

Weekly Energy Market Report

20th May 2020



Both gas and electricity prices continued to fall this week with gas falling by 12.3% and electricity by 2.1%. Gas prices continually fell throughout the week as storage inventories continue to increase in the UK and Europe and demand remained weak despite some lockdown restrictions lifting. Milder temperatures forecast also kept prices lower. Stronger trading within the energy market has caused long term contract prices to rise recently.

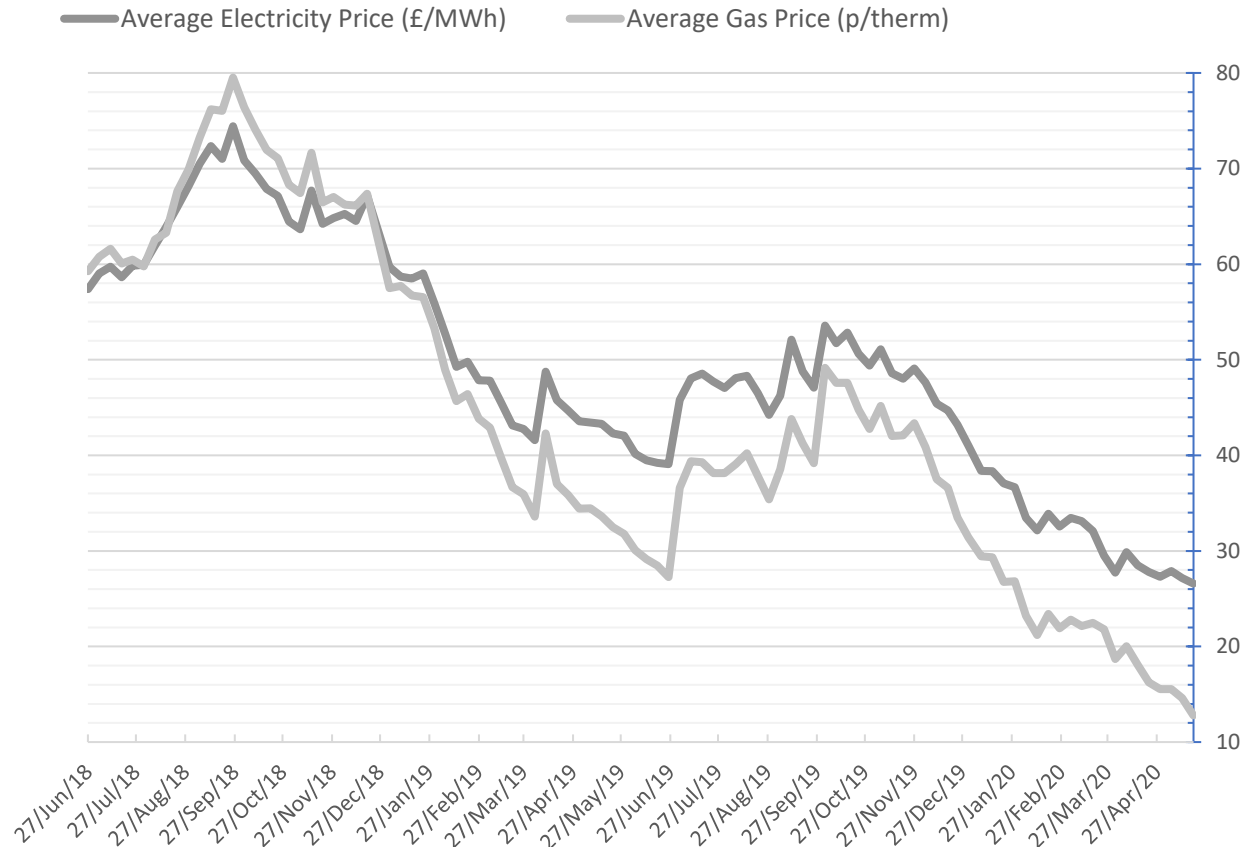
Electricity prices initially lowered earlier in the week before starting to rise again later. The initial drop in price was caused by the forecasted milder temperatures as well as the bearish gas market. Prices later increased due to a drop in wind generation and strong trading within the carbon market.

Brent crude oil recovered from the previous drop in price, rising from 29.19 USD/bbl to 35.78 USD/bbl. Saudi Arabia announcing production cuts as well as an expected increase in oil demand due to lockdown measure easing globally pushed prices higher. Increased refining by China also provided further upside.

Coal prices initially rose from \$53.20/t to \$53.65/t before dropping to \$52.50/t. Carbon prices fell from €18.95/t to €18.58/t before recovering to €20.38/t

The Pound weakened against both the Euro (€1.1307 to €1.1188) and the US Dollar (\$1.2274 to \$1.2255) this week.

YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
25.35	27.85	26.60



PRICE MOVEMENTS OVER PAST WEEK

Gas (p/Therm)		
Prompt Price	Future Price	Average Price
11.56	14.05	12.81

