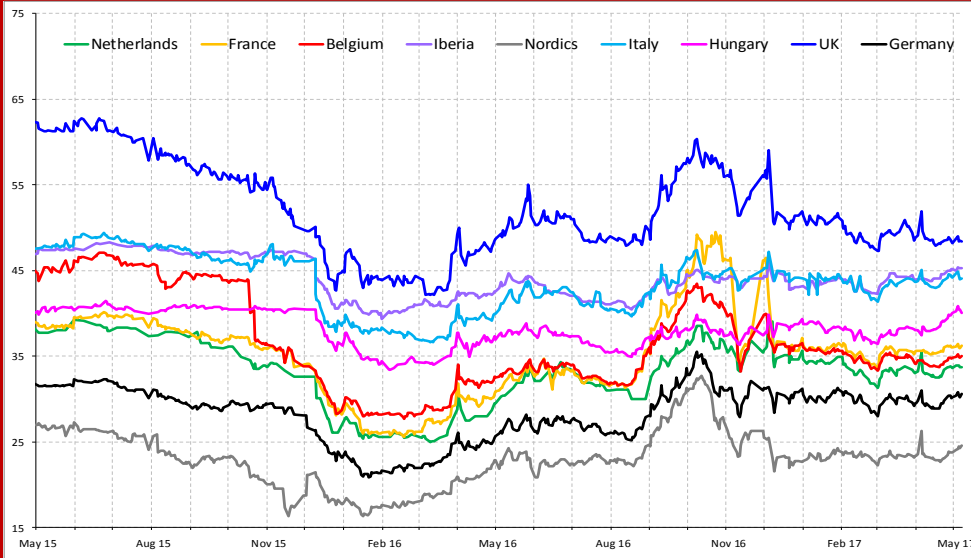
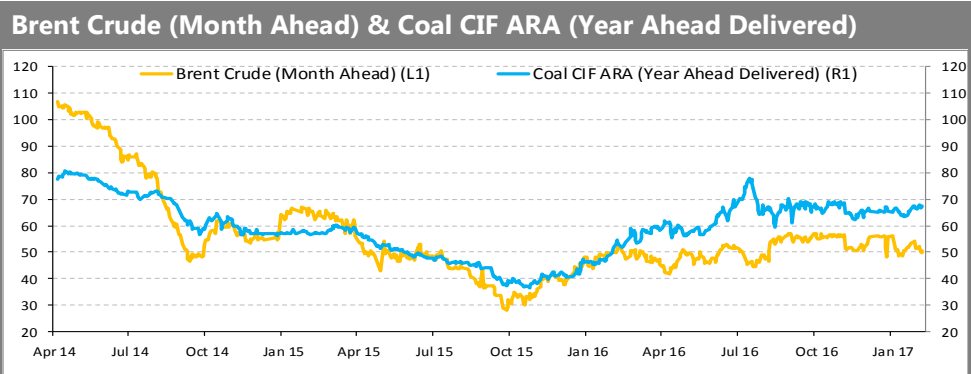
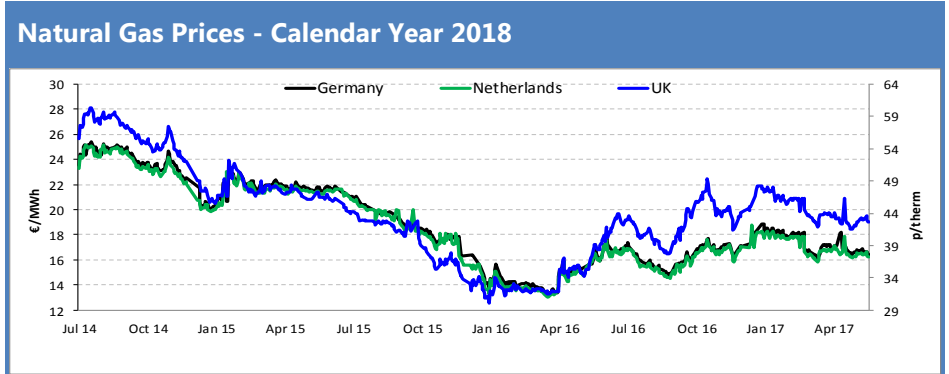


