

Both gas and electricity prices continued to drop this week with gas dropping by 3.8% and electricity by 8.4% compared to last week's prices. Gas prices had initially increased earlier in the week due to forecasts of lower temperatures and concerns regarding the conflict in the Middle East. Prices soon dropped due to increased wind output and an oversupplied grid with gas storage levels much higher than this time last year.

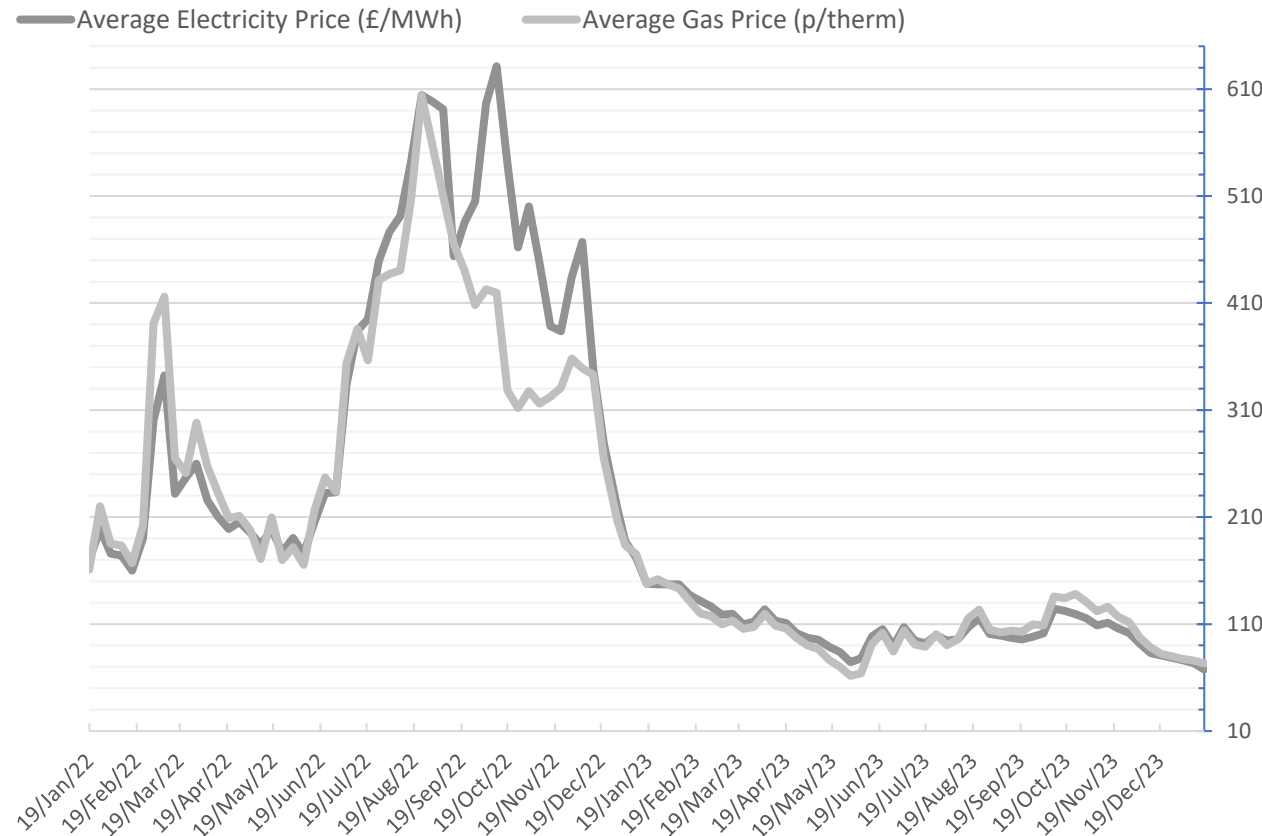
Electricity prices again followed the movements of the gas and carbon markets as prices trended downwards. The announcement from the UK Government confirming plans to explore a new large scale nuclear plant also pushed prices lower.

Brent crude oil prices increased throughout this week from \$76.80/t to \$78.29/t. Prices were impacted heavily by ongoing conflicts in the Strait of Hormuz and the Red Sea which prompted tankers to re-route around South Africa causing delays. Slowing demand in European and Chinese industrial sectors as well as a strengthening US Dollar also pushed prices higher.

Coal prices initially dropped this week from \$109.00/t to \$106.50/t before rising back to \$107.75/t. Carbon prices dropped this week from €70.03/t to €65.10/t.

The Pound strengthened against the Euro (€1.1618 to €1.1621) and weakened against the US Dollar (\$1.2715 to \$1.2638) this week.

YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)			8.4 %	PRICE MOVEMENTS OVER PAST WEEK
Prompt Price	Future Price	Average Price		
69.90	64.94	67.42		
Gas (p/Therm)			3.8 %	
Prompt Price	Future Price	Average Price		
73.33	72.85	73.09		