

Both gas and electricity prices continued to drop this week with gas dropping by 16.6% and electricity by 19.4% compared to last week. Forecasts of warmer temperatures again pushed gas prices lower. A strong supply outlook also pushed prices lower as further LNG deliveries are expected to arrive in the UK shortly. Further drops in price were limited as Russia continues to limit the gas flows to Europe.

Electricity prices dropped throughout the week as they again followed the movements of the gas market. Weaker trading within the carbon market as well as strong wind generation also pushed prices lower.

Brent crude oil prices initially dropped from 81.99 \$/bbl to 80.87 \$/bbl before rising to 84.67 \$/bbl this week. Prices initially dropped due to the rising number of Omicron cases in the US and the potential impact this may have on demand. A weaker US Dollar later in the week and disruption to production in Kazakhstan due to protests pushed prices higher.

Coal prices increased from \$95.40/t to \$117.50/t before dropping to \$112.00/t this week. Carbon prices initially increased from €85.90/t to €87.47/t before dropping to €81.99/t.

The Pound strengthened against both the Euro (€1.1965 to €1.1985) and the US Dollar (\$1.356 to \$1.366) this week.

YEAR AHEAD PRICING (ENERGY ONLY)

