

Weekly European Energy Report

03 March 2020

Power

Prices of calendar-year contracts continued to fall last week – trading approximately 3% lower on average. Particular mention has to be given to Nordic markets which have experienced an extended and dramatic softening in power prices. An almost historically wet and mild winter has seen hydro reserves fill rapidly, from a position of relative deficit just a few months ago. So much so that prices have fallen by 20% in 2020.

Natural Gas

The main gas markets were bearish last week, but have seen some firming at the start of this week. Conventional winter weather for this time of year remains absent, and gas supplies are healthy. Storage levels are well-above historic averages, and the number of LNG vessels destined for European terminals remains high.

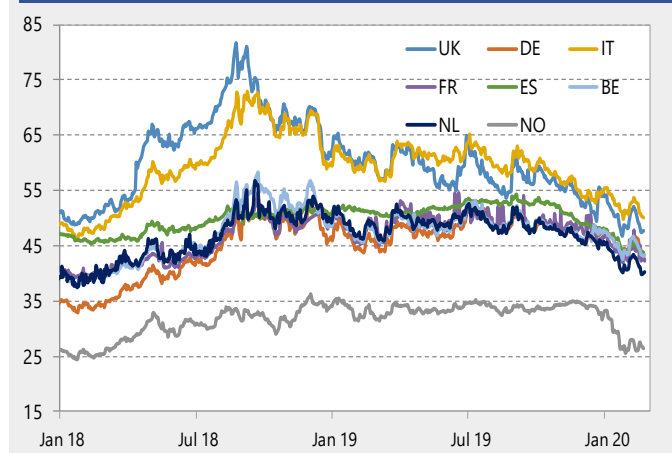
Energy Complex

European Union Allowances (EUAs), as with other energy commodities, saw weakness last week. Carbon prices are down 4.5% as the coronavirus dampens expected demand for EUAs. EU Commission President Ursula von der Leyen announced on Monday that the risk level for the EU had risen from 'moderate' to 'high', based on advice from ECDC, the European Centre for Disease Prevention and Control. It is unclear as to whether the current coronavirus situation will impact the announcement of the Commission's eagerly anticipated climate-law deal on Wednesday (March 4th). This week, the downward trend seen across energy and commodity markets seems to have slowed or halted, on news that central banks and policy makers will seek to stabilise the impacts of the coronavirus outbreak on financial markets and the wider economy.

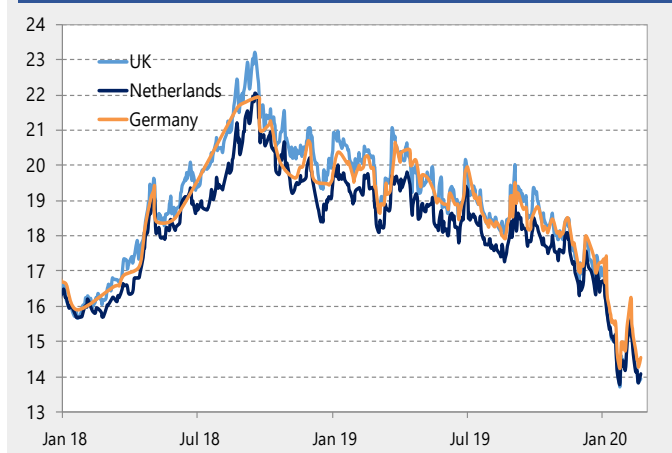
Calendar Year Baseload Power Markets (€/MWh)

Country	24-Feb-20	02-Mar-20	Change	%
Belgium	44.69	43.15	↓ -1.54	-3.6%
France	45.15	42.70	↓ -2.45	-5.7%
Germany	45.16	43.83	↓ -1.33	-3.0%
Hungary	52.66	52.04	↓ -0.62	-1.2%
Iberia	44.50	43.88	↓ -0.62	-1.4%
Italy	51.12	50.25	↓ -0.87	-1.7%
Netherlands	41.50	40.15	↓ -1.35	-3.4%
Nordics	27.00	25.95	↓ -1.05	-4.0%
UK	49.12	47.66	↓ -1.46	-3.1%

Annual Power Contracts (€/MWh)



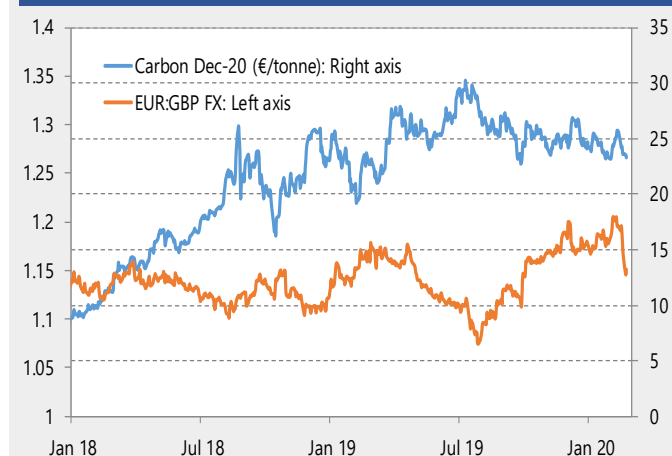
Annual Gas Contracts (€/MWh)



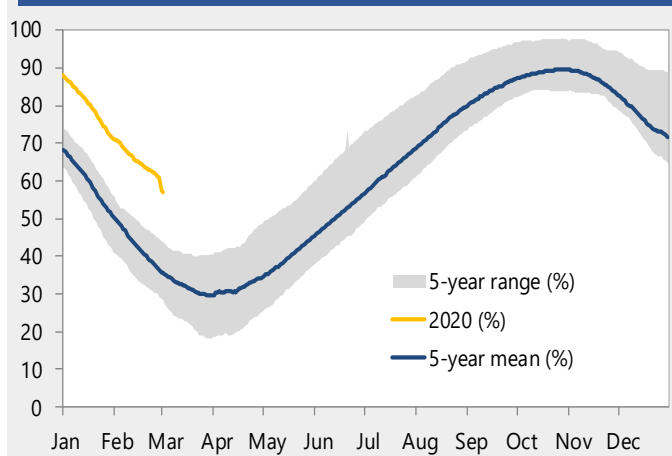
Calendar Year Gas Markets

Country	24-Feb-20	02-Mar-20	Change	%
UK (p/therm)	35.00	35.66	↑ 0.66	1.8%
UK (€/MWh)	14.22	13.94	↓ -0.28	-2.0%
Netherlands (€/MWh)	14.15	14.08	↓ -0.07	-0.5%
Germany (€/MWh)	14.78	14.54	↓ -0.24	-1.7%

Carbon and FX



EU Gas Storage (% full)



Commodity Markets

Commodity	24-Feb-20	02-Mar-20	Change	%
Brent (\$/bbl.)	56.30	51.90	↓ -4.40	-8.5%
Coal CIF ARA (\$/tonne)	57.25	57.00	↓ -0.25	-0.4%
EUR:GBP FX	1.1907	1.1455	↓ -0.045	-3.9%

Carbon Markets

Contract	24-Feb-20	02-Mar-20	Change	%
CO2 EUA Dec-20 (€/tonne)	24.57	23.52	↓ -1.05	-4.5%
CO2 EUA Dec-21 (€/tonne)	24.77	23.71	↓ -1.06	-4.5%
CO2 EUA Dec-22 (€/tonne)	25.00	23.93	↓ -1.07	-4.5%