

Weekly Energy Market Report

17th April 2019

Gas prices have come back down this week as Norwegian flows increase once more and above average temperatures are forecast, reducing demand. Coal markets have lost value across the week and LNG imports from Angola are due to start.

Longer term Gas contracts may continue to lose value on the news that Gazprom are set to renew imports of gas from Turkmenistan following the end of their 3-year trading suspension.

Power contracts have also fallen despite reduced wind power generation over the week and a strengthening Carbon market. The warmer weather forecast and signs that wind production should soon recover are keeping prices low.

Crude oil prices have risen on the continued supply cuts from OPEC, Venezuela and Iran. The current price rally looks doomed however as US becomes single largest producer of crude oil, and Russia threatens to resume production in order to compete with America for market share. Brent Crude currently stable around \$72.10/bbl.

Brexit still the only factor likely to make any significant impact on Sterling prices at the moment. EU Council leaders voted last Wednesday evening to extend Article 50 to October 31st, allowing markets some breathing space before no deal becomes an imminent risk once more.

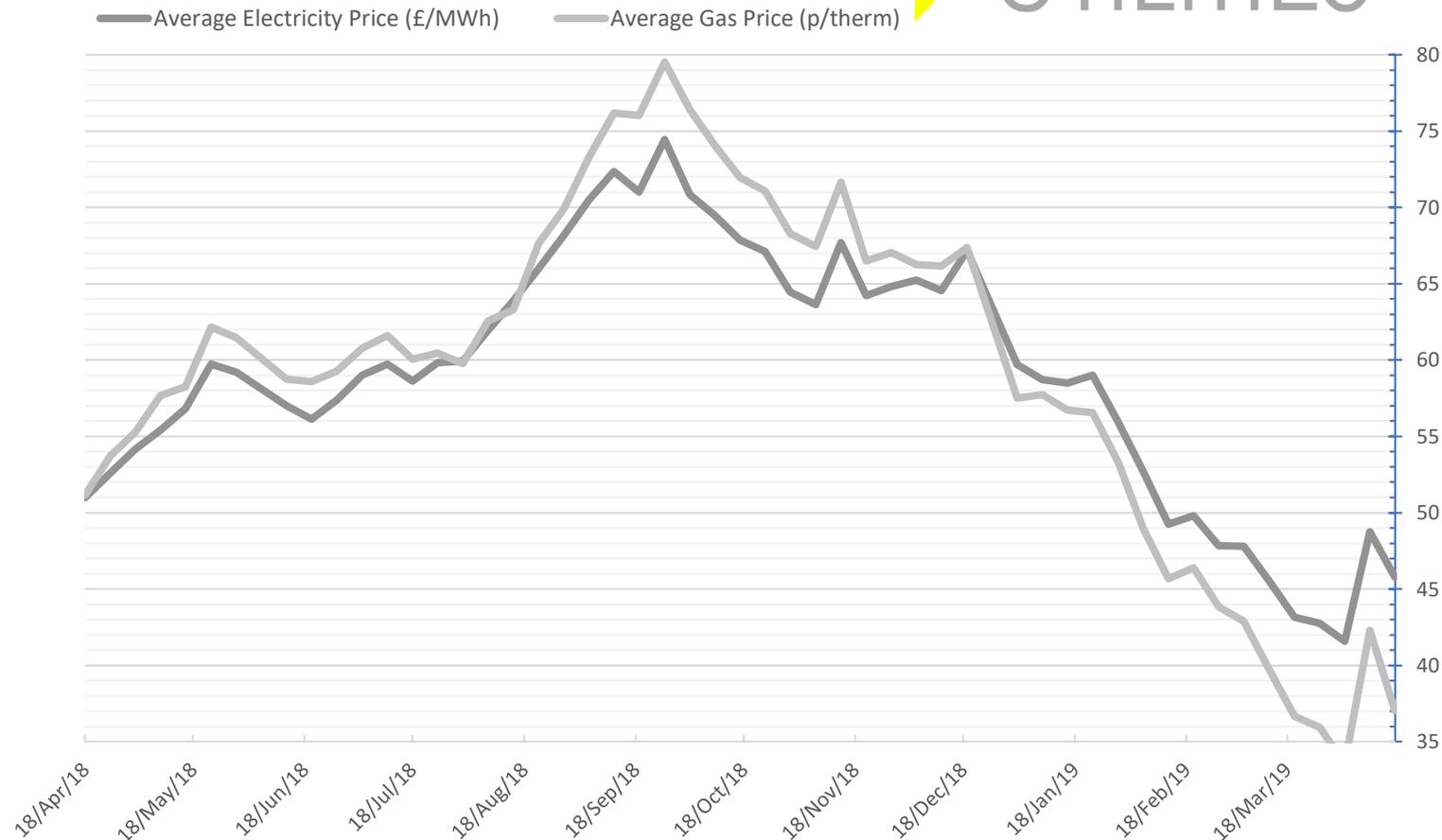
However, cross-party negotiations between Labour and Tory parties are reported to have stalled and with MPs now on their Easter break, there is no real progress in any direction to report. US Dollar has weakened slightly this week on the back of disappointing economic figures and indications that the Federal Reserve is unlikely to raise interest rates at all through 2019. Strong Chinese production numbers may signal a brake on the global economic downturn, hurting the Dollar still further.

Sterling currently remains range-bound at \$1.3048 USD



MURPHY YOUNG
UTILITIES

YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
44.53	47.00	45.77

Gas (p/Therm)		
Prompt Price	Future Price	Average Price
35.43	38.60	37.01

