Weekly Energy Market Report
31st October 2018

This week has seen average temperatures drop.We would normally expect this to push gas prices up due to the increased demand for heating. However both coal and carbon markets have lost value across the period, and strong Norwegian flows have combined to drive Gas prices down.

Power prices have been hit by higher than anticipated wind generation to add to the general trend in the wider commodities mix, pulling power prices down alongside Gas.

Oil prices are largely unchanged across the week. OPEC signalled they may cut 2019 output to alleviate rising oil inventories. Russia continues to produce at high levels, balancing out the impact of US sanctions on Iran.

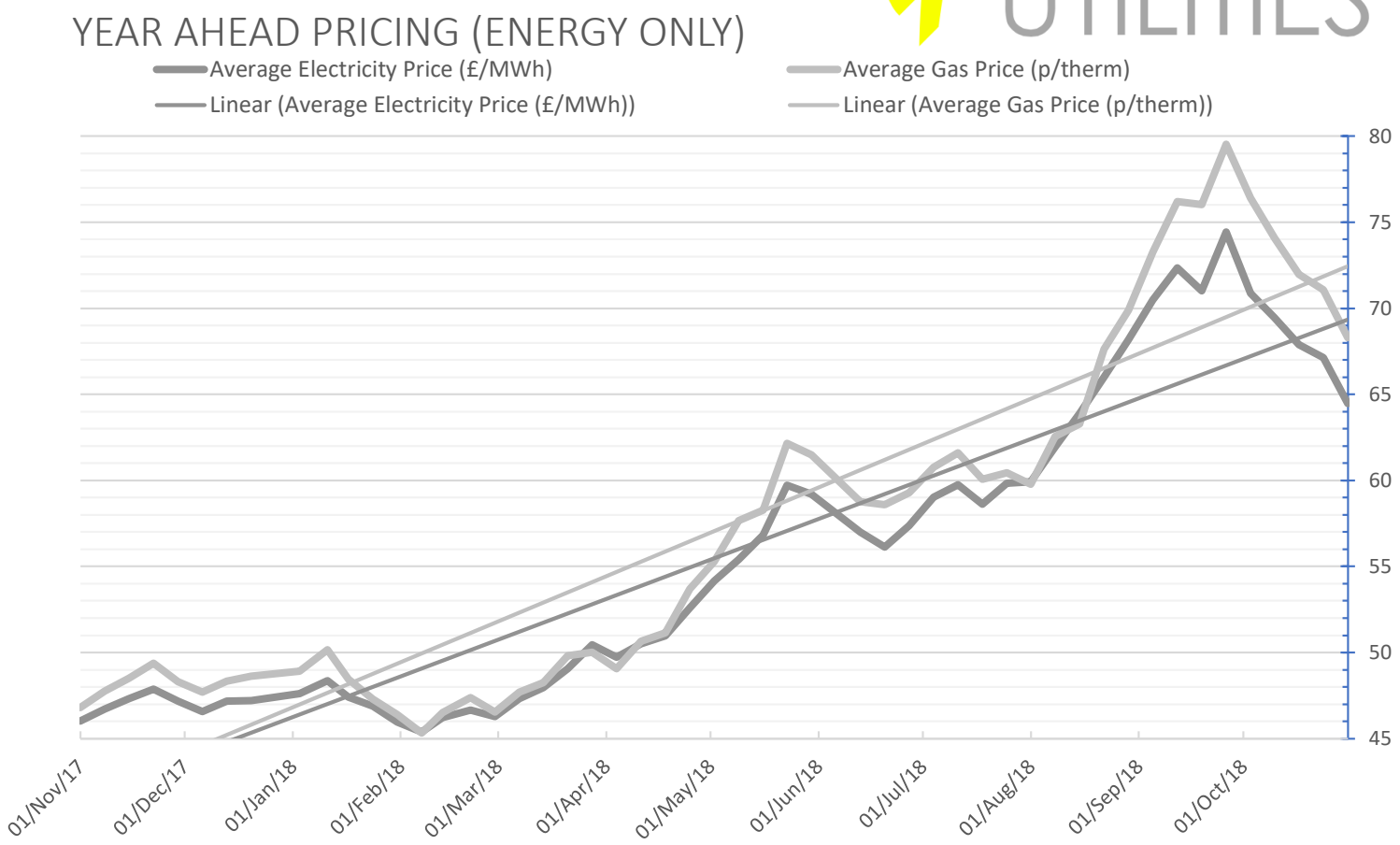
Brent Crude is currently trading at $76.56/bbl

GBP has performed very weakly over the period, dropping down to $1.2774 today.

Even Chancellor Phillip Hammonds budget 'giveaway' on Monday did not dent negative opinion regarding Brexit negotiations as the December deadline looms and little or no progress appears to have been made on the issue of the Irish Border.

Sentiment remains that (provided a deal is struck), Sterling is currently undervalued and could move past $1.38 in 2019, especially if the BoE deliver the 1 or 2 increases to interest rates expected.

MURPHY YOUNG UTILITIES



Electricity (£/MWh)

Summer Price	Winter Price	Average Price
63.98	64.95	64.46

-4.0%

Gas (p/Therm)

Summer Price	Winter Price	Average Price
67.09	69.50	68.30

-3.9%

PRICE MOVEMENTS OVER PAST WEEK

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