

# Weekly Energy Market Report

## 13<sup>th</sup> March 2019

Gas prices have dropped this week due to lower demand from warmer weather and falling Coal and Carbon markets. Higher renewables generation has also acted to pressure prices with strong winds at the heart of this.

Power prices have also fallen over the past 7 days, although the Carbon market has only lost marginal value and is supporting future Power contracts somewhat.

The end of last week looked to keep Crude Oil prices at bay with figures released showing increasing US inventories and shale production. Since the weekend however, Saudia Arabia has pledged to maintain its OPEC-led production cuts beyond April and into June, and US shale production forecasts from EIA were downgraded for first time in six months, following spending cuts by US producers who now appear to be losing money on their investments.

Brent Crude trading today at around \$67.55/bbl, up almost \$2.0 USD against this time last week.

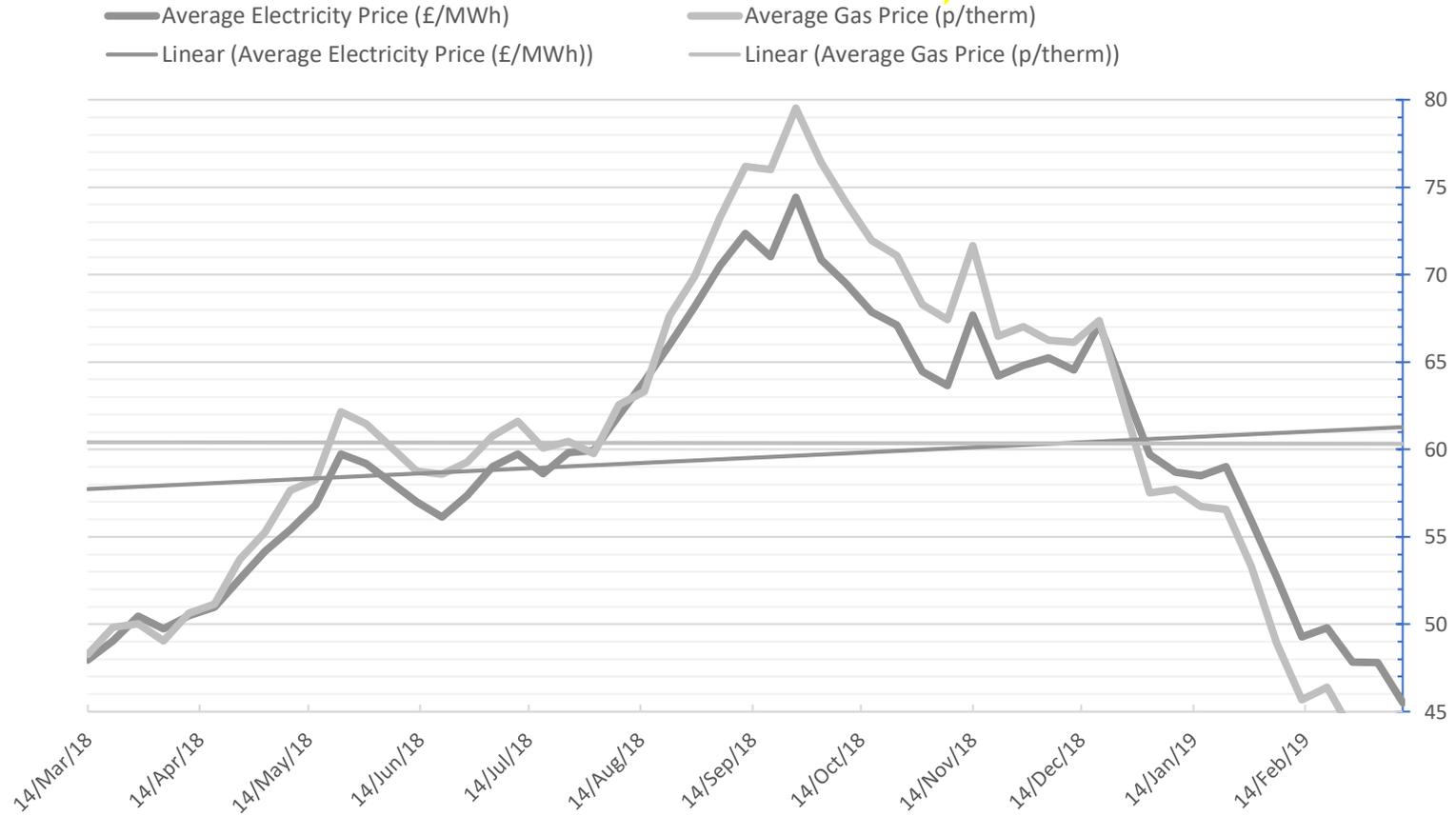
This week has seen great volatility for Sterling as Brexit developments come to a head with the parliament voting last night to overwhelmingly reject PM Teresa May's proposed Withdrawal Agreement for a second time.

Tonight sees the second round of voting on whether the UK should secede from the EU under a no-deal scenario, or if this should be removed from the table altogether.

Analysts predict that the latter should win through, which will provide a big boost for GBP as the no-deal scenario has been weighing heavily on exchange rates for some time. Removing the possibility altogether should provide a boost for the Pound, ahead of a further vote on Thursday night as to whether or not to request a postponement of Article 50 from the EU leaders. Today Sterling is trading at around \$1.3287 USD>



### YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
45.48	45.55	45.51

Gas (p/Therm)		
Prompt Price	Future Price	Average Price
39.78	39.65	39.71

**PRICE MOVEMENTS OVER PAST WEEK**

**-4.8%**

**-7.4%**