

# Weekly European Energy Report

## 10 March 2020

#### Power

An imminent economic policy response as well as the OPEC+ summit in Vienna fueled gains in benchmark European power contracts early last week – Nordic power pricing fell as hydrological reserves increased. However, the sharp fall in clean gas and coal costs, on the back of the collapse in oil prices resulted in losses for the European Cal 2021 power prices at the beginning of this week. The impact was not as pronounced as elsewhere in the commodity complex given power contracts have already dropped significantly over winter and look set to be continually supported by the price of carbon emissions.

#### Natural Gas

The prospect of widespread monetary stimulus to mitigate the effects of the coronavirus boosted gas pricing on the major markets early last week. Cautious optimism around OPEC+ supply cuts also provided more support. However, as the OPEC+ summit descended into chaos, European gas pricing fell with the wider energy complex. NBP, TTF and NCG forward contracts all traded at record lows on Monday following the largest intraday change in the oil price since 1991. Spot pricing fell as well with weather returning to the mild and windy conditions which we have seen for the majority of winter.

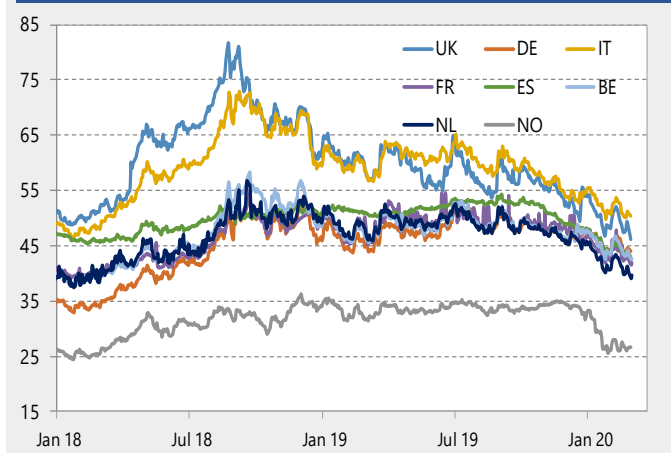
#### Energy Complex

Oil prices crashed more than 30% in the worst fall since 1991 after Saudi Arabia failed to rally Russia to its cause on Friday, which resulted in a fall out in the relationship that had underpinned the cuts in place for more than three years. Combined with the ongoing coronavirus situation, markets faced a barrage of bearish drivers, leading to widespread losses across the complex.

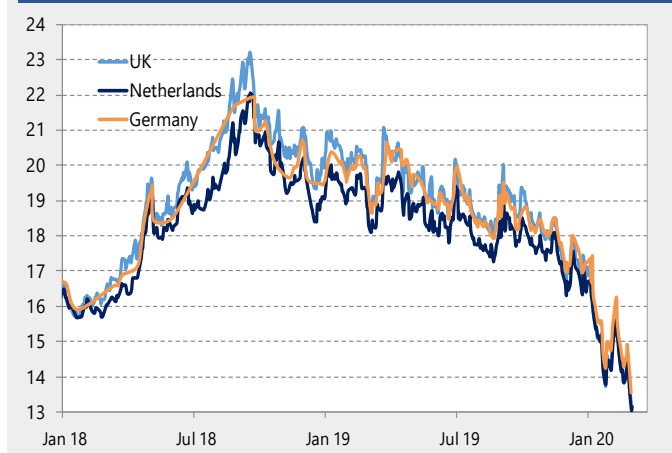
#### Calendar Year Baseload Power Markets (€/MWh)

Country	02-Mar-20	09-Mar-20	Change	%
Belgium	43.15	42.63	↓ -0.52	-1.2%
France	42.70	41.50	↓ -1.20	-2.8%
Germany	43.83	42.84	↓ -0.99	-2.3%
Hungary	52.04	51.20	↓ -0.84	-1.6%
Iberia	43.88	43.00	↓ -0.88	-2.0%
Italy	50.25	48.87	↓ -1.38	-2.7%
Netherlands	40.15	39.15	↓ -1.00	-2.5%
Nordics	25.95	25.65	↓ -0.30	-1.2%
UK	47.66	46.12	↓ -1.54	-3.2%

#### Annual Power Contracts (€/MWh)



#### Annual Gas Contracts (€/MWh)



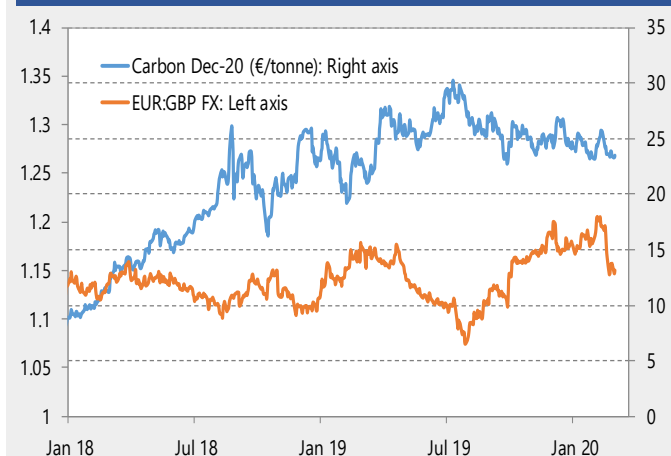
#### Calendar Year Gas Markets

Country	02-Mar-20	09-Mar-20	Change	%
UK (p/therm)	35.66	33.89	↓ -1.77	-5.0%
UK (€/MWh)	13.94	13.26	↓ -0.68	-4.9%
Netherlands (€/MWh)	14.08	13.05	↓ -1.03	-7.3%
Germany (€/MWh)	14.54	13.53	↓ -1.01	-6.9%

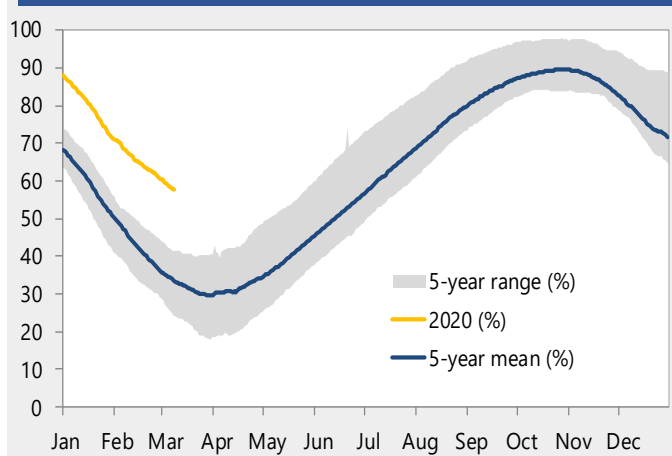
#### Commodity Markets

Commodity	02-Mar-20	09-Mar-20	Change	%
Brent (\$/bbl.)	51.90	34.36	↓ -17.54	-33.8%
Coal CIF ARA (\$/tonne)	57.00	55.20	↓ -1.80	-3.2%
EUR:GBP FX	1.1455	1.1466	↑ 0.001	0.1%

#### Carbon and FX



#### EU Gas Storage (% full)



#### Carbon Markets

Contract	02-Mar-20	09-Mar-20	Change	%
CO2 EUA Dec-20 (€/tonne)	23.52	23.28	↓ -0.24	-1.0%
CO2 EUA Dec-21 (€/tonne)	23.71	23.46	↓ -0.25	-1.1%
CO2 EUA Dec-22 (€/tonne)	23.93	23.68	↓ -0.25	-1.0%