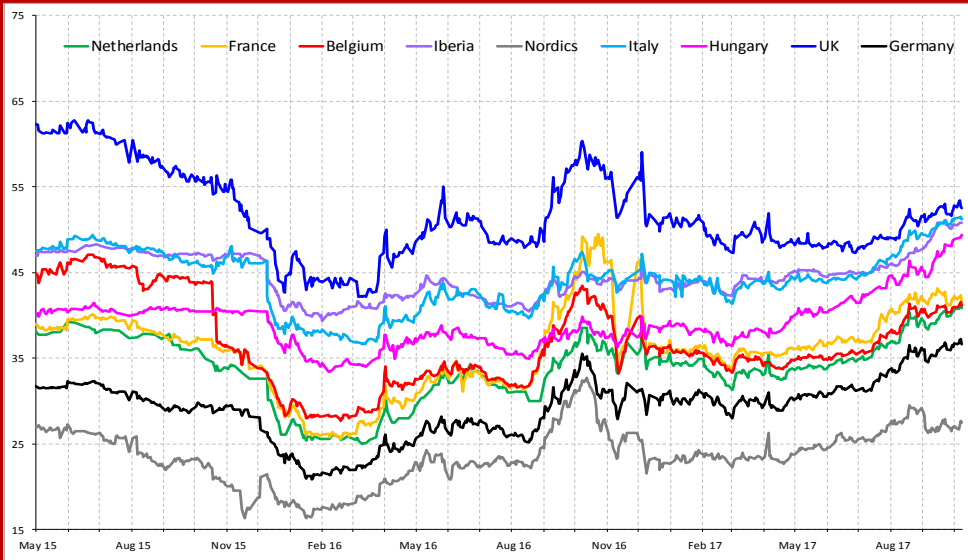
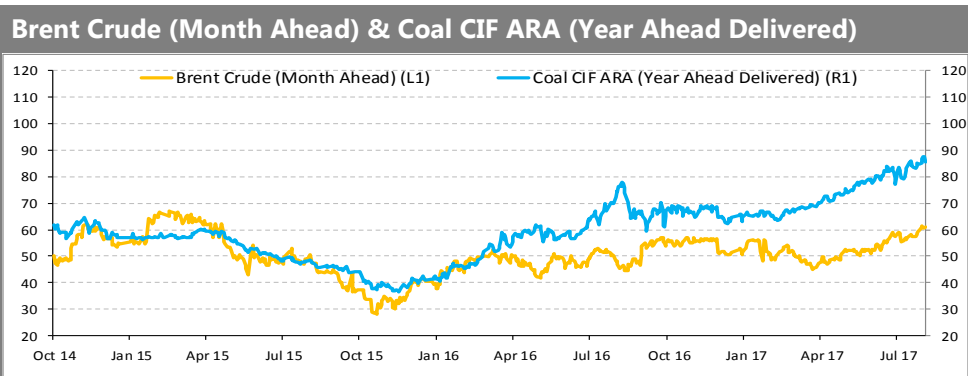
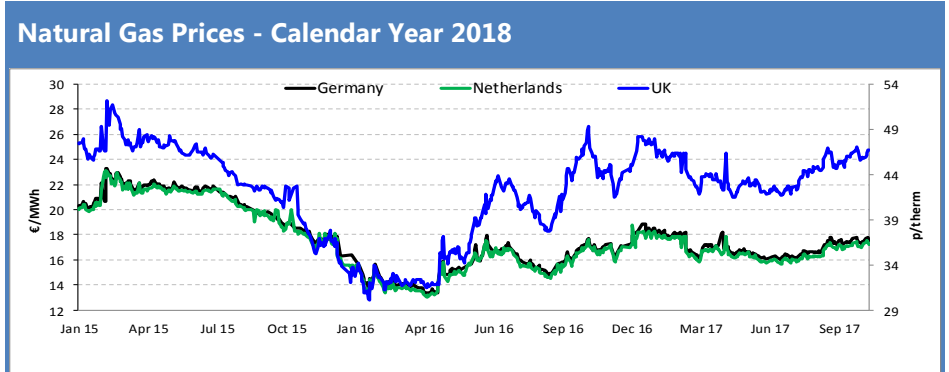


