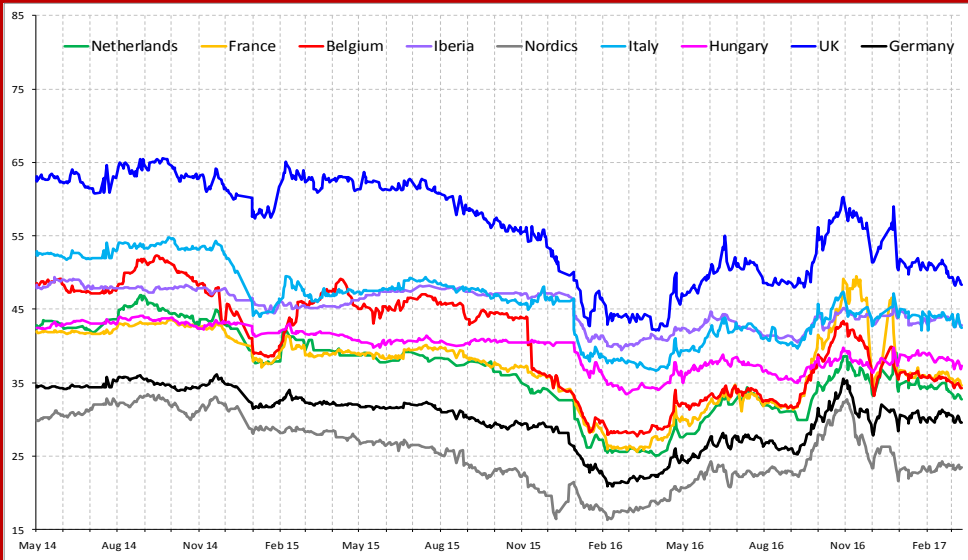
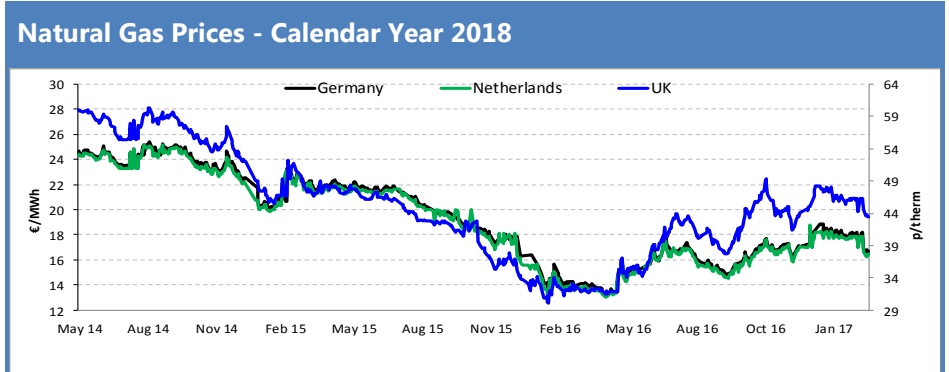


European Base Load Electricity Prices - Calendar Year 2018 (€/MWh)

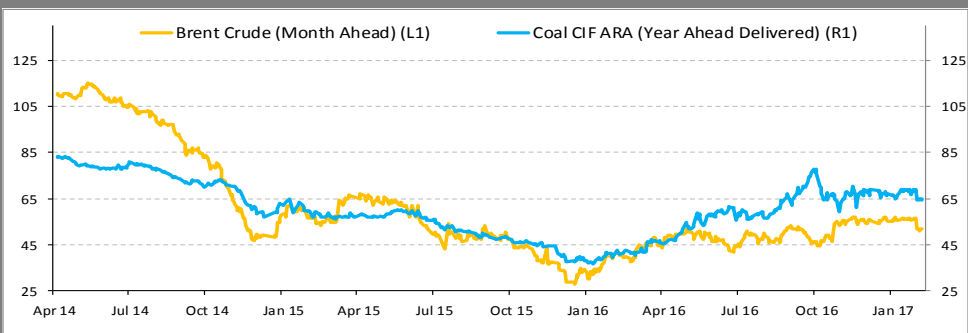


Power	Price	Change*
Italy	42.45	-0.24%
UK	49.76	0.33%
Netherlands	32.68	-0.37%
Belgium	34.25	-0.84%
France	34.6	-1.56%
Germany	29.5	-0.17%
Hungary	37.25	-0.13%
Iberia	42.78	0.47%
Nordics	23.5	1.69%

