

Weekly Energy Market Report

06th March 2019

Gas prices have reduced slightly this week following falls in Coal markets, lower requirement for CCGT power following strong wind generation and warmer seasonal temperatures.

Carbon markets have risen helping to maintain Electricity prices at similar levels to last week. Prompt prices have fallen moderately whilst longer term contracts are showing signs of firming.

Crude Oil prices remain somewhat range-bound over the week. Record US production levels and large build ups of crude inventories, whilst Libya has restarted its largest oil field.

All of the above have assisted in driving prices down, but OPEC output has fallen to a 4-year low in Feb following their production cuts, and Saudi Arabia looks prepared to continue their cuts into the second half of the year. Net result is that prices remain fixed around the mid-60 USD/bbl mark for now.

Sterling has had a similar mixed week. Labour leader Jeremy Corbyn has vowed to support a second EU referendum and/or a general election and amendments in parliament have seemingly secured a means to avoid a no-deal Brexit occurring by default.

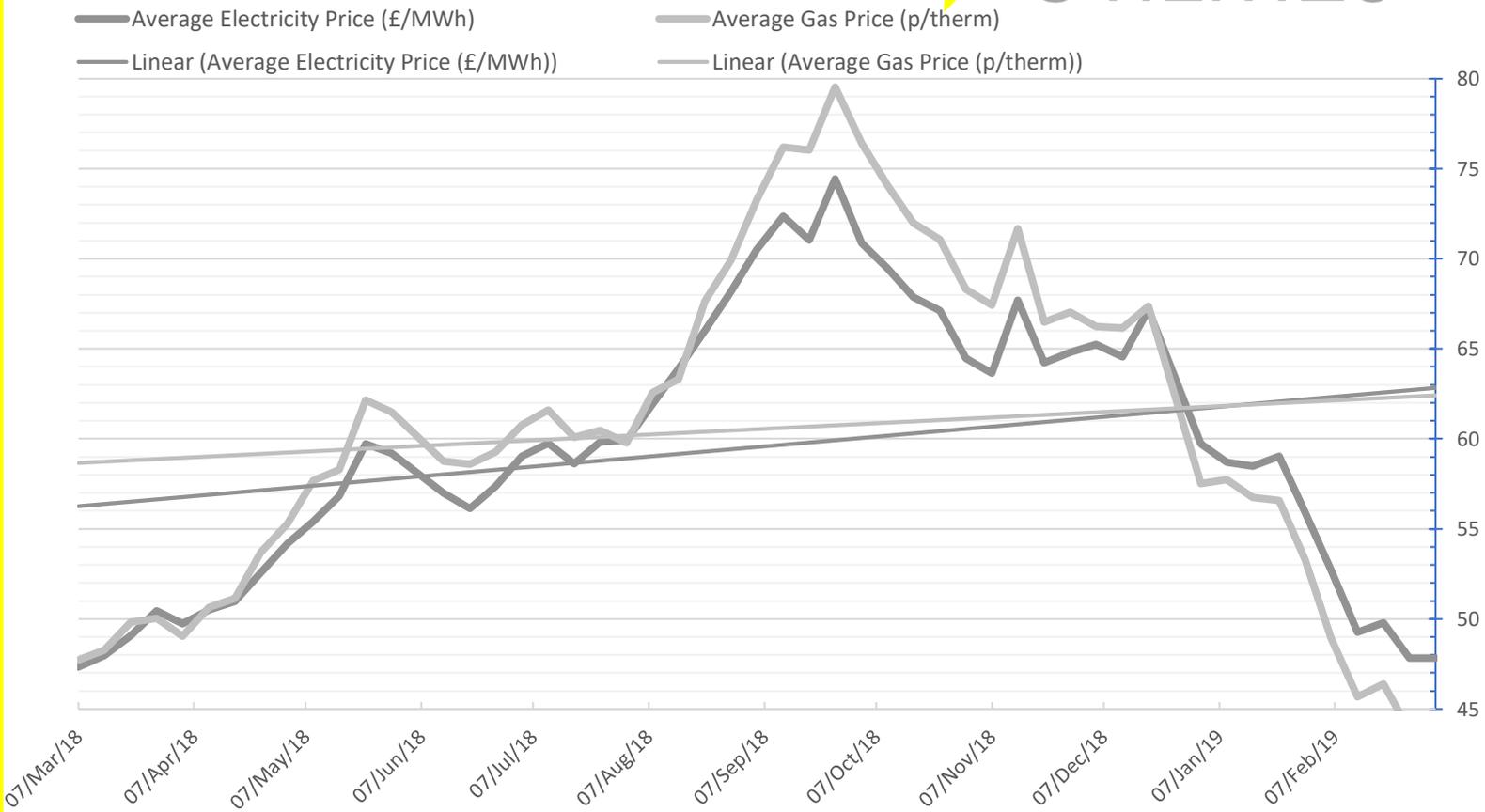
Economic expectations in the US are being downgraded following a 12.8% rise in the trade deficit in December, and positive signs from US-China negotiations suggest that import tariffs might be removed/reduced have all contributed to protect the Pound from any sudden losses.

However, recent developments suggesting that little progress is being made in terms of negotiating an amendment/legal codicil to the current irish backstop solution has seen the Pound fall to \$1.3143 USD.



MURPHY YOUNG UTILITIES

YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
47.78	47.85	47.81

Gas (p/Therm)		
Prompt Price	Future Price	Average Price
42.89	42.90	42.90

PRICE MOVEMENTS OVER PAST WEEK

Electricity: -0.1%

Gas: -2.1%