European Base Load Electricity Prices - Calendar Year 2018 (€/MWh)



Power	Price	Change*
Italy	51.2	-0.1%
UK	50.79	-0.07%
Netherlands	40.8	0.49%
Belgium	41.18	0.54%
France	41.55	-1.54%
Germany	36.65	-0.14%
Hungary	49.35	0.92%
Iberia	50.75	0.4%
Nordics	27.5	1.66%

Natural Gas	Price	Change*
UK (pence/therm)	46.76	2.03%
UK (€/MWh)	17.97	1.65%
Netherlands (€/MWh)	17.25	-0.17%
Germany (€/MWh)	17.55	0.57%



Commodities	Price	Change*
Brent Crude Oil (\$/bbl)	60.97	1.65%
Coal CIF ARA (\$/Ton)	85.6	0.82%
CO ₂ EUA (2017)	7.83	8.15%
CO ₂ CER (2017)	0.18	5.88%
GBP/EUR	1.1264	-0.37%

Power

European day-ahead power prices increased last week on the back of higher demand across the continent; cold weather expectations were also supportive for near-term contracts. Prices on the far curve were pushed higher taking direction from bullish Coal and EUA rates. Brent touched a new high of circa USD 61/bbl adding to the bullish sentiment. Regarding supply-side fundamentals, EDF delayed the restart of its Tricastin nuclear power plant to November 27 but the market had already factored in possible delays so the prices didn't react strongly on the news. The Dutch Cal 18 contract closed at EUR 40.80/MWh (+0.49%) whilst the Belgium Cal 18 finished last week at EUR 41.18/MWh (+0.54%). The German annual contract dropped marginally to trade at EUR 36.65/MWh. In the UK, the gas system was under-supplied as national demand rose to 20mcm above seasonal normal. Due to weak renewable performance, the UK power system has been strongly gas driven pushing the UK annual 18 contract up by 0.30% to GBP 45.09/MWh.

Natural Gas

A progressive downward revision in temperature forecasts across Europe supported prompt contracts. On the supply side, a sharp drop in Russian gas flows through Ukraine (-38 mm cm/day) may have also played into prompt's strength on the back of rather weak LNG supply in north western Europe. Coal prices continued to increase and broke key resistance levels, supported by prospects of a widespread coal worker strike in South Africa next week over wages. The benchmark API year-ahead contract hit a new 4-year high at USD 87.35/tonne before finishing at USD 85.6/tonne on Friday. Gains on the gas curve were enhanced further due to an increase in oil prices. On annual pricing, the German (NCG) 2018 annual contract increased by 0.57% to EUR 17.45/MWh, whilst its Dutch equivalent TTF Cal 2018 prices dropped fractionally by EUR 0.03 to EUR 17.25/MWh. In the UK, the gas system was under-supplied as national demand rose to 20mcm above seasonal normal, off-setting the increased flows we have seen from Langede pipeline. The NBP 2018 contract advanced by 2.03% to trade at 46.76/therm.

Oil & Coal

The oil markets have been fairly volatile last week, but ended the week in a flat position relative to the start of the week, at just below USD 61/bbl. Two were the key drivers that shaped the market; The official US crude stocks being higher than forecast and news from Saudi Arabia intimating that cuts will extend beyond March next year. The EIA report was less bullish for prices than what suggested the API figures but remained supportive nevertheless. Crude stocks were down 2.4Mb, despite the new rise in crude output to 9.55Mb/d, a one-month high. But imports were down again significantly (-6.8%) and refineries activity kept on strengthening. Oil has risen for four straight week as OPEC and allied producers will extend their glut-reduction accord beyond its March expiry. Saudi Arabia, Iraq and Kuwait -- which together pump more than 50% of OPEC's crude -- signalled firm support for an extension. Brent front-month finished at USD 60.97/bbl. Coal prices rallied mainly because of the possibility of strikes at South African and Australian mines. Cal 18 finished at USD 85.60/tonne (+0.82%).

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