

Weekly Energy Market Report

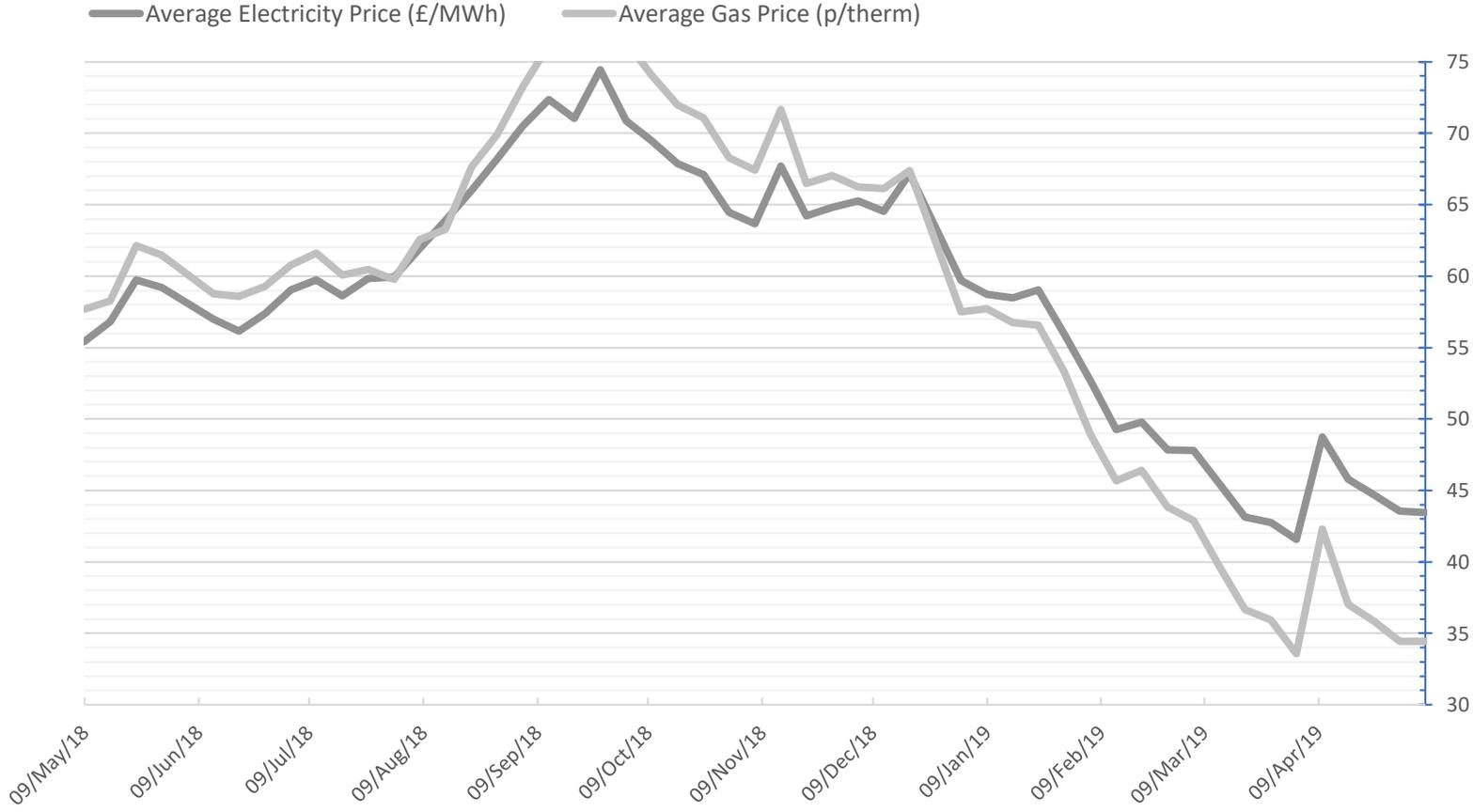
08th May 2019

Gas prices remain unchanged this week, as both Coal and Carbon markets have ended in much the same position as they were at this point last week. Continuing LNG imports and Norwegian flows are off-setting the increased demand caused by the sudden drop in temperatures.

Power prices also remain stable, falling ever so slightly against last week. We have seen some strong wind power generation, but this is due to drop as we go into the weekend. Extended outages at EDF Energy's Hunterston B-8 reactor are also due to bolster prices next week.

Crude oil prices have taken a battering this week following the release of EIA data showing large increases in US crude oil inventories and continued production growth pushing the US into top position as the largest single producer of oil. US sanctions against Iran has reduced their output significantly, but Saudia Arabia looks to increase their exports to occupy the gap left in the market. Deteriorations in US – China trade relations has dampened global demand and Brent Crude has dropped back down below the \$70 mark to \$69.47/bbl as at the time of writing.

Sterling is down again this week as negotiations between Tories and Labour over the proposed Brexit withdrawal agreement appear to be grinding to a halt, with neither side willing to cede ground, especially with regards to a Customs Union. Local elections served up huge losses for the Tories, but Labour also lost a large number of councillors, with the Liberal Democrats the principal beneficiaries. Pressure continues to mount on Therese May to resign as PM, with the 1922 Committee meeting today to consider rewriting Tory Party rules to permit a 2nd no confidence vote. Most likely replacement for May at present would be Eurosceptic Boris Johnson, but May looks dogged in resolve and chances of a leadership change before the Autumn seem slim. GBP sliding toward the bottom of its range today at \$1.3010 USD today.



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
42.78	44.10	43.44

Gas (p/Therm)		
Prompt Price	Future Price	Average Price
33.04	35.85	34.44

PRICE MOVEMENTS OVER PAST WEEK

-0.3%

0.0%