## European Base Load Electricity Prices - Calendar Year 2018 (€/MWh/h)



Power	Price	Change*
Italy	44.05	-0.34% ↓
UK	48.34	0.29% ↑
Netherlands	33.7	0.3% ↑
Belgium	35.01	0.66% ↑
France	36.25	0.69% ↑
Germany	30.55	1.16% ↑
Hungary	40.05	0.12% ↑
Iberia	45.3	0.33% ↑
Nordics	24.55	3.37% ↑

Natural Gas	Price	Change*
UK (pence/therm)	42.7	-0.55% ↓
UK (€/MWh)	16.66	-0.6% ↓
Netherlands (€/MWh)	16.23	-0.92% ↓
Germany (€/MWh)	16.4	-1.5% ↓



Commodities	Price	Change*
Brent Crude Oil (\$/bbl)	49.61	-3.61% ↓
Coal CIF ARA (\$/Ton)	67.35	1.43% ↑
CO <sub>2</sub> EUA (2017)	5.15	0.39% ↑
CO <sub>2</sub> CER (2017)	0.22	-4.35% ↓
GBP/EUR	1.143	-0.04% ↓

### Power

The majority of short and longer-dated European electricity contracts firmed last week. A lack of wind power in Germany on Friday continued to support spot prices while France still faces low nuclear supply. Hydro power generation improved slightly in Germany whilst nuclear availability is due to improve. In Spain, hydro power generation was down by 63% year on year in May, therefore coal-fired power generation activated to compensate for the shortfall. This "low-hydro" situation is likely to be the main risk factor for this summer. On the far curve, power prices increased on the back of higher emission and coal prices. Coal finished 1.43% higher at USD 67.35/bbl while CO<sub>2</sub> EUA contract added circa 0.5% to trade at EUR 5.15/tonne. However, oil dropped significantly mitigating some of the bullish pressure. The German Cal 18 ended at EUR 30.55/MWh, the highest level since March. The French equivalent reached EUR 36.25/MWh and the Belgium contract added as much as 0.66% to EUR 35.01/MWh. In the UK, wind generation has been minimal most of the week, however with strong solar and interconnector flows, the power system has been comfortable. The annual 2018 UK contract finished the week slightly up at GBP 42.29/MWh.

### Natural Gas

European gas prices edged lower last week despite early gains on a drop in Norwegian gas exports to the UK and lower British LNG sendout ahead of key pipeline maintenance in the second half of June. Weaker demand forecasts for the end of the week and strong Russian gas imports pushed pricing downwards. Gazprom said that exports to Europe increased by 13.3% yoy in the Jan-May 2017 period, reaching a new historical record. Moreover, a sharp drop in oil prices dragged gas prices down slashing Tuesday's gains. In the UK, the gas system has been comfortable on the whole following the end of an unexpected Norwegian outage at the beginning of the week which effected flows through the Langeled pipeline. On pricing, the German (NCG) 2018 annual contract finished the week at EUR 16.40/MWh (-1.5%) whilst it's Dutch equivalent TTF Cal 2018 prices dropped by 0.92% to EUR 16.23/MWh. The NBP 2018 contract dropped as much as 0.24p (-0.55%) to trade at 42.70p/therm.

### Oil & Coal

Oil prices dropped significantly last week, as U.S crude production has expanded to the highest level since August 2015, countering a slide in stockpiles. Moreover, the abandon by the Trump administration of the Paris agreement on climate is another cloud over the rebalancing of fundamentals. This indicates that he may further roll-back emission regulations which would favour the use of fossil fuels and increase oil production. Also news that Libyan output was recovering from an oilfield technical issue, fuelling concerns that OPEC-led output cuts to reduce global inventories were being undermined by producers outside the deal. Libya's oil production has risen to 827,000 bpd, climbing above a three-year peak of 800,000 bpd reached earlier in May, after a technical issue that hit Sharara oilfield was resolved. Brent front-month contract finished the week at USD 49.61/bbl (-3.61%). Regarding coal, The Coal CIF ARA contract for 2018 has gone up over the course of last seven days, with the Cal '18 contact finishing at USD 67.35/tonne (+1.43%)

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