# Weekly European Energy Report

nusconsulting GROUP Energy Managed.

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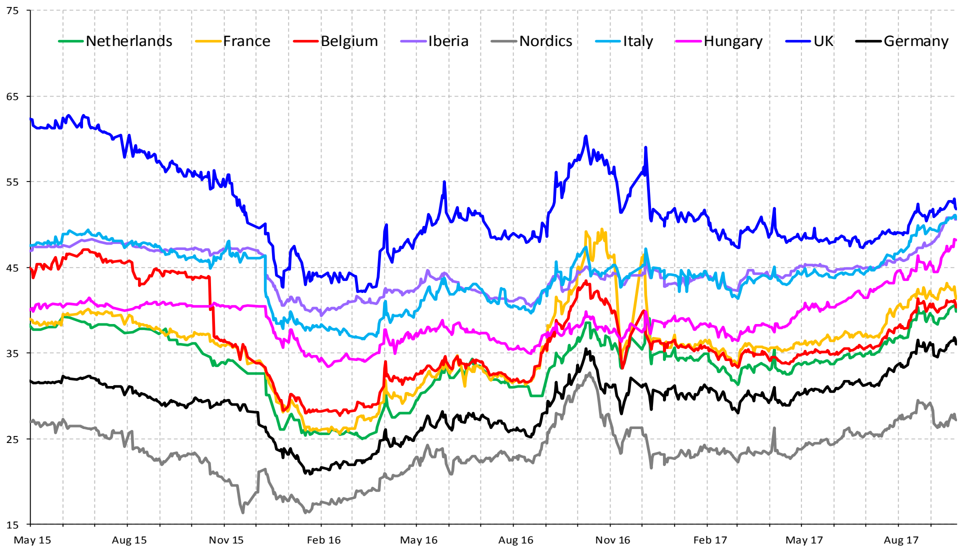
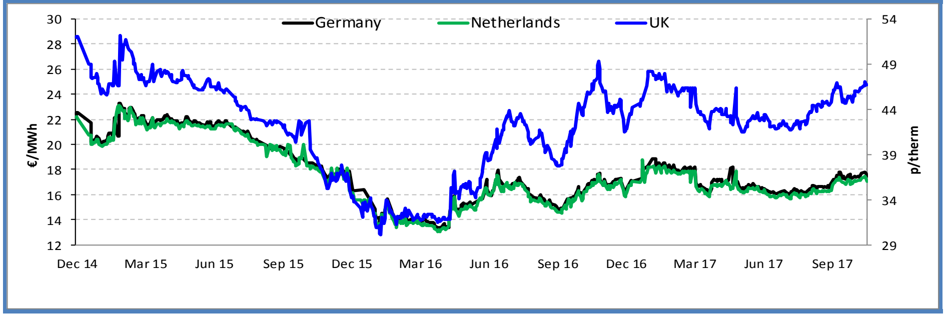
## European Base Load Electricity Prices - Calendar Year 2018 (€/MW/h)



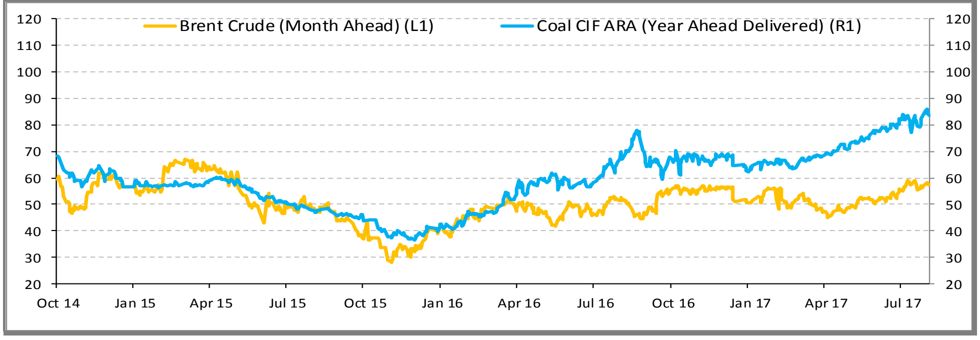

| Power | | Price | Change* |
|---|---|---|---|
| Italy | | 50.7 | -0.2% |
| UK | | 49.96 | -0.7% |
| Netherlands | | 39.85 | -0.37% |
| Belgium | | 40.34 | -1.39% |
| France | | 41.3 | -3.39% |
| Germany | | 36 | -0.41% |
| Hungary | | 48.15 | 2.77% |
| Iberia | | 50.6 | -0.3% |
| Nordics | | 27.2 | 0.93% |

