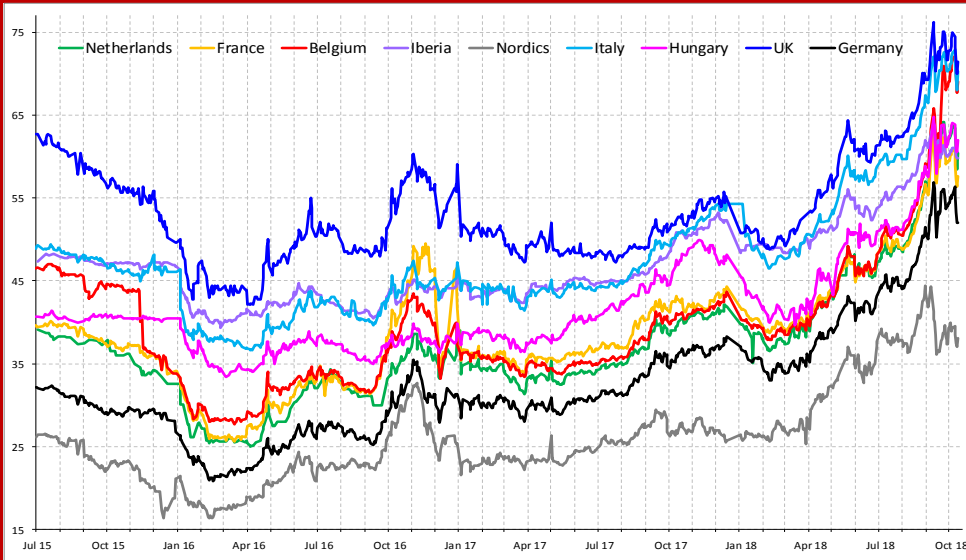


Tuesday 16th October 2018

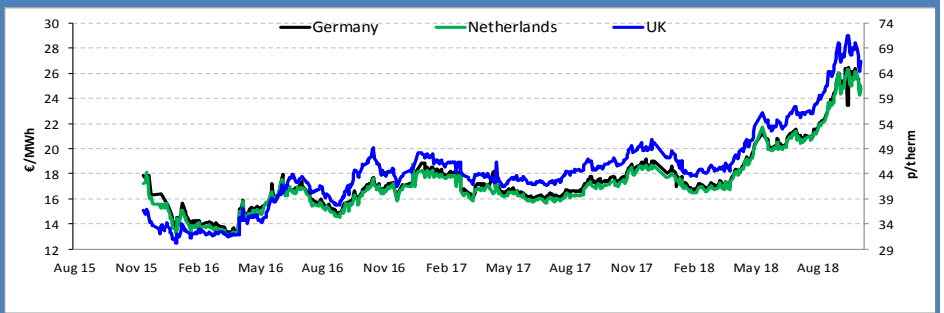
European Base Load Electricity Prices - Next Calendar Year (€/MWh)



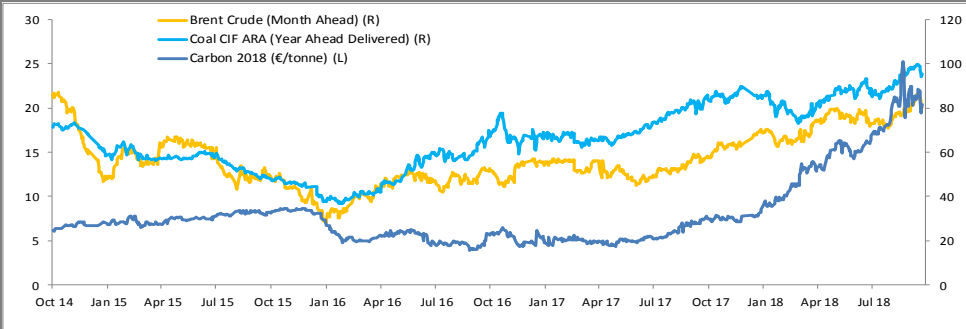
Power	Price	Change*
Italy	70.25	-3.10%
UK	68.07	-9.23%
Netherlands	60.40	-5.25%
Belgium	69.00	-3.60%
France	57.55	-5.50%
Germany	51.96	-6.12%
Hungary	62.00	-3.20%
Iberia	59.80	-1.97%
Nordics	38.05	-3.28%

Natural Gas	Price	Change*
UK (pence/therm)	66.33	-5.48%
UK (€/MWh)	25.76	-5.44%
Netherlands (€/MWh)	24.98	-4.47%
Germany (€/MWh)	24.73	-6.22%

Natural Gas Prices - Next Calendar Year



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



Commodities	Price	Change*
Brent Crude Oil (\$/bbl.)	80.28	-5.35%
Coal CIF ARA (\$/Tonne)	95.50	-4.16%
CO2 EUA (€/tonne)	20.42	-7.85%
CO2 CER	0.28	0%
GBP/EUR	1.1381	0.04%

Power

Relatively strong wind and warm temperatures helped ease some pricing pressure, with markets concerned over Belgian nuclear availability. Indeed, with the Tihange 1 reactor shutting down as planned, the country is left with a single reactor, Doel 3, available. The commodity complex also weighed down on prices with weakness in coal and carbon markets feeding through to power prices. On Friday, the German Cal. 19 was trading around EUR 51.96/MWh, down 6.1%, the French Cal. 19 at EUR 57.55/MWh, down 5.5%, and the Dutch Cal. 19 also down around 5% at EUR 60.40/MWh.

Natural Gas

Gas fired heating demand dropped significantly in NW Europe (approx. -30mcm/day) as temperatures were well above seasonal norms. The supply side was buoyant with increased sendouts from LNG regasification terminals, and increased pipeline flows from Russia via Ukraine. These factors, coupled with the weakness seen in financial markets, led to a softening in prices. Asian LNG spot prices also weighed in on European gas, with limited demand for spot cargoes in China sending the JKM benchmark lower. On the far curve, TTF Cal. 2019 prices traded at EUR 24.98/MWh on Friday, down 4.5% week-on-week while the German Cal. 19 contract traded at EUR 24.73/MWh, down 6.2%.

Oil & Coal

Oil prices saw significant weakness last week following turmoil in global stock markets (although some had indeed expected a large correction) and to a lesser degree, a large build in US crude inventories. Brent lost over \$5/bbl. during the week before paring some losses to trade at \$80.28/bbl. on Friday. This correction came despite some otherwise bullish fundamentals – hurricane Michael, Iranian crude, and US-Saudi tensions surrounding the disappearance and suspected murder of journalist Jamal Khashoggi in Turkey. Coal mirrored the weakness in oil with the API Cal. 19 down 4.2% to trade at \$95.50/tonne on Friday.

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