

# Weekly Energy Market Report

## 12<sup>th</sup> September 2018

Gas prices are nearing the end of a prolonged period of increase with coal and carbon performing strongly across the week. This morning has seen prices fall as Russian and Norwegian flows are up again, following a period of maintenance, whilst coal and carbon are also now falling.

Electricity prices continue to shadow those of gas, but have proven more resilient than gas. The anticipated increase in wind and solar power generation from forecasts for warmer and windier weather ahead is helping to keep prices more stable.

Shrinking US Crude Oil inventories and slowing production growth in the US have raised fears of an impending supply shortfall with Brent Crude barely moving this week.

Currently trading at \$78.85/bbl following the biggest weekly loss in two months.

UK GDP grew by 0.3% during July and quarterly growth rate is up from 0.4% to 0.6% - The fastest pace since August 2017.

Conservative Party opposition to Theresa May's Chequers Brexit Plan appears to be struggling to gain support and Michel Barnier has suggested a deal is likely "in six to eight weeks", all of which has prompted a strong recovery for the Pound.

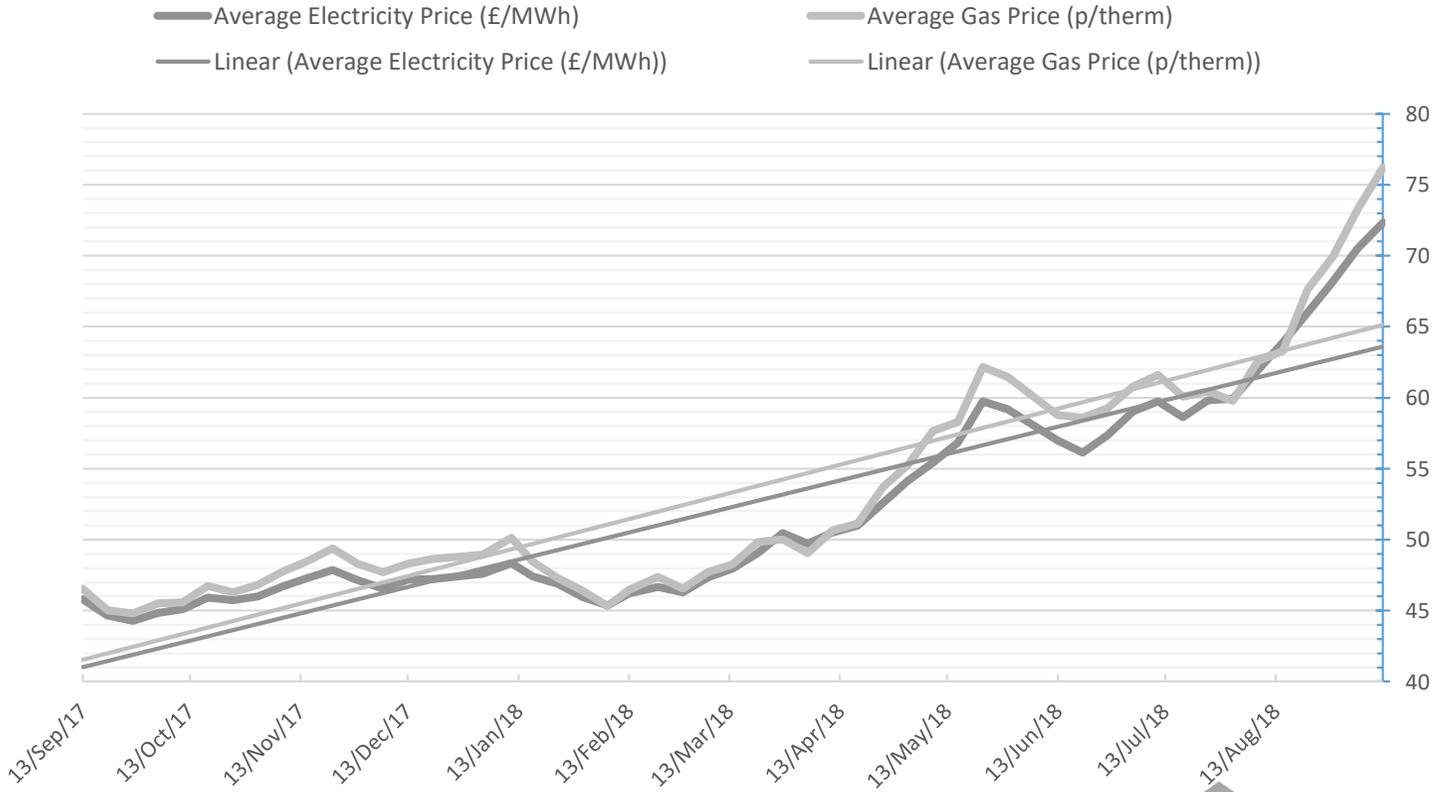
Despite USD continuing to benefit from "safe-haven" currency flows prompted by the US-China trade wars, GBP is up to \$1.3027 USD at the time of writing.

Whilst short term pain pervades, longer forecasts suggest reason for optimism going into the winter months.



MURPHY YOUNG  
UTILITIES

### YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Summer Price	Winter Price	Average Price
71.95	72.75	72.35

Gas (p/Therm)		
Summer Price	Winter Price	Average Price
75.30	77.10	76.20



PRICE MOVEMENTS  
OVER PAST WEEK