

Weekly Energy Market Report

12th December 2018

Prompt weather forecasts going into the weekend suggested a warmer end to the year, and with increased wind generation, Gas prices fell going into the weekend.

However the forecast has been revised since Monday, calling for colder weather and increasing demand. Net result over the 7 days – Gas prices have barely moved.

Power prices have mirrored the NBP over the week, oscillating lower and then recovering as we go forwards with colder temperatures increasing demand across the wider energy matrix.

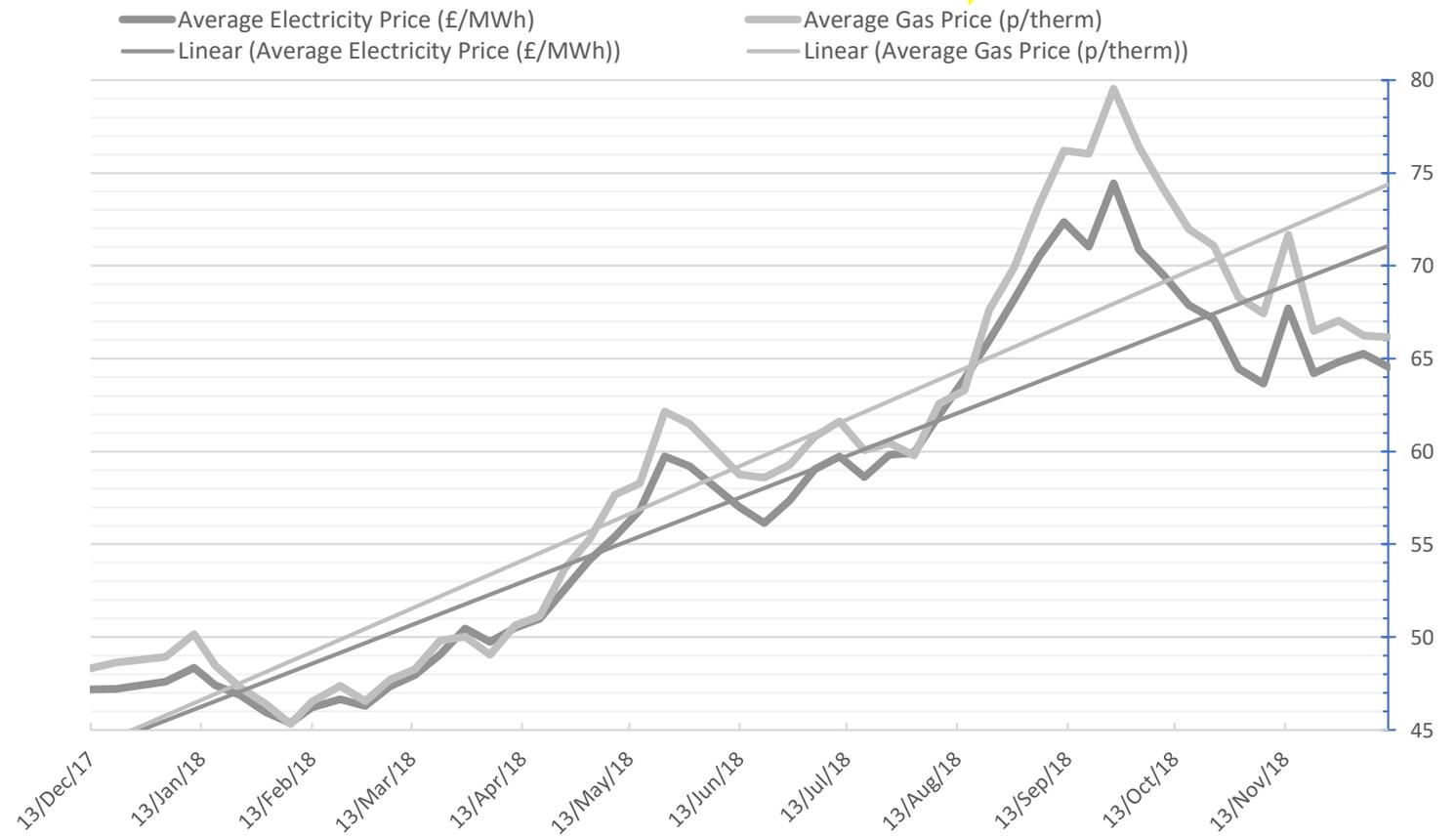
Brent Crude has fallen across the week driven by the strong USD and uncertainty within OPEC if they would agree with Russia to cut production in order to stabilise prices. An unexpected Libyan outage today has helped slow the descent, but Brent is currently trading down at \$61.30/bbl

Brexit has been making all the headlines this week and the Pound Sterling has been the victim, with values dropping as low as \$1.2479 before recovering to the current level of \$1.2571 USD.

PM Teresa May cancelled the scheduled Brexit vote in parliament on 11th December and had hoped to go back to Europe to try and improve on the much-opposed Irish backstop solution.

However she has today been summoned to answer a vote of no confidence from within her own Party. Analysts believe she will survive the vote this evening, which may benefit Sterling short term as it precludes any further challenges for another 12 months.

She still needs to amend her Brexit deal with the EU (who refuse to negotiate) if it is to pass through parliament, in order to restore stability and avoid a 'no-deal' situation punishing GBP even further next year.



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
64.98	64.10	64.54



Gas (p/Therm)		
Prompt Price	Future Price	Average Price
66.34	65.95	66.15



PRICE MOVEMENTS OVER PAST WEEK