

Both gas and electricity prices dropped this week with gas dropping by 25.7% and electricity by 33.4% after prices reached record highs during the previous week. Gas prices dropped as Russia agreed to increase gas flows into Europe which eased supply concerns. An oversupplied gas system later in the week led to a sell off which also lowered prices. Forecasts of colder temperatures and reduced wind as well as increased demand stopped any further drops in price.

Electricity prices again followed the movement of the gas market as prices dropped this week. Weaker trading within the coal and carbon markets also pushed prices lower.

Brent crude oil prices increased throughout most of the week from 81.08 USD/bbl to 83.65 USD/bbl before dropping to 83.42 USD/bbl. Prices increased as previous reports stating the US would sell some of their oil reserves were found to be false. An increase in demand also pushed prices higher as industries made the switch from gas to oil due to the spike in gas prices. Prices dropped later in the week as the IMF reported a drop in global economic growth.

Coal prices dropped from \$187.05/t to \$131.00/t before recovering later in the week to \$152.00/t. Carbon prices also initially dropped from €65.05/t to €58.07 before rising back to €59.68/t.

The Pound strengthened against both the Euro (€1.1749 to €1.1784) and the US Dollar (\$1.3587 to \$1.3613) this week.

YEAR AHEAD PRICING (ENERGY ONLY)

