

We have seen a decline in both gas and electric prices this week as gas dropped 5.0% and electric dropping 7.5%.

The gas market declined day on day which was observed mostly thanks to healthy storage level throughout the UK and Europe. This along with large forecasts of wind generation has reduced the demand for gas fired electric generation. Prices did rally on Tuesday thanks to colder temperatures, but these rises were corrected again due storage and low demand.

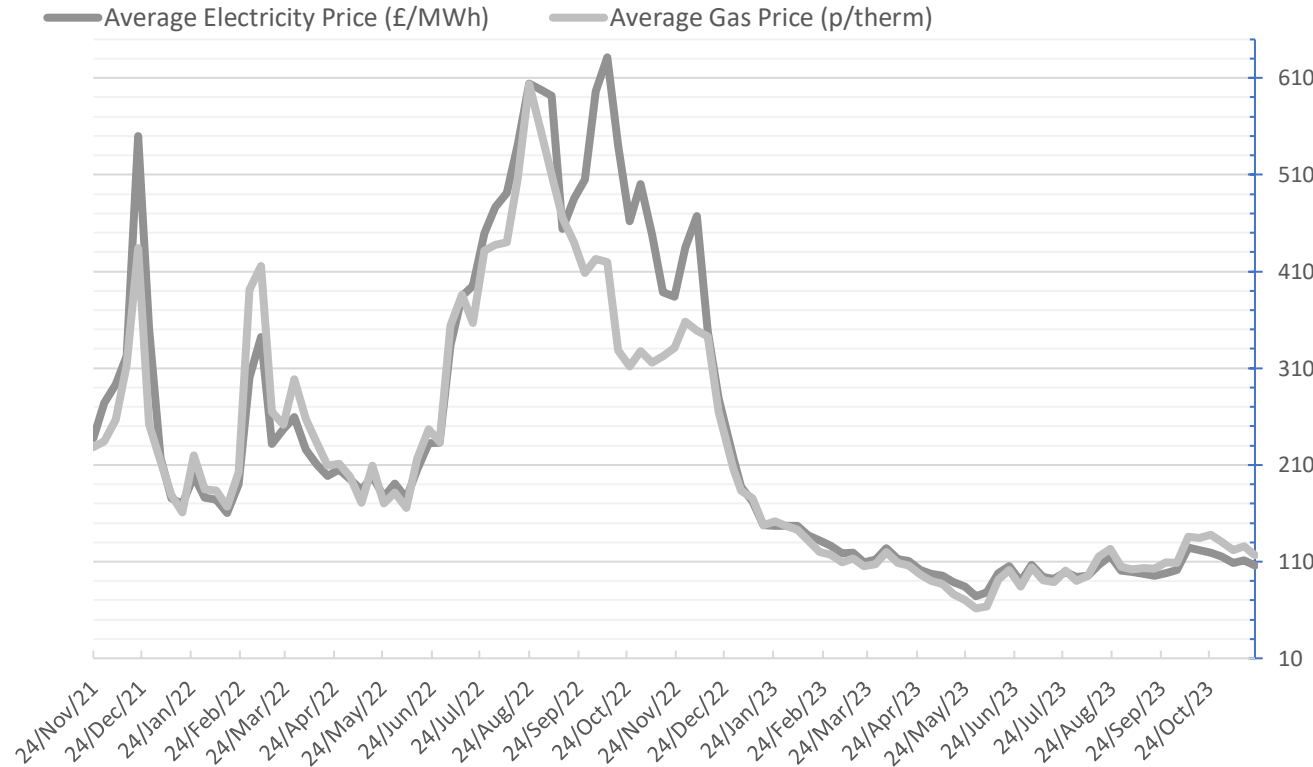
Electricity prices have followed fundamentals in the gas and oil markets this week. Seasonal temperatures have been 1-3 degrees above average limiting the demand for heating, however colder temperatures forecast have led to resistance in the falling prices.

Oil prices have fallen from \$81.18/bbl to \$79.93/bbl. Prices fell this week as U.S. inventory rose 1.8m/bbl above expected levels. We have seen some volatility as the market anticipates the OPEC decision whether production cuts will extend.

Carbon prices have fallen from €79.80/t to €75.77/t and coal has fallen from \$123.4/t to \$122.50/t.

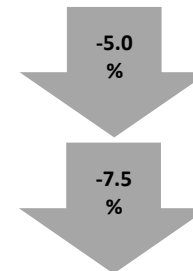
The pound has strengthened against the euro (€1.1449 to €1.1469) and strengthened (\$1.2424 to \$1.2469).

YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
103.00	108.47	105.74

Gas (p/Therm)		
Prompt Price	Future Price	Average Price
114.94	118.40	116.67



PRICE MOVEMENTS
OVER PAST WEEK