

Weekly Energy Market Report

27th February 2019

Gas prices have fallen this week as the record mild temperatures have kept demand low, and with coal and carbon markets yo-yoing back to around the same point they were at the start of the week, NBP contracts are down over 5% against last week.

Power prices have traced the fall in NBP gas contracts as strong wind generation and warmer temperatures drive prices down across both commodities.

Crude oil remains largely unchanged as competing factors effectively cancel one another out. The US has been posting record production levels and President Trump has been critical of OPECs continued plan to cut production levels. However the positive signs from the US-China trade negotiations, the announcement of a weekly drawdown of US crude inventory stocks and OPECs persistent production cuts have held prices across the week.

It has been a positive week for Sterling, with exchange rates rising daily as a series of optimistic moves with regards to Brexit hit the headlines.

Labour have finally conceded that they will support a 2nd referendum in the event that parliament will not support their alternative Brexit proposal calling for a comprehensive customs union.

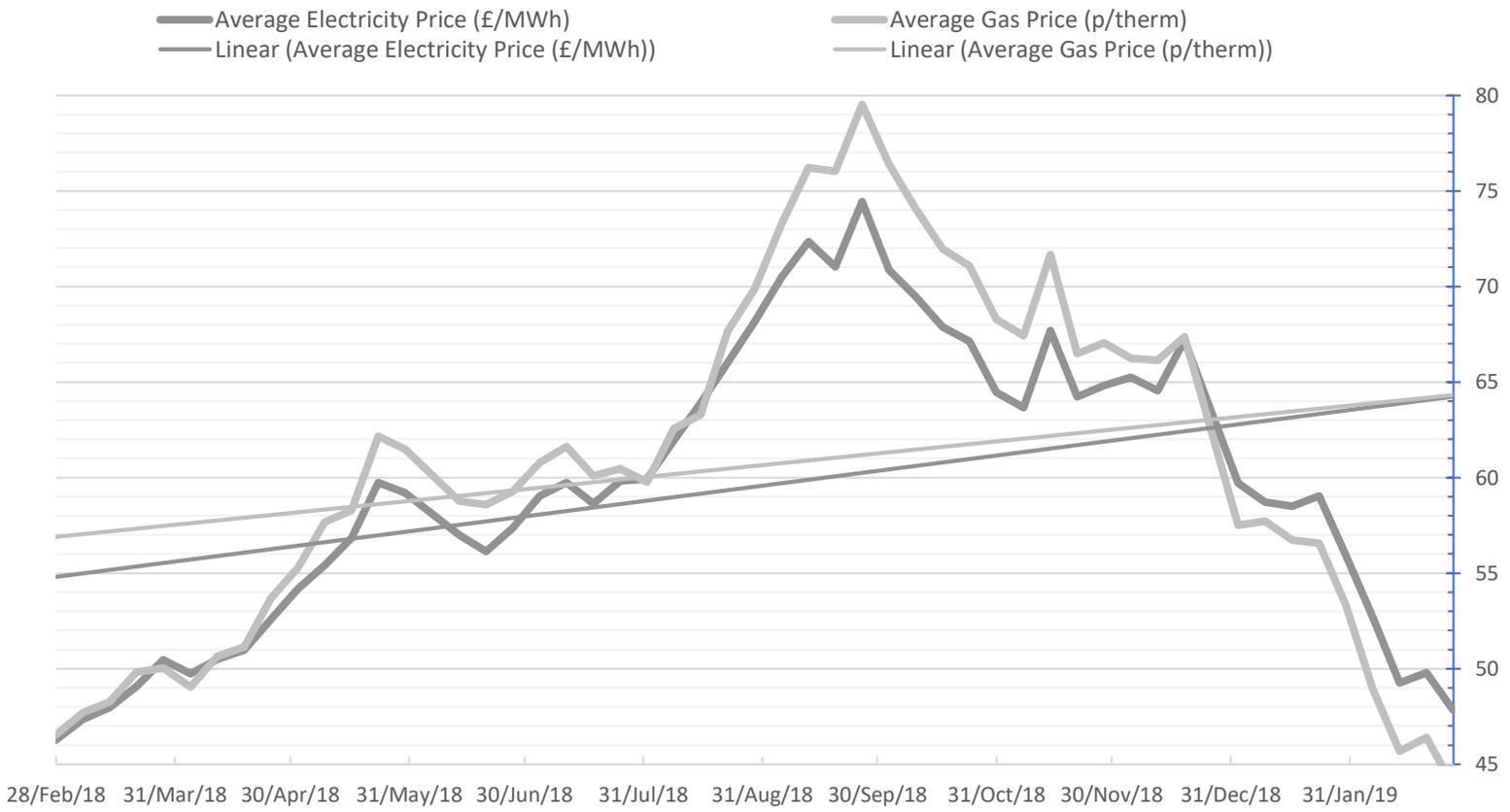
PM Teresa May has pushed back the meaningful vote on her deal until 12th March, but has promised that if it is rejected, MPs will then be allowed to vote to decide if they want to support a no-deal exit, or to extend Article 50 to allow more time for further negotiation.

Traders see any move away from a no-deal scenario as positive for the Pound and GBP has risen to \$1.3328 USD today.



MURPHY YOUNG UTILITIES

YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
48.13	47.55	47.84

Gas (p/Therm)		
Prompt Price	Future Price	Average Price
44.28	43.40	43.84

