06.21 ¹	$\bar{\varnothing}$ 2019 ²	Difference
Power [EUR/MWh]	82.22	48.26	+33.96
Gas [EUR/MWh]	32.10	18.94	+13.16
Oil [USD/bbl]	74.68	61.14	+13.54
Coal [USD/t]	113.25	69.86	+43.39

¹ 1 Month Ahead Price, Source: EEX, ICE, Spectron

² Arithmetic average of the Year Ahead futures of all trading days in 2019, Source: EEX, ICE, Spectron

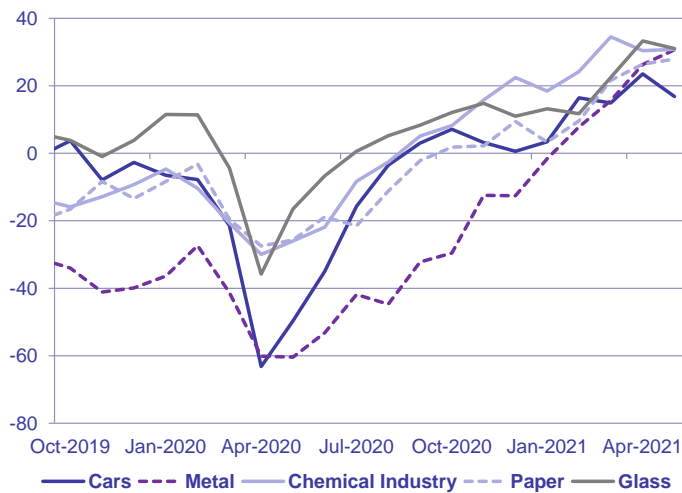
Updated Development of Commodity Prices from 2017 to 2021



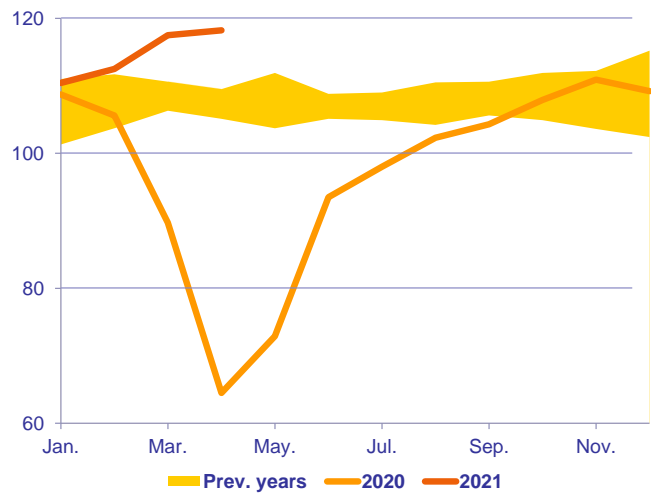
- In recent months, commodity and CO₂ prices have once again risen significantly and, except for the oil index, are significantly above the price ranges of previous years. This is also reflected in the rising electricity price.
- Gas storage filling levels in Germany have recently dropped below the normal range, which can be regarded as an example of a current commodity shortage. The scarcity and the economic upturn put further upward pressure on commodity prices.

Development of key sectors in the manufacturing industries

ifo-Index for the manufacturing industries



Destatis incoming orders in the manufacturing sector (value index)



- The ifo indices have been above pre-crisis levels since the end of Q1/21. The metals sector in particular has shown a significant increase since Q3/20. The recovery in the automotive sector is flattening, albeit above pre-crisis levels.
- Since the start of the year, the incoming orders index has been considerably higher compared to the crisis & previous years.

Imprint

Editor: Team Consult G.P.E. GmbH, Robert-Koch-Platz 4, 10115 Berlin

Contact details: +49.30.400 556 0, info@teamconsult.net

Legal disclaimer and copyright: The Corona-Energy Market Radar was produced with utmost care. Team Consult cannot assume any liability for the completeness, accuracy and up-to-date nature of the data used. All content is protected by copyright.