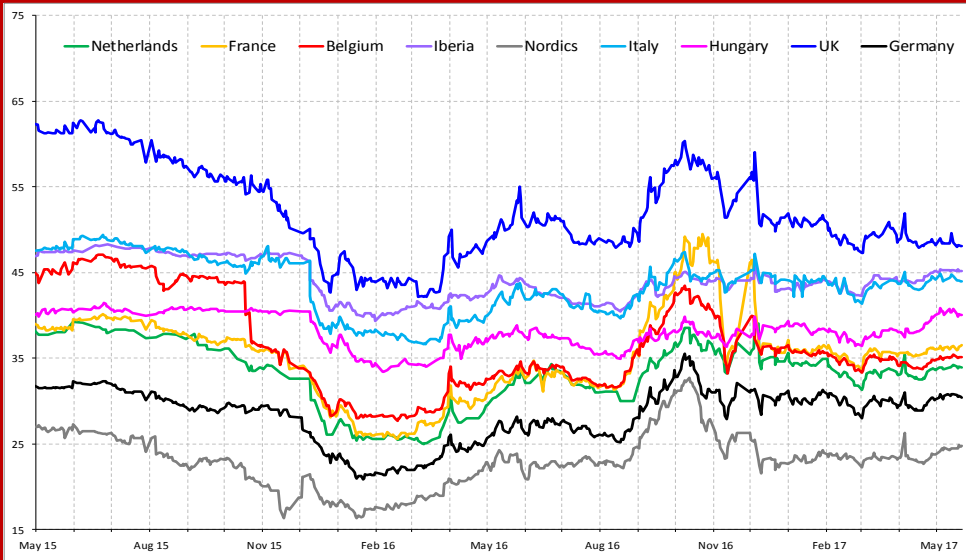


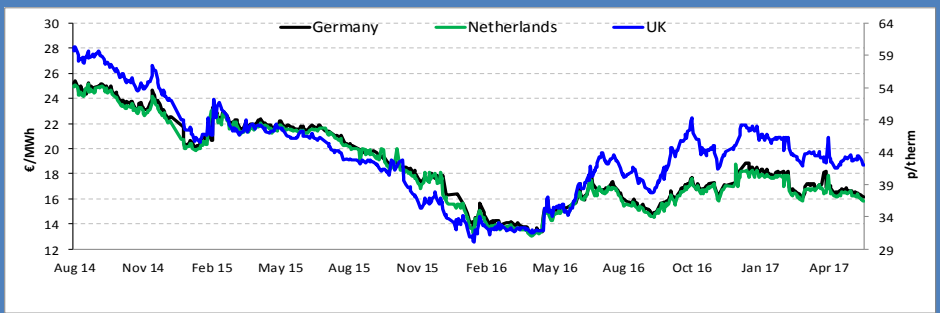
European Base Load Electricity Prices - Calendar Year 2018 (€/MWh)



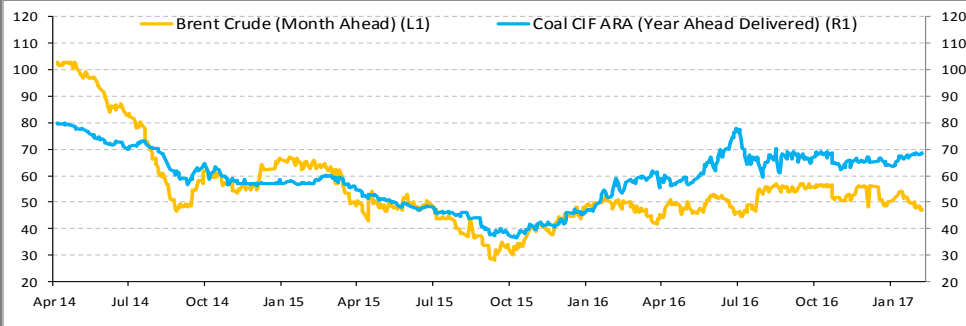
Power	Price	Change*
Italy	43.95	-1.46%
UK	48.06	-0.79%
Netherlands	33.9	-1.02%
Belgium	35.08	-0.85%
France	36.55	0.41%
Germany	30.4	-1.46%
Hungary	40	-1.84%
Iberia	45.13	-0.22%
Nordics	24.8	1.35%

