

# Weekly Energy Market Report

22<sup>nd</sup> July 2020

Gas and electricity prices both dropped this week with gas falling by 8.1% and electricity by 5.1%. An expected increase in the number of LNG deliveries next month despite storage inventories being near full continued to push prices lower. Prices of gas were also affected by a drop in demand midweek and weaker trading within the wider energy sector, especially carbon markets.

The gas and carbon markets also had an impact on the price of electricity throughout the week forcing prices down. A predicted increase in wind generation early in the week also helped prices to fall.

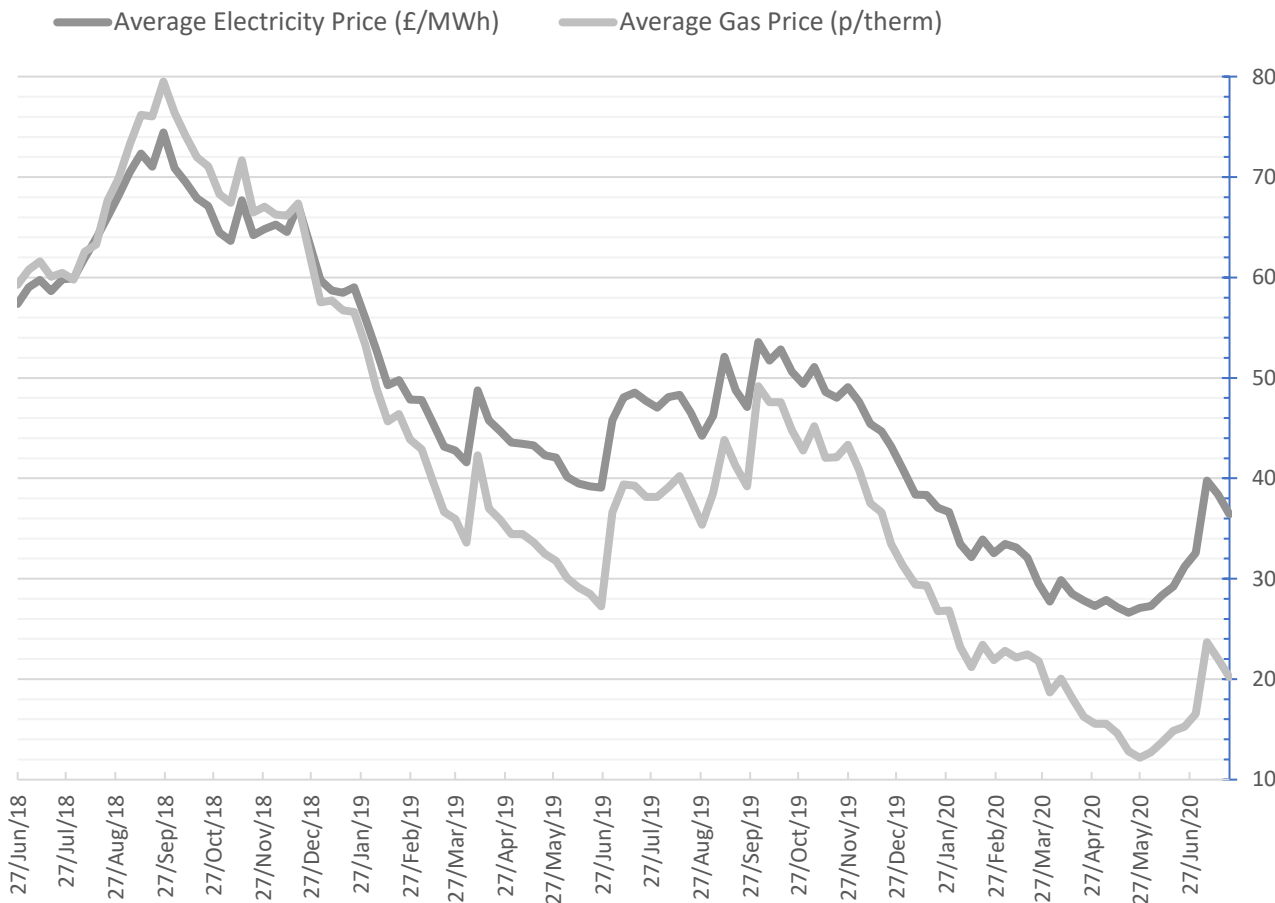
The price of Brent crude oil initially fell from 43.79 USD/bbl to 43.14 USD/bbl before recovering to 44.32 USD/bbl this week. This initial drop in price was influenced by OPEC deciding not to continue production cuts in August. Reports of further Covid-19 cases globally also pushed prices lower. Later in the week, news of researchers being hopeful on being close to a breakthrough for a vaccine helped prices increase.

Coal prices increased from \$58.20/t to \$60.00/t early in the week and remained steady throughout the rest. Carbon prices fell continually from €29.64/t to €26.17/t.

The Pound weakened slightly against the Euro (€1.1034 to €1.0994) and strengthened against the US Dollar (\$1.2605 to \$1.2691) this week.



## YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
31.10	41.75	36.43

Gas (p/Therm)		
Prompt Price	Future Price	Average Price
13.62	26.80	20.21

