

# Weekly Energy Market Report

24<sup>th</sup> April 2019

Gas prices have fallen for a second consecutive week following the warm Easter Weekend and a return to full capacity from the Norwegian Aasta Hansteen gas field. The UK system opened this morning around 7mcm over-supplied, with large LNG gas deliveries due to arrive this week.

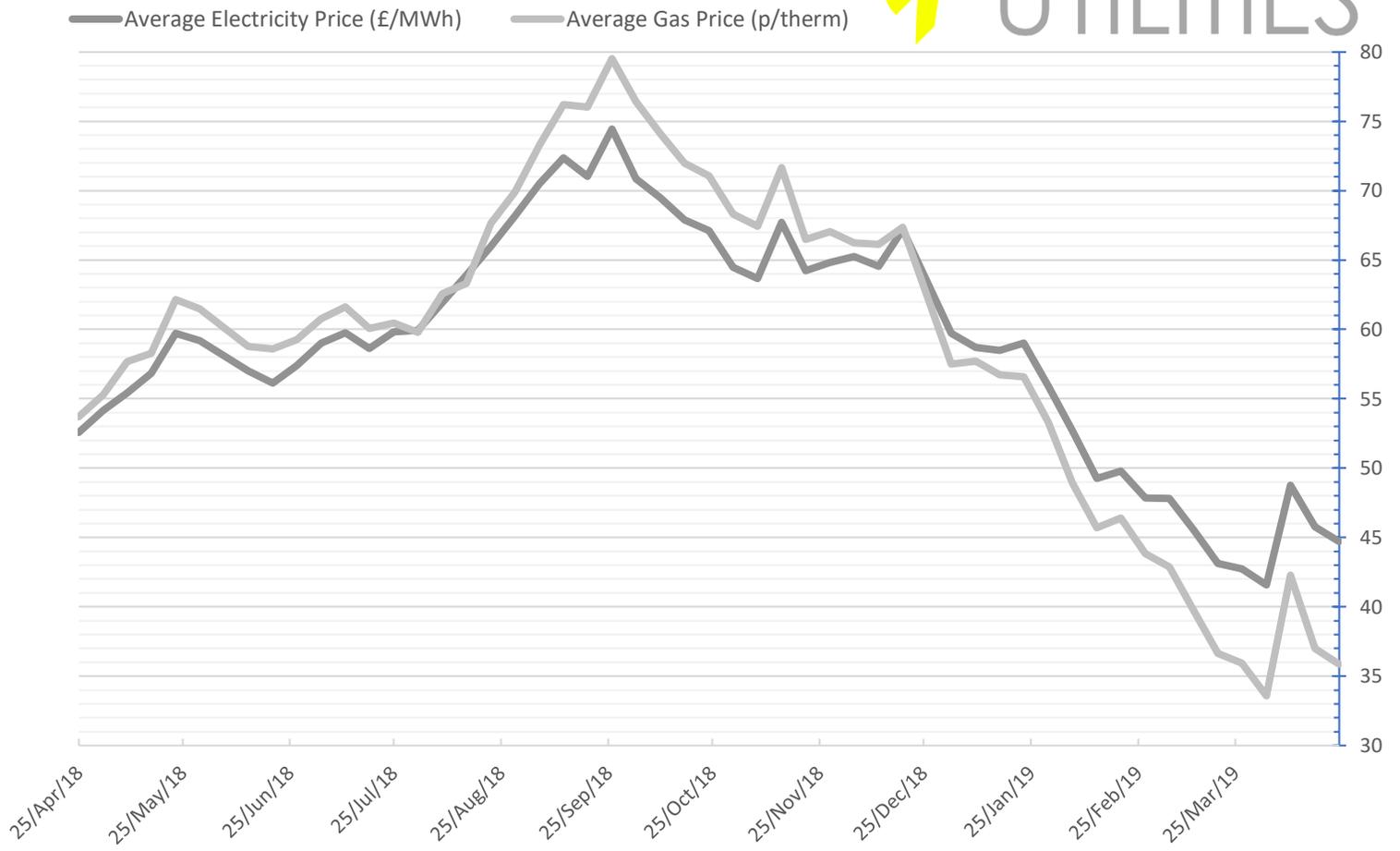
Power prices are also lower this week as carbon markets remain flat. Strong wind power generation and the fall in demand due to the warm weekend have sent prompt contracts downwards, despite the forecast of cooler temperatures ahead.

Coal markets deserve special mention this week as the Easter Weekend saw the UK set a new record of 90 hours running coal-free, with the trend for decreasing dependency on coal set to accelerate over the coming years.

Crude oil prices breached the \$74/bbl mark this week before retreating slightly. The market remains tight for supply with OPEC production cuts continuing. US continues to restrict Venezuela and Iranian output, and continued fighting in Libya a risk to supply from there as well. Most noticeable impact occurred when America announced it would not be renewing the waivers against its Iran sanctions next month.

Sterling has lain largely dormant as Parliament enjoyed their Easter break and did little to move the Brexit dial in any one direction. Rumours abound at the start of this week of a revolution within the Tory party who may seek tonight to rewrite their own legislation to allow them to challenge PM Theresa May despite her having survived a vote of no confidence in December of 2018, which would otherwise see her position protected for 12 months. Nigel Farage is suddenly looking likely to sweep up all the cross-party brexiteer votes ahead of any possible General Election.

Strong business results in the USA have reinforced the Dollar globally and Sterling is currently down to \$1.2941 USD.



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
43.48	45.95	44.72

Gas (p/Therm)		
Prompt Price	Future Price	Average Price
34.29	37.45	35.87

**PRICE MOVEMENTS OVER PAST WEEK**

**-2.3%**

**-3.1%**