Natural Gas	Price	Change*
UK (pence/therm)	42.08	-3.04%
UK (€/MWh)	16.4	-2.7%
Netherlands (€/MWh)	15.85	-2.04%
Germany (€/MWh)	16.13	-1.83%

Natural Gas Prices - Calendar Year 2018



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



Commodities	Price	Change*
Brent Crude Oil (\$/bbl)	47.16	-2.4%
Coal CIF ARA (\$/Ton)	68.6	0.51%
CO ₂ EUA (2017)	4.89	-2.78%
CO ₂ CER (2017)	0.21	-4.55%
GBP/EUR	1.1423	0.34%

Power

The majority of European electricity contracts dropped last week. Improved wind generation and low demand resulted in lower spot and near-dated contracts. Weather was warm and will continue to be above seasonal average levels across the continent. Nuclear availability is due to improve somewhat in France. The Flamanville reactor which had been hit by a fire in February is due to return. In Belgium, nuclear availability remains at 5 GW and wind power could peak slightly below 1 GW. On the far curve, French yearly contracts were marginally up while all other contracts in neighbouring countries corrected downwards, as markets now expect a new carbon price floor in France such as the one set up several years ago in the UK. The German Cal 18 ended 1.46% lower at EUR 30.40/MWh whilst the French equivalent added 0.41% to EUR 36.55/MWh. The Dutch 18 contract dropped circa 1% while the Italian equivalent posted the biggest reduction of 1.46% to trade at EUR 43.95/MWh. In the UK, power mirrored the movements seen in the gas market and fell significantly. The annual 2018 UK contract finished the week down at GBP 42.55/MWh (-1.13%).

Natural Gas

European gas near and long curve prices weakened on the back of comfortable balances and as concerns over Qatari LNG supply continued to ease following deliveries of Qatari LNG into Egypt and the redirection of several Qatari vessels through the Suez Canal. However, the start of the annual maintenance (14-29 June) of the Interconnector pipeline linking the UK and the continent tightened slightly the European flows and mitigated some of the bearish pressure. The first full week since the snap Election started softer with planned outages on Gassco North Sea facilities ending, and a long gas system (Linepack). On Tuesday Linepack again started the day long with a picture of comfortable supply of LNG contributing to heavy downward pressure on gas markets. Regarding pricing, the German (NCG) 2018 annual contract finished the week at EUR 16.13/MWh (-1.83%) whilst it's Dutch equivalent TTF Cal 2018 prices dropped by circa 2% to EUR 15.85/MWh. The NBP 2018 contract eased circa 3% to trade at 42.08 p/therm.

Oil & Coal

The downward slide continued for oil prices after another bearish IEA report on Wednesday that created another shock on prices. Despite a drop in commercial crude stocks, the report showed huge products inventories rise and new barrels added to domestic production. Prices were hardly heading towards USD 49/bbl where the report came out and prices immediately sunk by USD 1.5/bbl. Moreover, IEA in its June Monthly report said it expects non-OPEC production to grow by +1.5 Mbd next year, slightly more than the expected increase in global demand. The IEA sees US crude production growing in 2018 by 780,000 bd. It also expects production outside the OPEC to grow twice as quickly in 2018 as it will do this year. Brent first nearby touched a new 6-weeks low at USD 46.7/bbl before finishing the week at USD 47.16/bbl (-2.4%). China's coal production rose 12 percent in May from a year ago, its fastest pace of growth in years, as miners ramped up output ahead of an expected summer pick-up in demand. The Coal 2018 contract increased by 0.51% to USD 68.60/tonne.

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