Weekly European Energy Report

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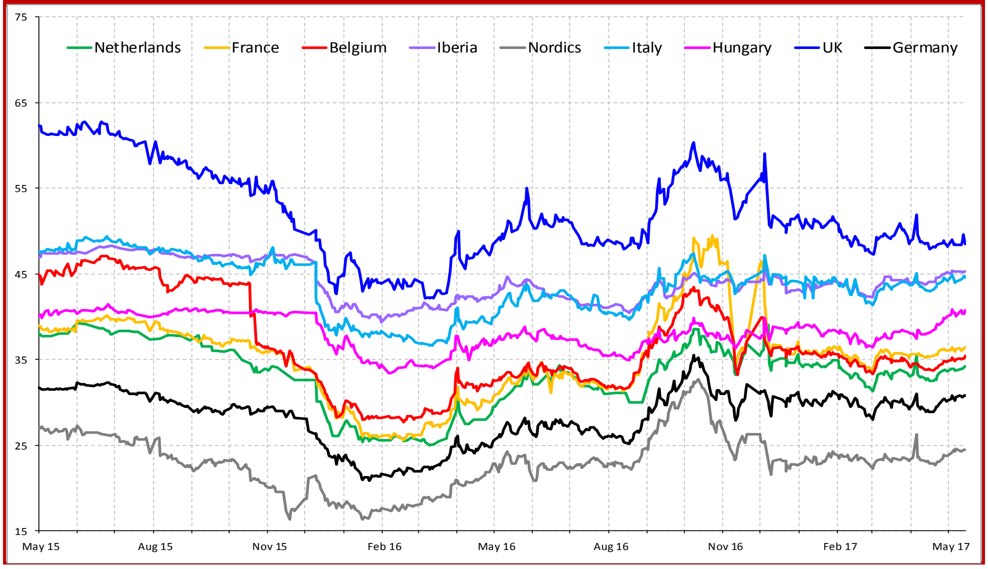
nus consulting GROUP | Energy Managed.

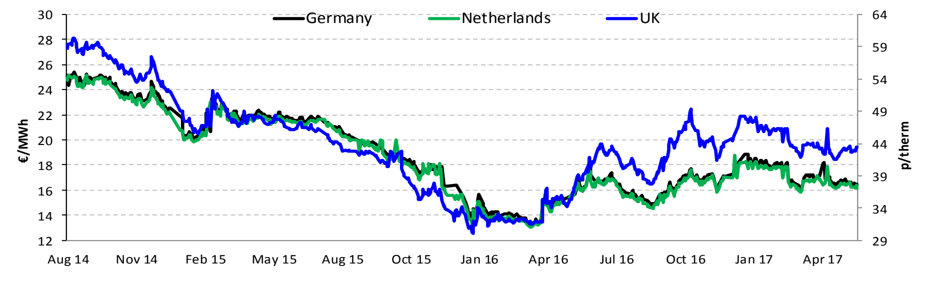
European Base Load Electricity Prices - Calendar Year 2018 (€/MW/h)



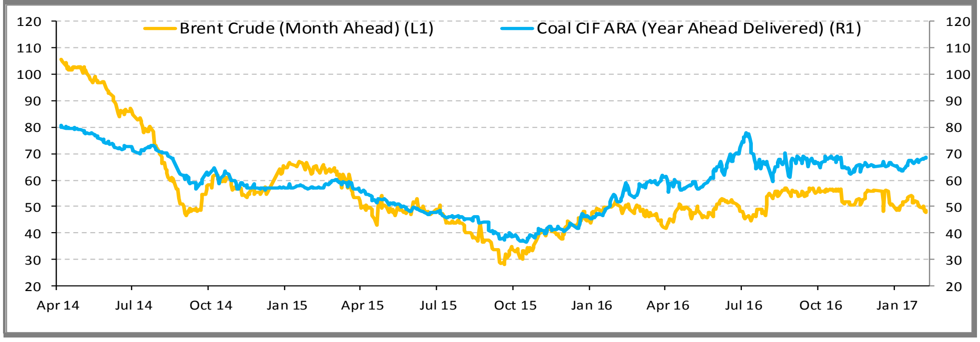
Power	Price	Change*
Italy	44.6	1.25%
UK	48.44	0.22%
Netherlands	34.25	1.63%
Belgium	35.38	1.06%
France	36.4	0.41%
Germany	30.85	0.98%
Hungary	40.75	1.75%
Iberia	45.23	-0.15%
Nordics	24.47	-0.33%