Natural Gas	Price	Change*
UK (pence/therm)	43.46	-2.56%
UK (€/MWh)	17.08	-1.53%
Netherlands (€/MWh)	16.5	-0.66%
Germany (€/MWh)	16.68	-1.18%



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



Commodities	Price	Change*
Brent Crude Oil (\$/bbl)	51.71	-0.4%
Coal CIF ARA (\$/Ton)	64.8	0.47%
CO ₂ EUA (2017)	5.12	-0.78%
CO ₂ CER (2017)	0.28	-3.45%
GBP/EUR	1.1521	1.05%

Power

A combination of comfortable renewable power generation, lower fuel costs and mild weather imposed a bearish pressure on European market prices last week. Brent dropped by 0.4% while EUA 2017 contract retreated by circa 0.8% to EUR 5.12/tonne. Added to this, the wind supply was fairly high across the continent with the German wind output reaching a record-high 38 GW pushing near-term contracts downwards. However, the delay by 3 months of the restart of one nuclear in Germany added some bullish pressure on Q2 prices. Regarding weather, temperatures will get colder in France, likely pushing demand levels higher while a strike starting on Monday could turn off a few GW of nuclear capacities. On the far curve, the picture was bearish with volatility on coal prices, (ended the week 0.47% up) limiting losses on the power curve. The German Cal 18 contract retreated as much as 0.17% to EUR 29.50/MWh whilst its Dutch counterpart lost 0.37% of its value to EUR 32.68/MWh. In the UK, extremely comfortable fundamentals including an oversupplied gas lineup and temperatures above seasonal normal levels weighed heavily on power prices across the curve. The annual 2018 UK contract dropped 0.7% to GBP 43.19/MWh.

Natural Gas

European gas prices fell on Friday despite higher demand forecasts for the week ahead as systems remained comfortably supplied and oil prices continued their downward trend. However, liquidity was very thin as only 48 TWh were traded at the TTF compared to 77 TWh/day on average in the first half of March. UK residential demand remained 15% below seasonal normal levels while Dutch residential demand was almost 35% below its March 2016 average resulting in Dutch stocks to switch to net injection mode to cope with the oversupply. Moreover, a strengthening in the pound against the euro amplified losses at the NBP. A downward adjustment in Norwegian flows to the UK through the Langeled pipeline on Thursday tightened British supply although the UK system remained heavily oversupplied. Regarding pricing, the German (NCG) 2018 annual contract finished the week at EUR 16.68/MWh (-1.18%) whilst its Dutch equivalent TTF Cal 2018 prices dropped by EUR 0.11 to EUR 16.50/MWh. In the UK, the NBP year ahead contract eased 2.56% to trade at 43.46p/therm or EUR 17.08/MWh.

Oil & Coal

It appears that crude prices have found a delicate state of equilibrium halfway between Q1-2017 and Q4-2016 levels. Brent month-ahead prices stabilised around USD 51.5/bbl after the 8th of March collapse and they are moving around this level since then. The market is waiting for its next move as the news flow is mixed with stable OPEC compliance, intense drilling activity in US and renewed tension in Libya. Moreover, recent appreciation of the dollar against major currencies added to the bearish sentiment. Furthermore, money managers are supporting the current downward momentum as they cut long positions on US markets further (-20% in three weeks). Brent for May settlement finished the week at USD 51.71/bbl, down 0.4%. Recent media reports have highlighted that Coal India Ltd (CIL), a state-owned company that's the world's largest miner of the fuel will likely miss its target of producing 598 million tonnes in the fiscal year ending March 31. Annual Coal CIF ARA contract for delivery in 2018 advanced by circa 0.5% to USD 64.80/tonne.

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