

Weekly Energy Market Report

05th December 2018

Gas prices have fallen this week as the UK has seen supplies rise and a moderate increase in wind generation coupled with milder weather forecasts.

Power contracts have risen this week as mild gains in Coal and Carbon prices, alongside a lift in Oil values have pressed prices upwards.

Crude prices sunk to sub-\$60 at the weekend (their largest 1-month fall since the financial crisis of 2008), but have since rebounded to \$62.05/bbl. Production cuts by Saudia Arabia, Russia and Canada are slowly pressuring prices upwards but we have not yet seen any indications that Oil will return above \$70/bbl in the short term.

Sterling remains stable this week at \$1.2780 USD as markets adopt a 'watch and see' approach to the impending Brexit vote in Parliament on Tuesday Dec 11th.

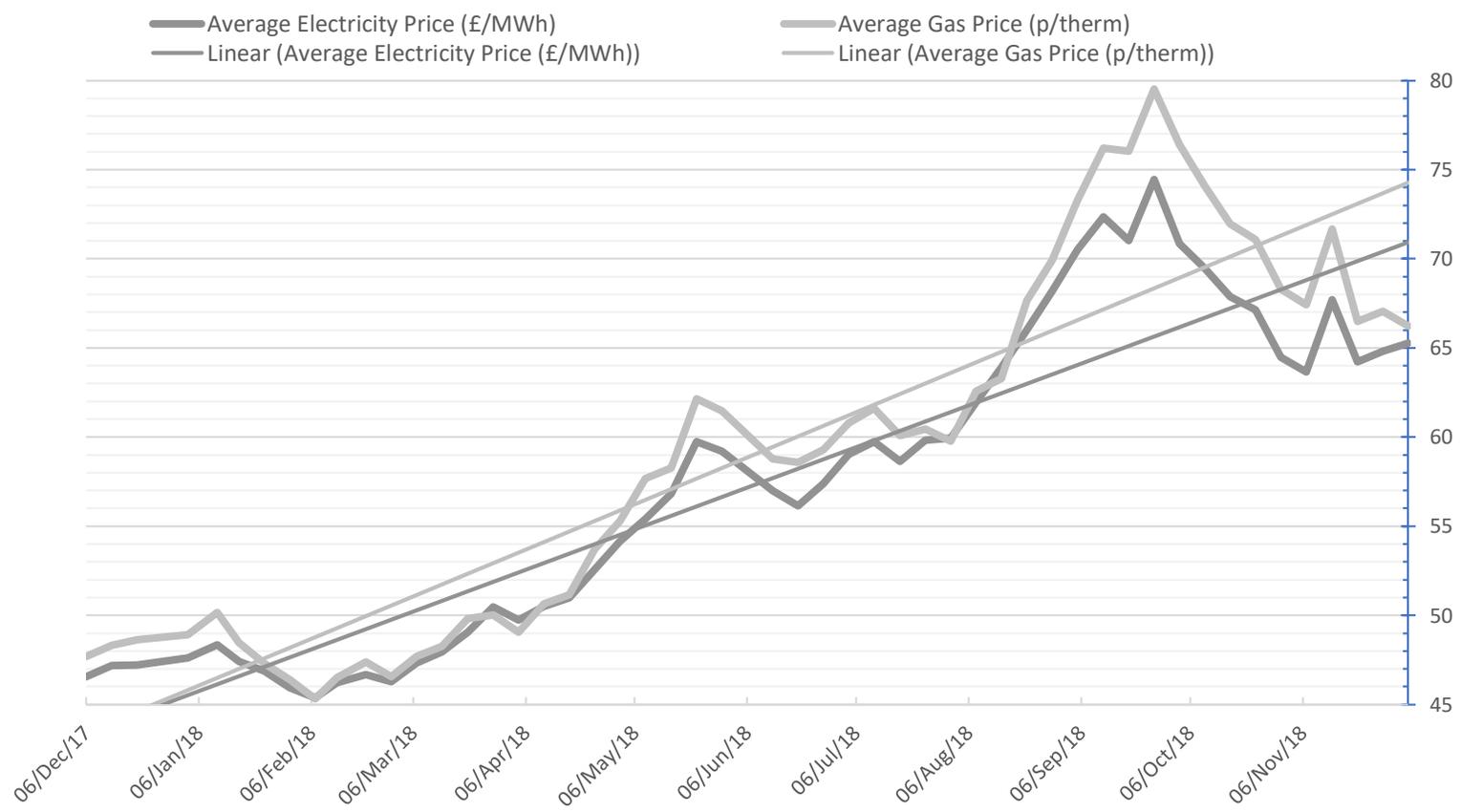
Most people expect the Brexit proposal to be roundly defeated and greater powers attributed to MPs to vote on next steps (following a motion brought forward by former Attorney General Dominic Grieve) may have provided a safety-net to prevent a no-deal Brexit.

However this also opens the door further to a 2nd referendum, and Labour will seek a vote of no confidence in the Government and a general election, all of which only leads to greater uncertainty for GBP. Expect to see the Pound react strongly to events next week.



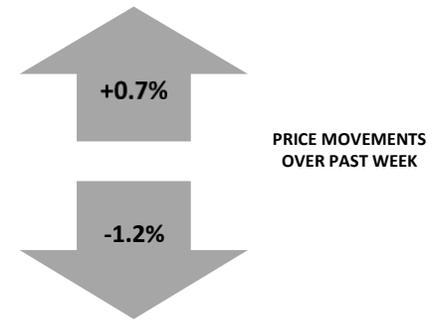
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UTILITIES

YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
65.77	64.74	65.25

Gas (p/Therm)		
Prompt Price	Future Price	Average Price
66.49	66.00	66.24



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