Natural Gas	Price	Change*
UK (pence/therm)	43.4	1.63%
UK (€/MWh)	16.86	1.22%
Netherlands (€/MWh)	16.18	-0.31%
Germany (€/MWh)	16.43	0.18%

Natural Gas Prices - Calendar Year 2018



Brent Crude (Month Ahead) & Coal CIF ARA (Year Ahead Delivered)



Commodities	Price	Change*
Brent Crude Oil ($/bl)	48.32	-2.6%
Coal CIF ARA ($/Ton)	68.25	1.34%
CO_2 EUA (2017)	5.03	-2.33%
CO_2 CER (2017)	0.22	0%
GBP/EUR	1.1384	-0.4%

Power

The majority of European electricity contracts firmed further last week. The rebound in gas prices due to concerns regarding the situation with Qatar has been supportive of front-month prices. Nuclear power availability significantly improved in France, compensating somehow for the lower renewable output. An increase in lignite availability is also forecast for this week while wind power generation is set to fall. On the far curve, the situation remains tight on coal markets. In Europe, coal prices are on a strong bullish trend. The annual 18 contract closed at $68.25/t, the highest since the beginning of this year. The German Cal 18 ended at EUR 30.85/MWh, the highest level since March. The French equivalent reached EUR 36.40/MWh and the Belgium contract added as much as 1.06% to EUR 35.38/MWh. In the UK, because of the mixed weather, solar generation has also been mixed. Wind generation however was very strong with a few days above the 6GW mark. Strengthened renewables have nulled coal generation and have reduced CCGT generation which has been making up around the 43% of the stack. The annual 2018 UK contract finished the week up at GBP 42.55/MWh (+0.6%)

Natural Gas

European gas spot and near curve prices increased as concerns over Qatari LNG supply to Europe grew. Two Qatari LNG tankers due at UK terminals via the Suez canal were "changing their directions", probably towards the Cape of Good Hope, which would extend their journey's length by around 14 days. Strong coal prices have also pushed European gas prices higher as they could incentivise more coal to gas switching in the power generation this summer, on the back of poor nuclear availability in France and low hydro stocks across Europe. In the UK, the gas system has been undersupplied. The system shortness was driven by reduced flows through the Langeled pipeline and LNG send out from South Hook down to 5mcm. Moreover, a weaker pound against the euro pushed NBP contracts up and exerted bearish pressure to some euro-traded contracts (especially in the Netherlands). On pricing, the German (NCG) 2018 annual contract finished the week at EUR 16.43/MWh (0.18%) whilst it's Dutch equivalent TTF Cal 2018 prices dropped by 0.31% to EUR 16.18/MWh. The NBP 2018 contract advanced by 1.63% to trade at 43.40 p/therm.

Oil & Coal

Oil prices have been under pressure with Brent trading downwards at USD 47.50/bbl. This bearish trend was initiated on Wednesday, after the release of the usual weekly EIA report in the US that showed unexpected strong building in both crude and oil product against a forecast of a reduction. This is dragging prices down as the supply glut fear in the market remains very strong, despite OPEC member's attempts to maintain prices above $50/bbl by cutting their production. Regarding geopolitics, Saudi Arabia, Egypt, the United Arab Emirates and Bahrain cut ties with Qatar on Monday for its supposed support to terrorism and its ties with Iran. Fuel supply disruptions are feared by the markets in case of military tension in the Arabian Gulf but this is not yet on the agenda. Brent front-month contract recovered slightly towards the end of the week finishing at USD 48.32.61/bbl (-2.6%). Regarding coal, The Coal 2018 continued to go up, finishing at USD 68.25/tonne (+1.34%)

Should you have any questions or comments to our report, please send an email to mtr@nusconsulting.com *Week on week Pricing & Graph Data source: BLOOMBERG