

Weekly Energy Market Report

28th February 2018

Year ahead Energy pricing has decreased this week.

Day ahead Gas prices have increased dramatically since last week, as the Gas market prepared for the cold weather influx by including large premiums in prices. Last week there were major uncertainties with weather and demand which led to aggressive trading on Friday 23 February, with Gas trading as high as \$78p/th. This week national demand has increased to approximately 28% above seasonal norm with day ahead prices further rising to 105p/th, the highest price seen in five years.

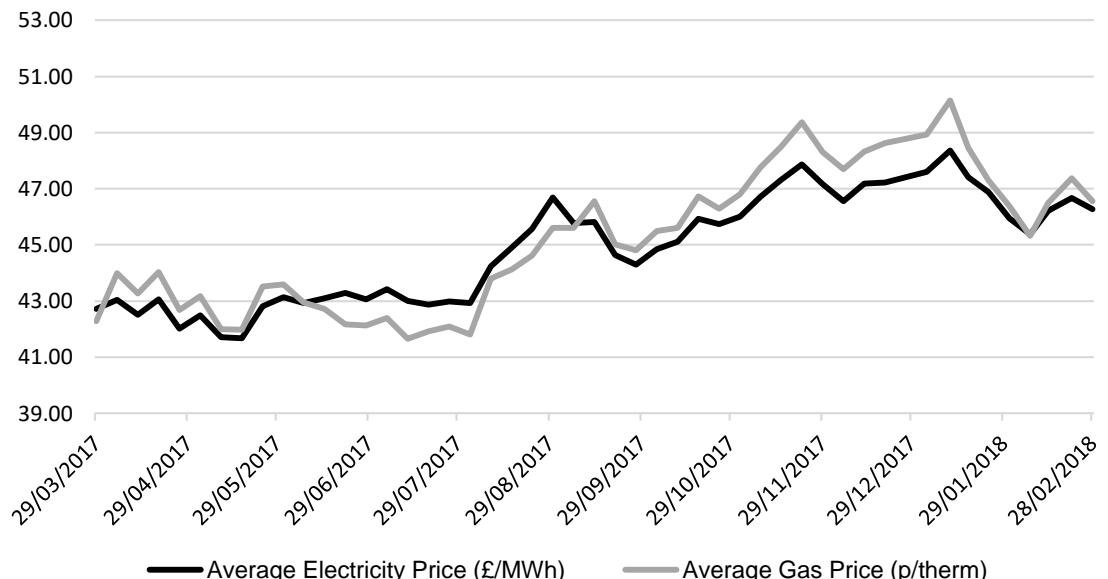
Electricity has followed Gas with large price increases with day ahead trading as high as £83.50/MWh, a one and a half year high. Major volatility with prices is likely to continue into March due to current freezing temperatures. Electricity prices have not been impacted as much as Gas, due to renewable generation helping to provide support to the market with solar (clearer skies), and strong renewal generation.

Oil prices have been quite volatile over the last week due to external factors influencing prices. Oil prices have since started to decline, with the lowest trading price this week of \$66.68 a barrel.

The Pound has decreased in value against the Dollar at \$1.38/£ this week. Experts suggest inflation is behind consumer confidence levels decreasing resulting in a drop in sales for the month of February. It is also suggested the boost the Dollar has received, will not last long as the Dollar is set to decrease again in value against the Pound, with the countries widening budget and trade deficits.



YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Summer Price	Winter Price	Average Price
43.36	49.20	46.28



Gas (p/Therm)		
Summer Price	Winter Price	Average Price
42.70	50.40	46.55



PRICE MOVEMENTS
OVER PAST WEEK