

Weekly Energy Market Report
2nd December 2020

There was a sharp increase in both gas and electricity prices this week as gas increasing by 16% and electricity by 13.3% compared to last week. A rise in demand due to colder temperatures and a drop in wind generation pushed prices higher throughout the week. The possibility of strike action in Norway affecting the UK supply also pushed prices up later in the week.

Electricity prices continually increased throughout this week as contracts tracked the gains of the gas market. Strong trading within the wider energy market as well as the colder temperatures forecast also pushed prices up.

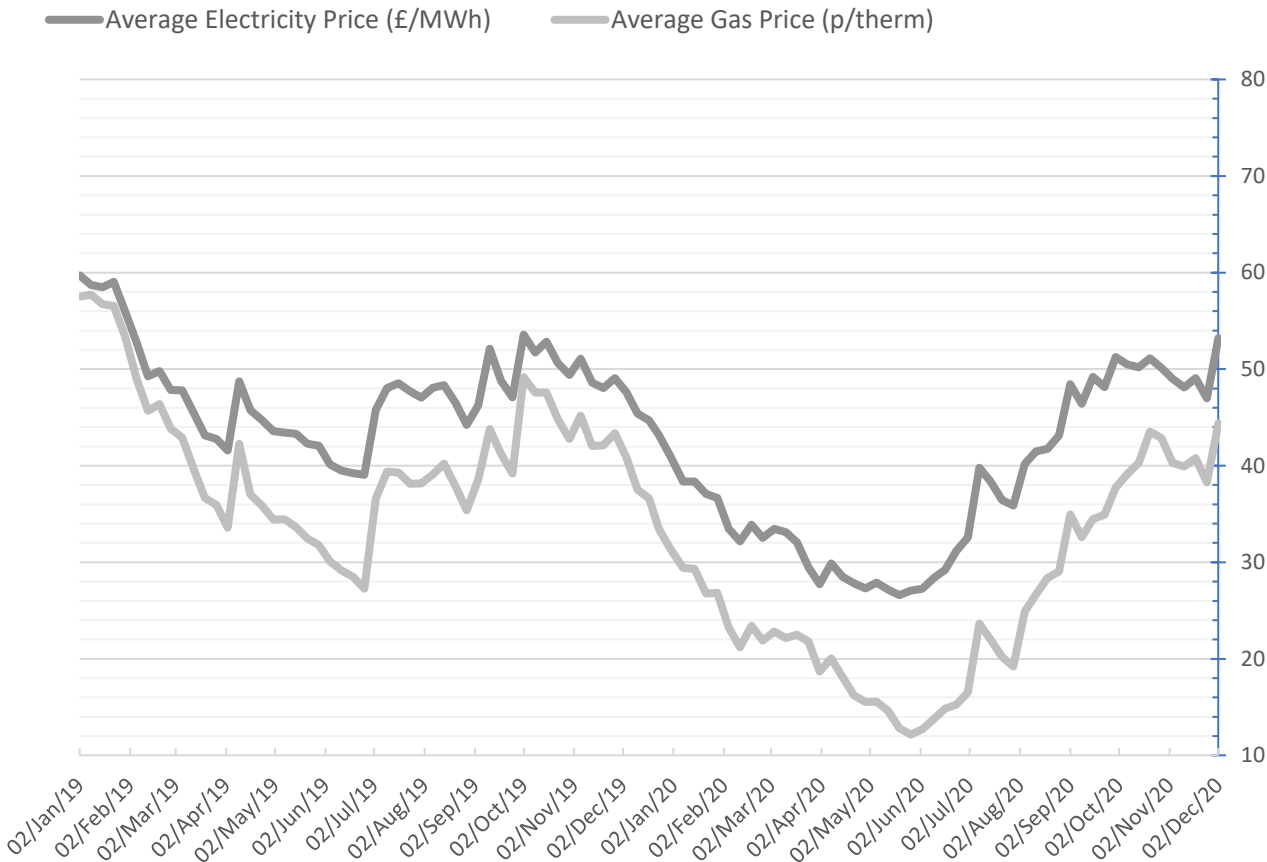
The price of Brent crude oil dropped from 48.61 USD/bbl to 47.42 USD/bbl before recovering to 47.84 USD/bbl this week. Doubts over OPEC reaching a production agreement and an increase in Libyan production forced prices lower earlier in the week. Prices increased again as further positive vaccine announcements were made.

Coal prices increased throughout this week from \$55.80/t to \$61.40/t. Carbon prices also continually rose this week from €27.25/t to €29.46/t.

The Pound fell sharply against the Euro (€1.1217 to €1.1068) and strengthened slightly against the US Dollar (\$1.3349 to \$1.3364) this week.



YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)			13.3 %	PRICE MOVEMENTS OVER PAST WEEK
Prompt Price	Future Price	Average Price		
53.50	52.95	53.23		
Gas (p/Therm)			16.0 %	
Prompt Price	Future Price	Average Price		
44.93	43.83	44.38		