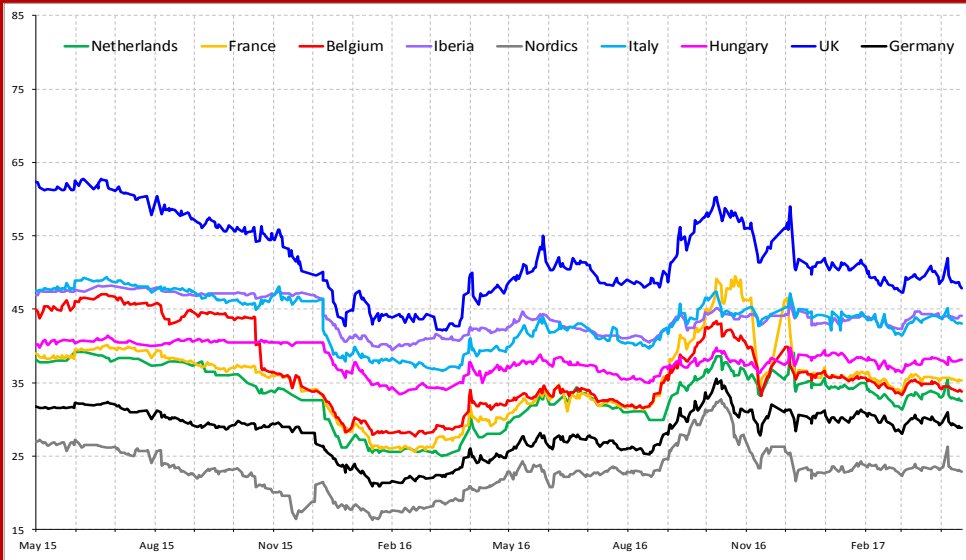


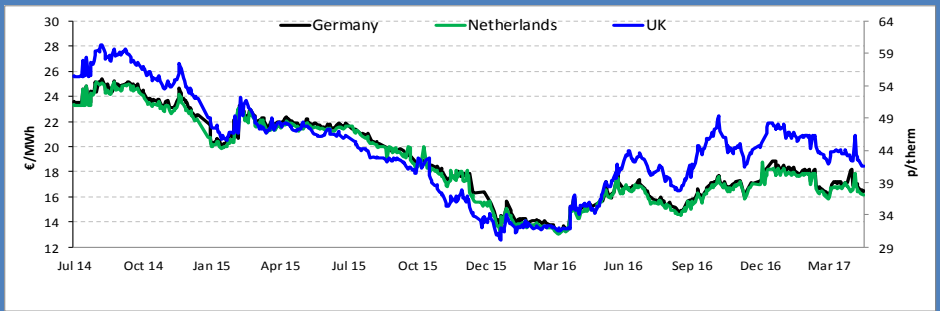
European Base Load Electricity Prices - Calendar Year 2018 (€/MWh)



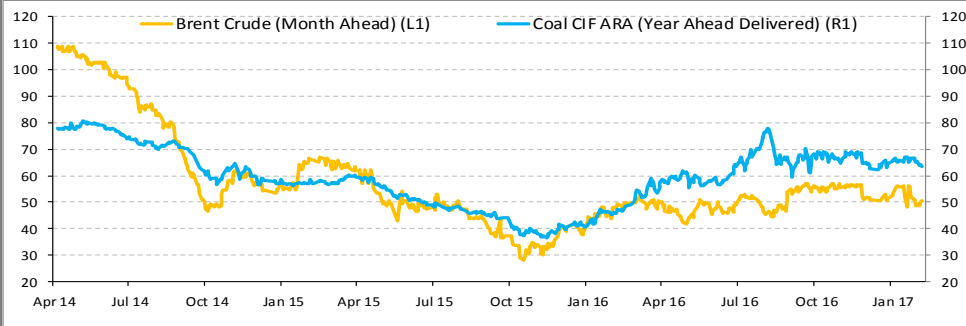
Power	Price	Change*
Italy	43	-1.31% ↓
UK	47.88	-1.92% ↓
Netherlands	32.5	-1.37% ↓
Belgium	33.8	-0.79% ↓
France	35.3	-0.56% ↓
Germany	28.85	-2.04% ↓
Hungary	38.1	0.53% ↑
Iberia	44.1	0.34% ↑
Nordics	22.8	-1.72% ↓