| Natural Gas | | Price | Change* |
|---|---|---|---|
| UK (pence/therm) | | 46.69 | 0.67% |
| UK (€/MWh) | | 17.83 | 0.3% |
| Netherlands (€/MWh) | | 17.05 | -1.56% |
| Germany (€/MWh) | | 17.45 | -1.25% |

## Natural Gas Prices - Calendar Year 2018




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




| Commodities | Price | Change* |
|---|---|---|
| Brent Crude Oil ($/bl) | 57.66 | 1.03% |
| Coal CIF ARA ($/Ton) | 83.5 | -0.6% |
| $CO_2$ EUA (2017) | 7.57 | 2.99% |
| $CO_2$ CER (2017) | 0.18 | -5.26% |
| GBP/EUR | 1.1193 | -0.36% |

## Power

Spot conditions remained bearish with summer temperatures in NWE and a relatively comfortable level of wind and lignite power pushing German and Dutch spot prices lower. Nuclear availability in France is still pegged below 38 GW but is set to increase to 44GW this week. The maintenance of Paluel 4 reactor that was supposed to restart last Thursday after being cleared from the ASN investigation was delayed once more. On the far curve, the majority of the contracts traded downwards in line with lower coal prices. On the other hand, higher oil and EUA prices have mitigated some of the bearish pressure. A German governmental agency noted that a coal-phase out was needed by 2030 for Germany to achieve long-term CO2 reduction targets. Coal prices dropped by 0.60% to USD 83.50/tonne, whilst EUAs advanced by 2.99% to trade at EUR 7.57/tonne. On power pricing, the German Cal 18 contract closed at EUR 36/MWh (-0.41%) whilst the French Cal 18 finished last week at EUR 41.30/MWh (-3.39%). In the UK, there was healthy renewable generation which helped to keep the system balanced. The UK annual 18 contract fell by 0.35% to GBP 44.63 /MWh.

## Natural Gas

European day-ahead contracts were mixed last week. NBP spot prices were supported by the rise in demand due to colder weather in the UK, which required withdrawals from medium-range storages to balance the system. The expected arrival of three LNG vessels in the UK by the end of the month mitigated some of the bullish sentiment. On the contrary, TTF spot prices were pushed lower by higher temperatures in the Netherlands. On the far curve, a weakening in the pound against the euro provided additional support to the UK contracts whereas it limited gains in euro-traded contracts. On pricing, the German (NCG) 2018 annual contract finished at EUR 17.45/MWh, down by 1.56% whilst its Dutch equivalent TTF Cal 2018 prices dropped by 1.46% to EUR 17.32/MWh. In the UK, colder temperatures last week have increased demand above seasonal average which has pushed annual pricing upwards. Moreover, higher carbon and oil pricing have added to the bullish sentiment. The NBP 2018 contract increased by 0.67% to trade at 46.69/therm.

## Oil & Coal

Oil prices held steady to recent gains as rising tensions in Iraq, the second largest OPEC producer continued to provide support to the commodity. There are however, still signs that the rally is fragile with further gains being kept in check by thoughts that OPEC need to extend their current production cuts past the first quarter of 2018, with U.S shale stocks preventing inventories from dropping further The EIA report yesterday showed stocks in line with expectations with a slight bearish tone. Commercial crude stocks posted -5.7 Mb fall, less than expected by API, with a huge -8.95 Mb in Gulf Coast region while Cushing hub inventories hold stable. Domestic production dropped -11.3%, -1Mbd, down to 8.41 Mbd due to Hurricane Nate disruptions. Brent front-month finished at USD 57.66/bbl. Regarding coal, Cal-18 contract dropped last week, finishing at USD 83.50/tonne (-0.60%).