

Weekly Energy Market Report

10th January 2018

This week year ahead Energy prices have dramatically risen in comparison to last week.

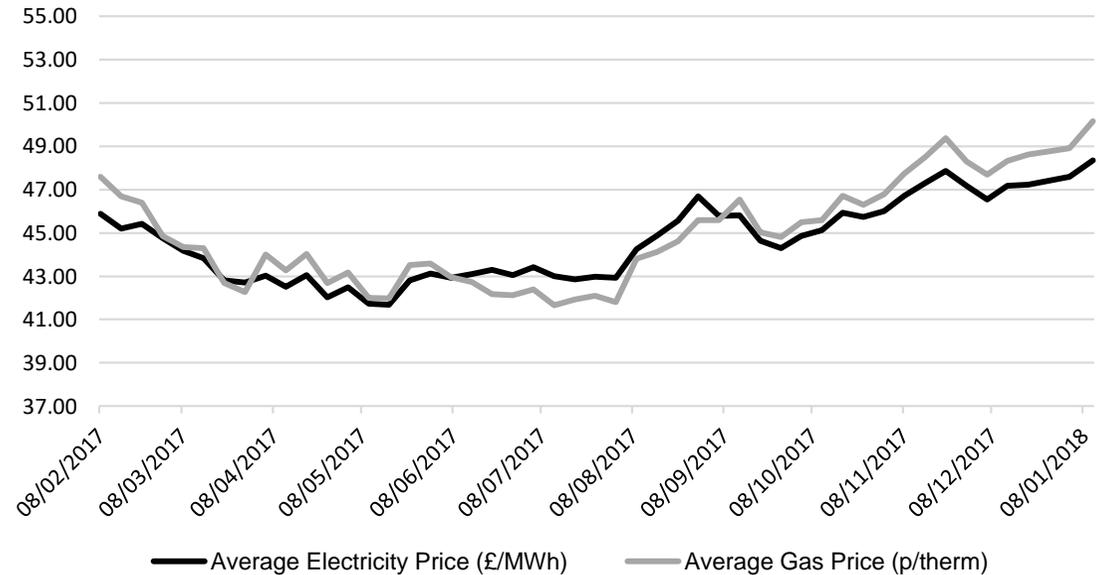
Gas prices have increased this week following a statement released from Europe's largest Gas field Groningen confirming they will be reducing production further to the earthquake on Monday 8th January. Large risk premiums have been included in prices following the statement, with major uncertainties going forward. The system is currently in an over supplied state, which should offset any further price rises.

Electricity prices have also been impacted following Gas price rises. The drop in coal prices has not had enough of an affect to influence Electricity prices downwards. Higher renewable output is forecasted for the rest of the week which should help to provide resistance against Electricity prices rising any further.

Oil prices on Tuesday 9th January were at a 2 ½ year high, recorded trading as high as \$69.53 a barrel. The large increase in prices is alleged to be influenced by ongoing political tensions in Iran and the continuous production cuts led by OPEC. In addition US output has fallen, and demand is quite strong.

Sterling has slightly come down this week in comparison to last week trading at \$1.35/£. Researchers have suggested the pound is forecasted for steady growth this year and likely to not be as volatile in 2018, as it was in 2016, and 2017.

YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)

Summer Price	Winter Price	Average Price
45.26	51.45	48.36



Gas (p/Therm)

Summer Price	Winter Price	Average Price
45.8	54.5	50.15



PRICE MOVEMENTS
OVER PAST WEEK