Natural Gas	Price	Change*
UK (pence/therm)	41.49	-2.2% ↓
UK (€/MWh)	16.68	-2.25% ↓
Netherlands (€/MWh)	16.18	-1.64% ↓
Germany (€/MWh)	16.45	-1.67% ↓

Natural Gas Prices - Calendar Year 2018



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



Commodities	Price	Change*
Brent Crude Oil (\$/bbl)	50.51	2.56% ↑
Coal CIF ARA (\$/Ton)	63.5	-2.76% ↓
CO ₂ EUA (2017)	4.47	-3.66% ↓
CO ₂ CER (2017)	0.25	4.17% ↑
GBP/EUR	1.1785	-0.05% ↓

Power

The weaker demand following the rebound in temperatures pressured spot power prices downwards while supply conditions remain relatively stable. The return of one German nuclear reactor from maintenance (Brokdorf, 1.4 GW) is again delayed to 28th May. This could continue to support spot power prices in the short-term, but the fall in demand is a strong bearish factor at the moment. On the far curve, European power prices rebounded slightly in line with higher oil prices but finished the week on a bearish note as coal prices fell to their lowest closing price since March. The Dutch year-ahead dropped by 1.37% at EUR 32.50/MWh whilst the German and French contracts were down by 2.04% and 0.56% respectively at EUR 28.85/MWh and EUR 35.30/MWh. Italy is considering a coal phase-out process which could reduce coal capacity by 2GW-8GW by 2030. The country also aims to have 27% of the energy generated by renewable sources by 2030, in line with European renewable targets. The Italian Cal 18 contract dropped by 1.31% at EUR 43/MWh. In the UK, solar peaks have been decent and we have seen consistently comfortable peak power margins. The annual 2018 UK contract dropped by 1.80% to GBP 40.62/MWh.

Natural Gas

European gas prices weakened over the last seven days, pressured by low demand forecasts due to expectations of warmer weather. However, prompt gas prices rebounded on Friday as buying interest remerged after significant losses earlier in the week. Norwegian supply remained subdued on Friday due to ongoing planned field outages. An uptick in oil prices also fuelled the bullish sentiment in the afternoon. A weakening in the pound against the euro provided support to the NBP curve whereas it weighed on euro-traded contracts. In addition, UK LNG send outs were down while exports to Belgium increased, leaving the British system short which supported prompt contracts. Nevertheless, prospects of a significant increase in temperatures over the next days combined with lower restrictions on Norwegian export capacity from Wednesday could limit the upward potential. Regarding pricing, the German (NGC) 2018 annual contract finished the week at EUR 16.45/MWh (-1.67%) whilst its Dutch equivalent TTF Cal 2018 prices retreated by 1.64% to EUR 16.18/MWh. The NBP 2018 contract softened by 2.2% to trade at 41.49 p/therm.

Oil & Coal

Oil prices advanced last week, back to early May's levels on the back of supportive fundamentals. The market reacted positively to EIA stocks report on Wednesday despite a new rise of American output (increased for a 12th week to 9.3 million barrels a day, the highest level since August 2015) pushing prices up amid improving sentiment. The OPEC monthly report has confirmed a very strong momentum of US shale production and sees another +300 kbd this year, taking the American output to its historical high this year. World oil demand in 2016 was revised higher by 65 kbd to on upward revision of growth in Europe and China, adding to the bullish sentiment. Brent finished the week 2.56% higher at USD 50.51/bbl. China will suspend approvals for new coal-fired power plants in 29 provinces to reduce overcapacity in the sector, the official China Securities Journal reported on Friday pushing European coal Cal '18 contact downwards at USD 63.50/tonne (-2.76%)

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