

Weekly Energy Market Report

19th September 2018

Gas prices have fallen this week (albeit not by much as longer-term products remain high).

This has been prompted by returning Norwegian flows (now 60mcm/d vs a 10day moving average of 54), following the completion of maintenance on several fields and offshore infrastructure.

However carbon and Brent crude prices remain strong, tempering any big reductions in gas over the long term.

The increasing winds have pushed up renewable production and forecasts, reducing the call for gas as power.

This has had a knock-on effect for power prices and the continued strong wind forecasts (including the first hurricane of the season, Ali), have seen prices drop for the first time in around 2 months.

Brent crude has hovered around the \$79/bbl mark all week as US sanctions on Iranian oil (which might have increased prices) have been off-set by concerns regarding the \$200bn import tariff imposed by President Trump on Chinese imports as of Monday 24th.

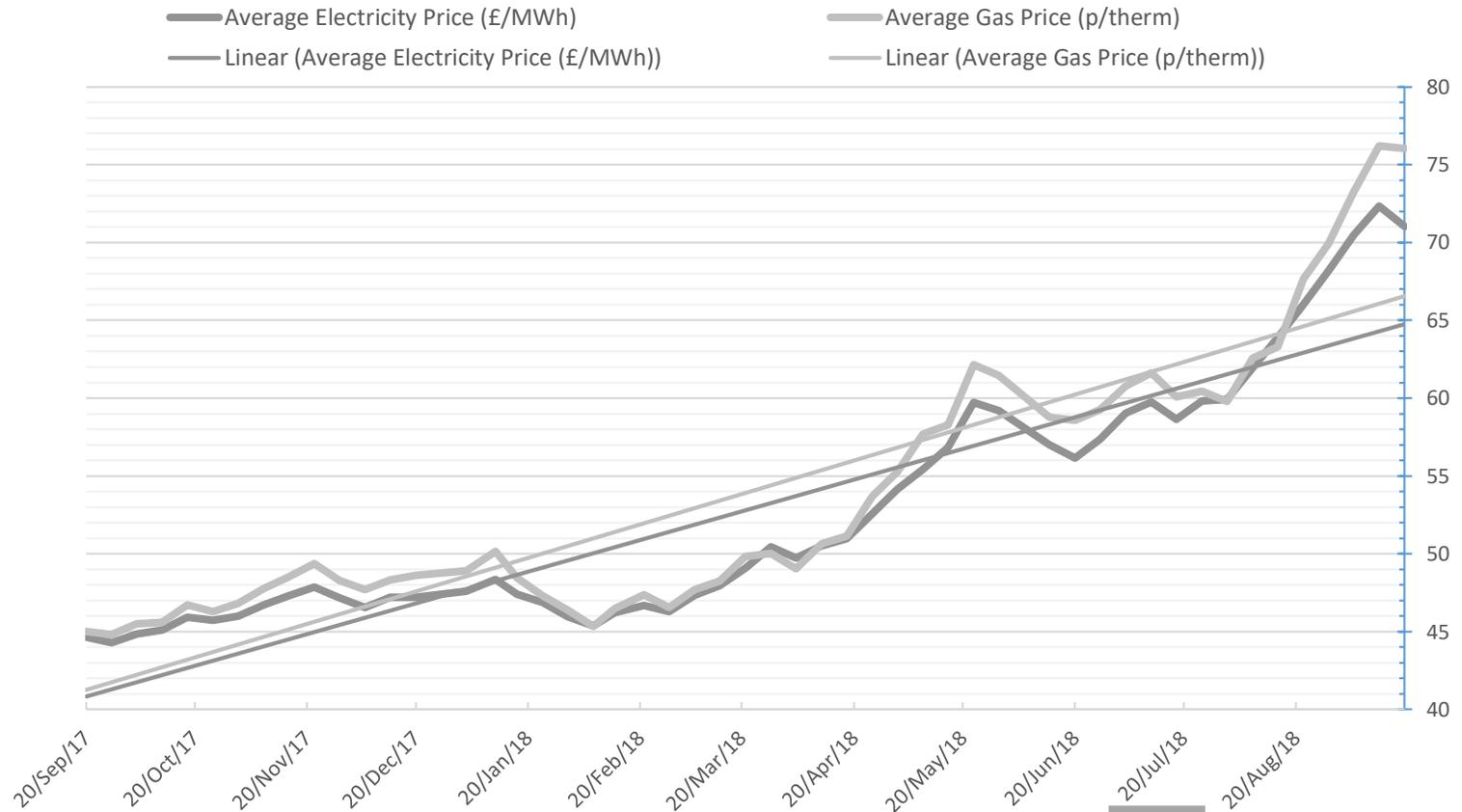
The Sterling has rallied strongly against the Dollar and is currently trading at around \$1.32 USD (vs \$1.27 just 2 weeks ago).

Higher than expected inflation data released this morning suggest the BoE might be forced to raise interest rates sooner than planned, but the real driver has been a series of positive statements from Michel Barnier suggesting negotiations are almost complete as EU leaders head to a meeting in Salzburg today.



MURPHY YOUNG
UTILITIES

YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Summer Price	Winter Price	Average Price
70.05	71.95	71.03

Gas (p/Therm)		
Summer Price	Winter Price	Average Price
74.45	77.60	76.03



PRICE MOVEMENTS
OVER PAST WEEK