

Weekly Energy Market Report

30th September 2020

Both gas and electricity prices increased this week with gas rising by 8.1% and electricity by 6.4% compared to last week. Gas prices were strongly affected by forecasts of colder weather, increased demand and strong trading within the carbon market. Prices dropped slightly midweek due to an increase in wind generation and weaker trading before recovering again.

Electricity prices followed the same trend as gas, initially rising again due to lower temperatures and strong trading with the energy markets. Prices again fell midweek as markets weakened before recovering as wind generation dropped.

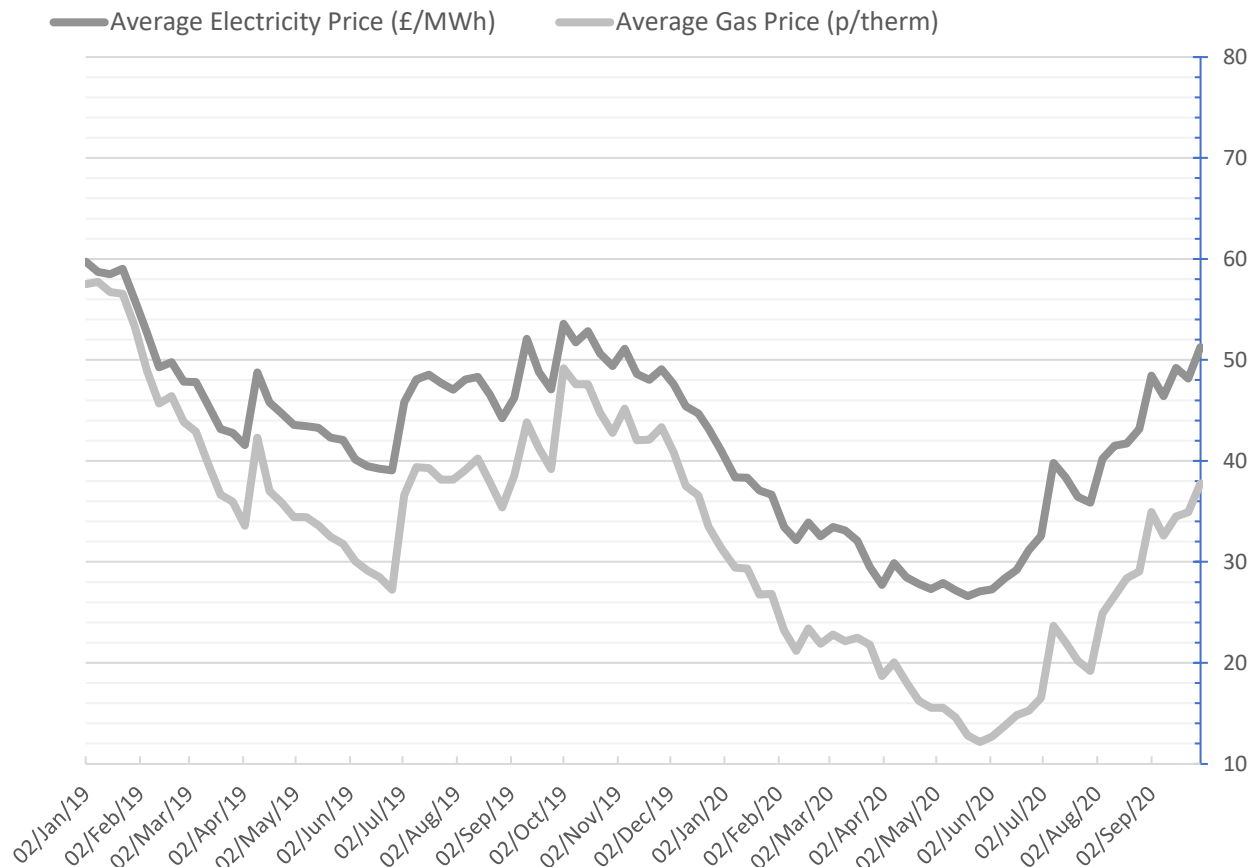
The price of Brent crude oil initially increased from 41.77 USD/bbl to 42.43 USD/bbl before dropping to 41.03 USD/bbl. This initial rise was due to a weaker US Dollar as well as US oil inventories dropping. Growing concerns over economic growth and oil demand pushed prices lower as several European countries announcing further restrictions due to an increase in Coronavirus cases.

Coal prices steady increased throughout this week from \$58.00/t to \$60.85/t. Carbon prices increased from €26.48/t to €28.01/t before dropping to €26.05/t. Prices soon recovered to €27.38/t.

The Pound strengthened against both the Euro (€1.0893 to €1.0974) and the US Dollar (\$1.2725 to \$1.2871) this week.



YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)			↑ 6.4 %	PRICE MOVEMENTS OVER PAST WEEK
Prompt Price	Future Price	Average Price		
49.50	53.00	51.25		
Gas (p/Therm)				
Prompt Price	Future Price	Average Price		
36.98	38.52	37.75		
			↑ 8.1 %	