

Weekly Energy Market Report

15th August 2018

Gas prices spiked across the weekend as the warmer weather dissipates bringing increased calls for heating, coupled with continued supply outages due to industrial action.

These strikes appear to have ended for the time being, and supply is returning to normal levels, which has slowed the rise in price somewhat.

However UK demand is still projected to be above the seasonal average and with only a small surplus remaining, gas prices continue to trend upwards.

Power prices have been strongly linked to the gas NBP this week, but have risen more sharply, boosted by strong coal and oil prices across the wider fuel complex.

Brent Crude dropped to \$71.82/bbl this week, (following market indications from two weeks previous), but has largely survived the earlier fears caused by the impact of US sanctions on Turkey and the subsequent financial crisis.

The Turkish Lira is down 82% against the USD over the YTD, and the spreading economic uncertainty has driven down both the euro and the sterling.

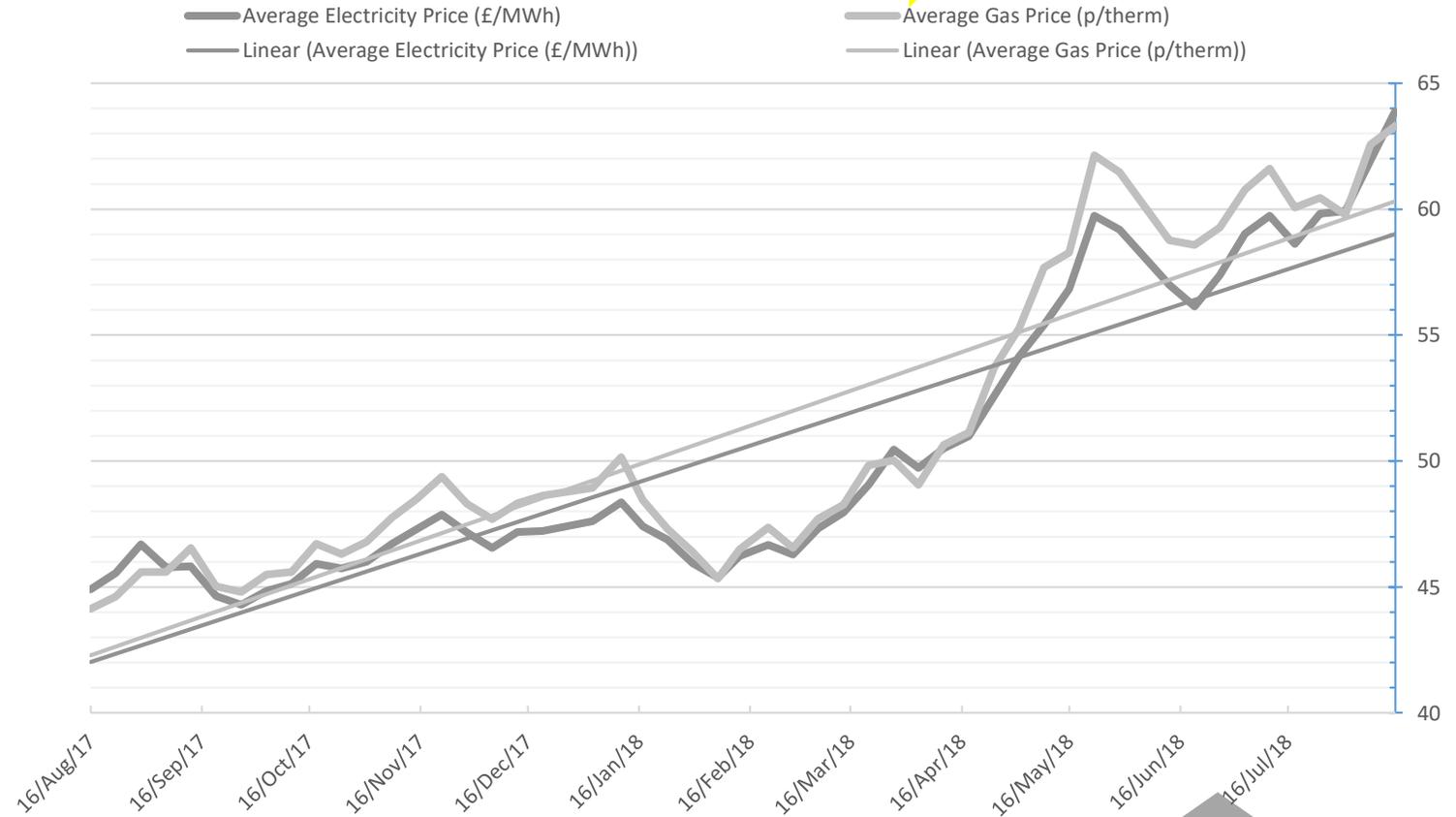
Slower than anticipated UK inflation and a growing deficit in the balance of payments, continues to erode the value of the sterling.

Whilst the USD is bullish at present with GBP currently trading at just \$1.272 USD



MURPHY YOUNG
UTILITIES

YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Summer Price	Winter Price	Average Price
61.44	66.35	63.90

Gas (p/Therm)		
Summer Price	Winter Price	Average Price
61.94	64.65	63.30

+3.2%

+1.2%

PRICE MOVEMENTS OVER PAST WEEK