

Both gas and electricity prices increased sharply this week with gas increasing by 17.1% and electricity by 10.7%. Forecasts of below average temperatures, a drop in wind generation and strong trading within the carbon market pushed prices higher this week. An unplanned Norwegian gas field outage as well as fewer expected LNG deliveries also increased prices.

Electricity prices again tracked the movements of the gas market and increased throughout the week. The wind generation remaining weak and strong wider within the wider energy markets had the greatest impact on prices.

The price of Brent crude oil initially dropped from 68.56 USD/bbl to 67.25 USD/bbl before rising back to 69.35 USD/bbl this week. This initial drop in price was due to continuing concerns regarding the coronavirus rates in India and its impact on demand. Prices improved later in the week as the US carried out further vaccine roll outs and OPEC introduced additional supply limitations.

Coal prices initially dropped from \$74.30/t to \$73.30/t before increasing to \$77.20/t this week. Carbon prices increased throughout this week from €46.95/t to €49.00/t.

The Pound strengthened against the Euro (€1.1498 to €1.1576) and weakened slightly against the US Dollar (\$1.3908 to \$1.3901) this week.

YEAR AHEAD PRICING (ENERGY ONLY)

