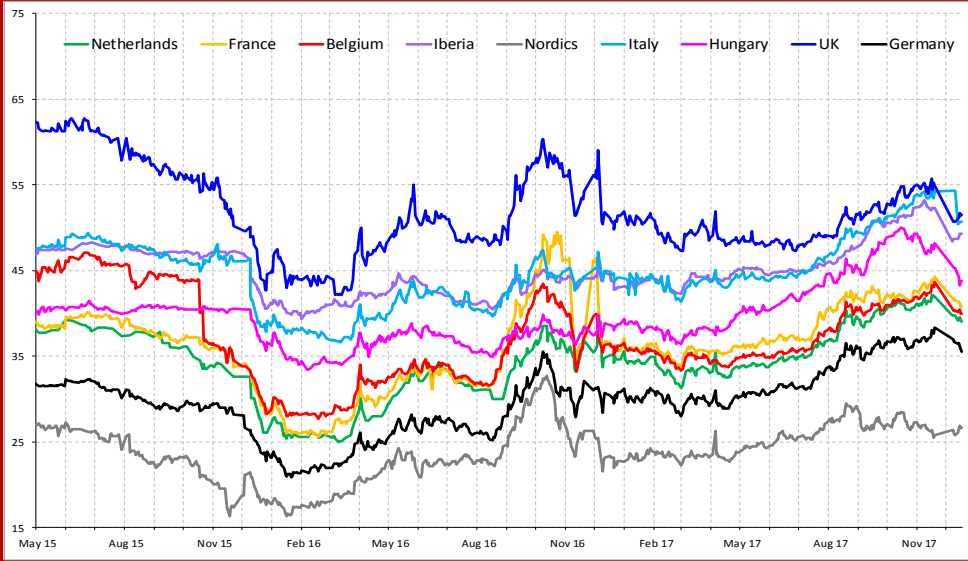
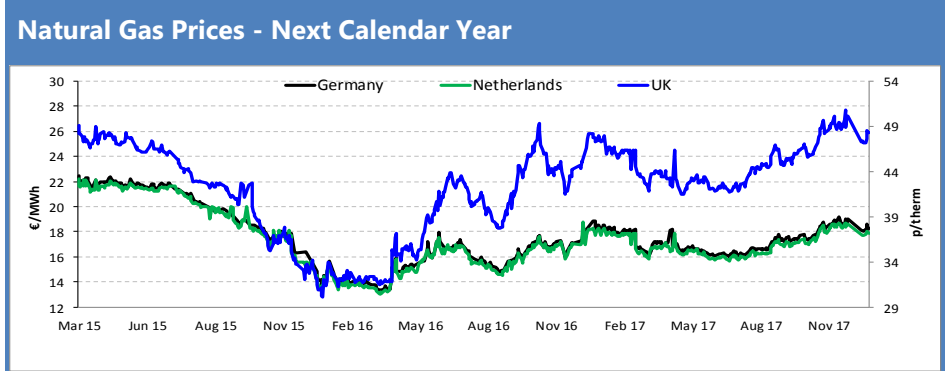


European Base Load Electricity Prices - Next Calendar Year (€/MWh)

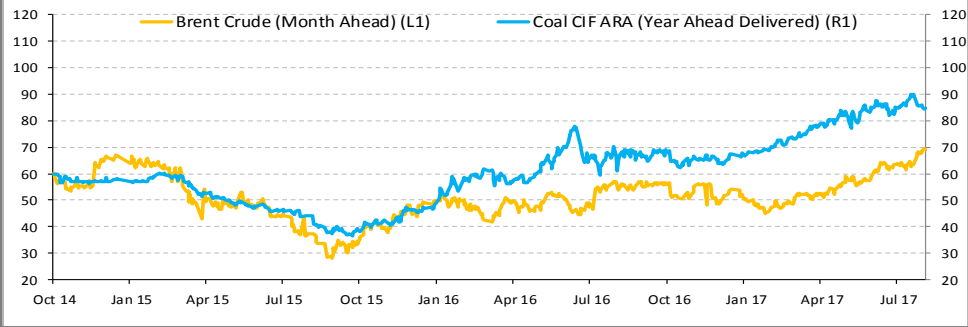


Power	Price	Change*
Italy	50.65	0.7%
UK	53.35	1.62%
Netherlands	39	-1.76%
Belgium	39.95	-0.87%
France	40.8	-1.81%
Germany	35.5	-3.14%
Hungary	43.75	-3.42%
Iberia	49.3	1.23%
Nordics	26.65	3.5%

