

Weekly Energy Market Report

14th June 2017



Since the last report electricity prices have remained at the same level whilst gas prices have dropped by 2%.

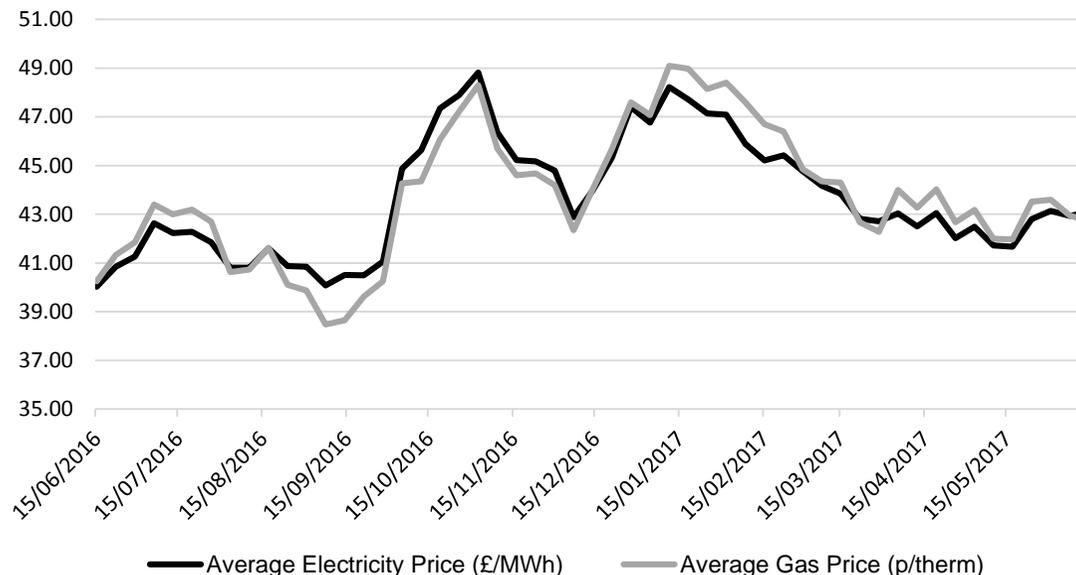
Gas Prices have dropped due to lower demand and an oversupplied system. This is because of higher temperatures and maintenance being carried out on the interconnector that is preventing the UK from exporting gas. This has allowed some gas to be stored and bring down winter prices. However, further decreases in pricing have been mitigated by tensions in the Middle East with Qatar. This has also caused two LNG deliveries due to the UK last week to be diverted. However, these are still expected to arrive in July.

Oil prices have had a bearish influence on the market. Prices have decreased over the last two weeks due to increased production in Nigeria, Libya and the USA. The US leaving the Paris Agreement has also weighed on prices.

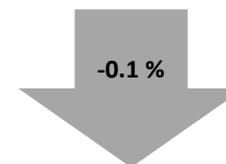
Electricity prices have seen a small decrease however it has been mitigated by a fall in the value of the Pound following the UK election. Prices have also been affected by an increase in coal.

Demand is expected to fall again this week due to higher temperatures and increased renewable generation. However, a continuation of tensions in the Middle East could have a bullish influence.

YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Summer Price	Winter Price	Average Price
39.98	46.22	43.10



Gas (p/Therm)		
Summer Price	Winter Price	Average Price
39.85	45.60	42.73



PRICE MOVEMENTS
OVER PAST WEEK