

# Weekly Energy Market Report

01<sup>st</sup> May 2019

Gas prices continue to fall at a steady rate this week as the UK system is vastly oversupplied with increasing Langeded flows and UK terminals set to receive a further 827mcm of LNG in the next two weeks. Progress on the Russian Nordstream 2 pipeline is forecast to accelerate through 2019, bringing increased gas supply into western Europe.

Power prices have dropped in tandem with the NBP despite lower forecast temperatures on prompt contracts and low wind power generation during the first half of the week. These price drops have largely been driven by strong losses in both Coal and Carbon markets

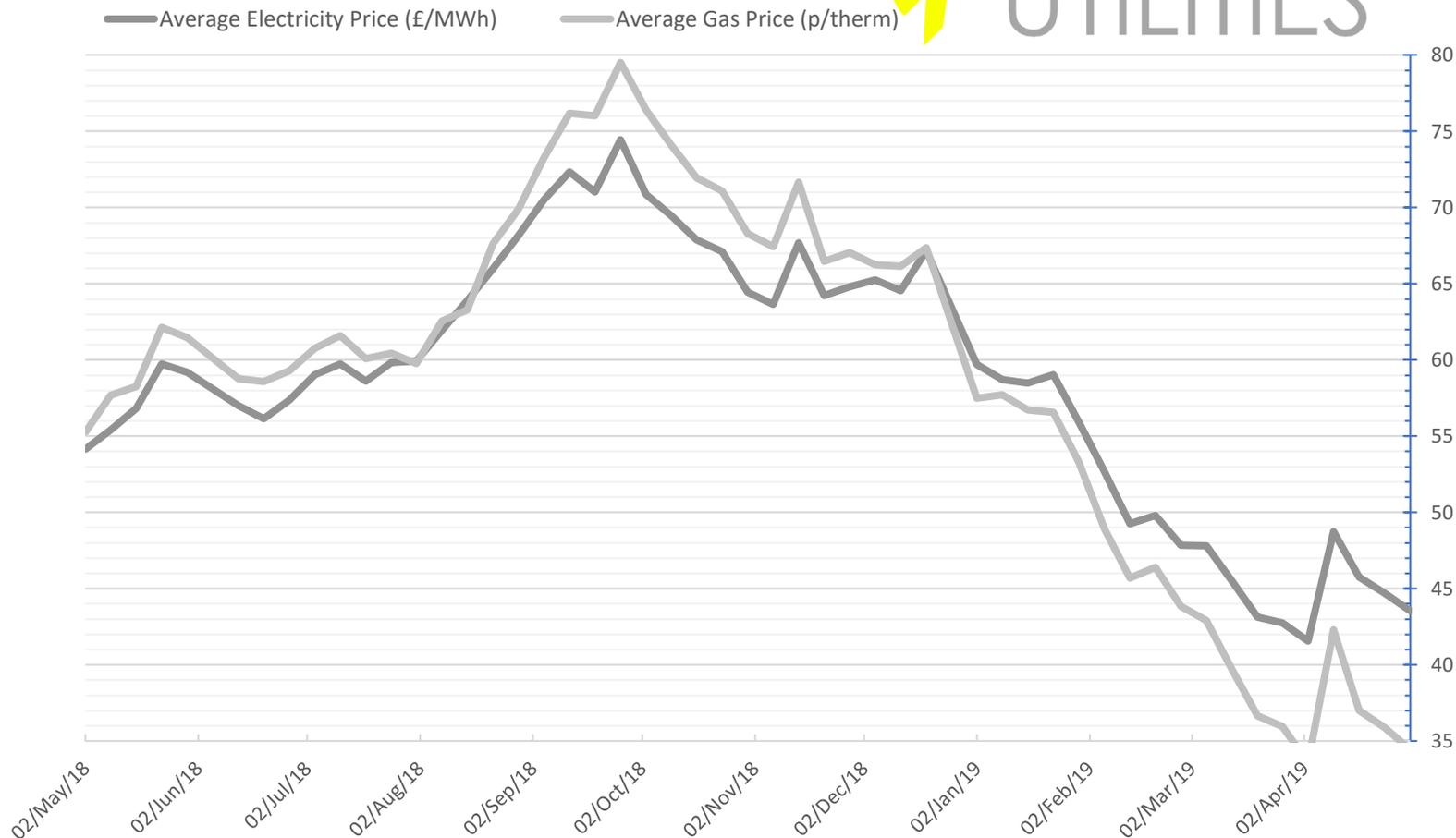
Crude oil prices are currently down against the same time last week, but the market is proving highly volatile at the moment. Initially the US announced it would not be extending the Iran sanction waivers previously offered to 5 major oil importers (including China and Japan) from May onwards, prompting a jump in prices above \$75/bbl. OPEC+ has vowed to continue with production cuts through the second half of the year, yet US crude inventories continue to build and their crude production maintains a record pace, pushing prices back down again. Volatile political and military situations in Venezuela and Libya add increasing risk to global supplies, Iranian exports are being reduced to zero and Russian shipments to Eastern Europe were stopped after alleged 'sabotage' of pipelines. Prices should recover next week unless one of the major producers decides to make a play for Iran's share of the global oil market, but for now Brent Crude is trading at \$72.18/bbl.

Not much movement with regards to Sterling this week. Some more encouraging noises being made by senior Labour officials with regards to the Tory-Labour Brexit discussions currently taking place, but no concrete results mean the currency is still in a holding pattern awaiting the potential anti-May fallout of an anticipated loss for Conservatives in local council elections due Thursday 02<sup>nd</sup> May. GBP today sits around \$1.3072 USD.



MURPHY YOUNG  
UTILITIES

## YEAR AHEAD PRICING (ENERGY ONLY)



### Electricity (£/MWh)

Prompt Price	Future Price	Average Price
42.68	44.42	43.55

### Gas (p/Therm)

Prompt Price	Future Price	Average Price
32.97	35.90	34.44



PRICE MOVEMENTS  
OVER PAST WEEK