Natural Gas	Price	Change*
UK (pence/therm)	48.29	1.83%
UK (€/MWh)	18.58	1.94%
Netherlands (€/MWh)	17.85	0.85%
Germany (€/MWh)	18.25	1.11%



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



Commodities	Price	Change*
Brent Crude Oil (\$/bbl)	69.15	2.35%
Coal CIF ARA (\$/Ton)	84.9	-1.51%
CO ₂ EUA (2018)	7.9	1.54%
CO ₂ CER (2018)	0.17	0%
GBP/EUR	1.1279	0.11%

Power

Electricity spot prices rose last week but did not reach the levels seen in December. This can be explained by supply conditions that have remained comfortable. Wind production is reaching exceptional levels regularly and electricity production from nuclear and hydraulic energy are both at their highest for over a year. In addition, temperatures are still above seasonal norms, limiting consumption peaks. On the curve, electricity prices for the Cal 19 contracts softened, impacted by the fall in coal prices and margins. After progress in negotiations on forming a coalition government in Germany the forward curves, moved from contango to backwardation. A pre-agreement was reached whereby the government is no longer committing to holding on to emissions reduction targets set for 2020. Coal-fired power stations will therefore not be forced to close down. The German 2019 annual contract softened by 3.14% to trade at EUR 35.50/MWh whilst the French equivalent followed the same trajectory, reporting a fall of 1.81% to EUR 40.80/MWh. For the German Cal 19 contract, the next support level is €35.0/MWh. In the UK, the annual 19 contract firmed 1.62% to finish the week at GBP 47.30/MWh (EUR 53.35/MWh).

Natural Gas

European gas demand rebounded from lows reached over the Christmas break. Gas demand from CCGTs in the UK, France, Italy and Benelux group jumped by 42% week-on-week. However, total gas demand across Europe remains well below last year's level at the same time due to relatively mild weather since the beginning of the year. European gas prices strengthened last week after the largest earthquake since 2012 hit the Groningen area last Monday and raised concerns over a further production cut. A downwards adjustment in Groningen production looks likely but no decision will be taken by the Dutch government until March. TTF February 2018 prices jumped to EUR 19.85/MWh at the close on Friday, 52 euro cents higher week-on-week. TTF Cal 2019 prices traded as high as €18.30/MWh but ultimately gained only 15 euro cents week-on-week, closing at EUR 17.85/MWh on Friday. The German (NCG) 2019 annual contract finished the week at EUR 18.25/MWh, up 1.11% on the previous weeks close. In the UK, the NBP 2019 contract firmed 1.83% to finish trading on Friday at 48.29p/therm.

Oil & Coal

Crude ended the week with a gain after breaching a key USD 70/bbl threshold and rallying for five straight days. The recent momentum in prices comes amidst signs of strong demand. This week's U.S. inventory report showed crude stockpiles falling for an eighth week and hitting the lowest levels since August-15. At the same time, US production dropped by the most since October -17. OPEC led efforts to limit supply has been helping oil prices. Data showing a rise in rig count had little impact on the oil prices. Brent oil finished the week USD 1.59/bbl (2.35%) firmer at USD 69.15/bbl. Coal prices remained strong at the end of 2017 despite a milder weather period across Europe. API 2 Cal 2019 prices softened by USD 1.2/t, closing at \$84.90/t on Friday. Excluding a major supply outage or a prolonged cold weather period, coal prices seem to have limited upside potential at their current level and could remain stable to slightly bearish.

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