

Weekly Energy Market Report

20th December 2023

Both gas and electricity prices declined again this week 6.6% and 2.6% respectively.

Gas prices have lowered this week mostly due to a significant reduction in gas demand and a weaker demand outlook thanks to warmer temperatures forecasted. Supply concerns have also been eased as the UK is expected to receive 7 LNG cargoes by the 22nd. Stronger winds and warmer temperatures than expected led to an oversupplied grid on Tuesday.

Electricity prices have also declined being influenced by the bearish gas market. An increase in wind output more in line with seasonal norms and temperatures have also affected the direction of the market.

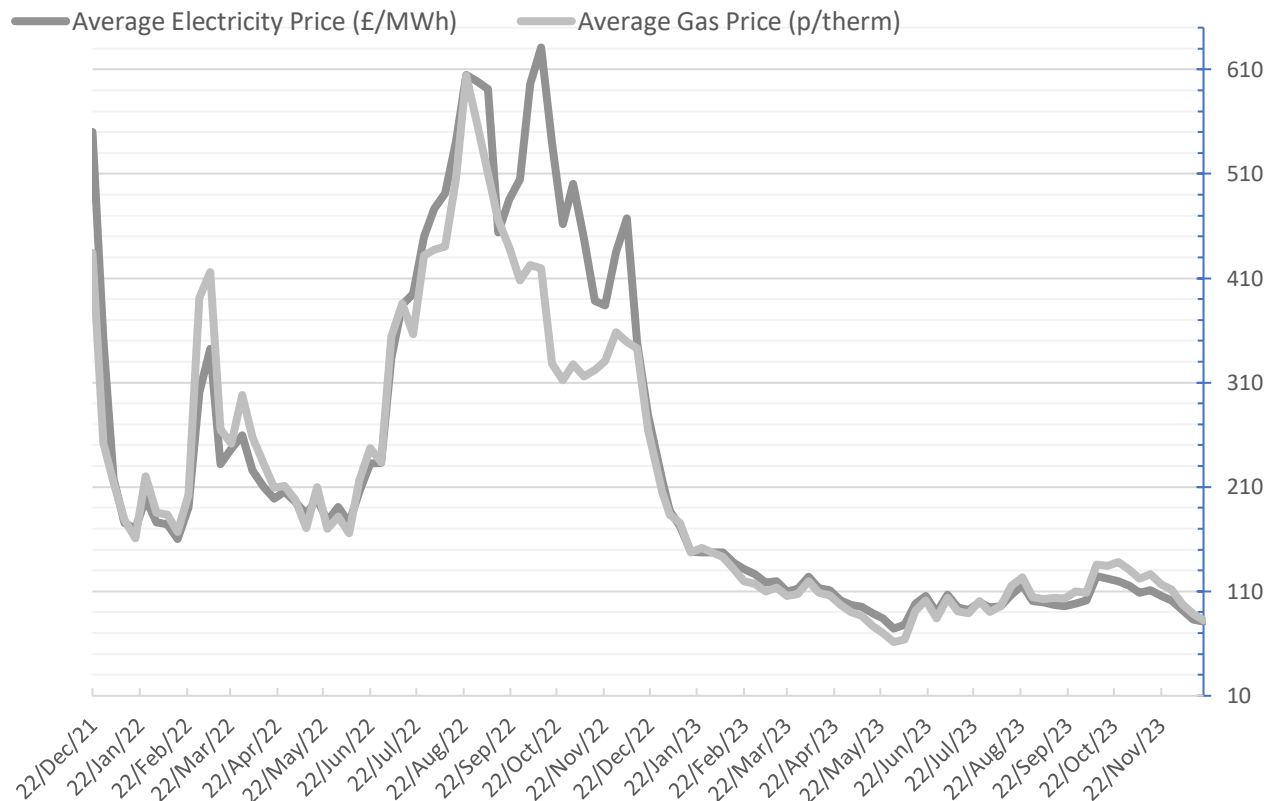
The price of oil has increased this week from \$74.26/bbl to \$79.23/bbl. A drop in the US dollar leading to increasing buying activity and a drop in US inventories have contributed to an increase in oil prices. Claims from the Middle East that Houthi rebels have hit oil tankers also added further concern to the market.

The price of carbon has steadily increased from €67.28/t to € 72.02/t and coal has decreased from \$117.75/t to \$115.90/t.

The Pound weakened against both the Euro (€ 1.1639 to €1.1595) and the US Dollar (\$ 1.3563 to \$1.2733) this week.



YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
81.11	80.46	80.79

Gas (p/Therm)		
Prompt Price	Future Price	Average Price
82.20	82.40	82.30

PRICE MOVEMENTS OVER PAST WEEK

2.6 %

6.6 %