

Both gas and electricity prices dropped sharply this week reversing the increases seen since the start of the year. Gas dropped by 13.1% and electricity by 13.4% compared to last weeks prices. Easing of tensions between the US and Iran had the biggest impact on the drop in gas prices. Forecasts of milder temperatures and above average wind generation also contributed to the price drop.

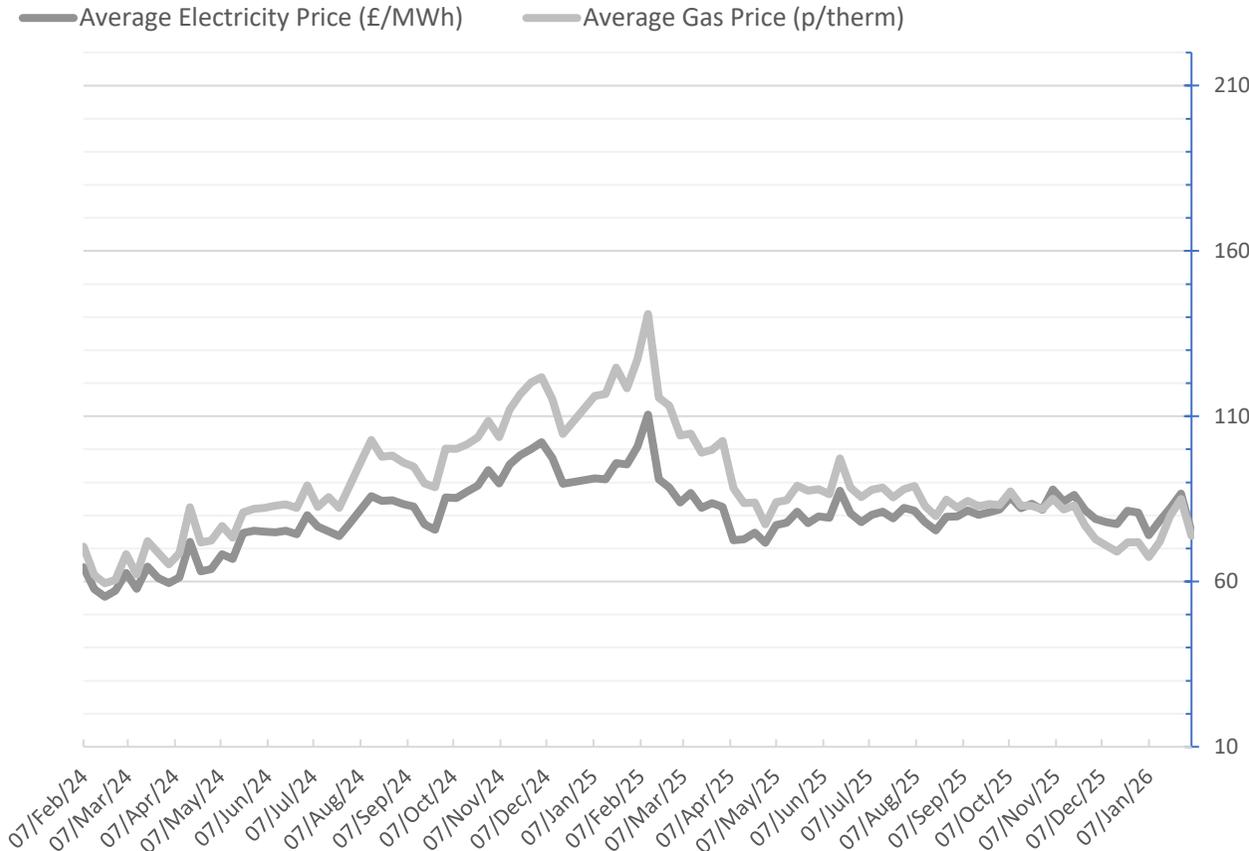
Electricity prices again followed the movements of the gas and wider energy markets as prices dropped.

Brent crude oil prices initially increased from \$68.40/bbl to \$70.71/bbl before dropping through the rest of the week to \$67.26/bbl. A weak US Dollar as well as a larger than expected drop in US inventory initially pushed prices higher. Renewed diplomatic talks between the US and Iran as well as OPEC members agreeing to maintain their current production levels pushed prices lower later in the week.

Coal prices initially increased sharply from \$98.70/t to \$101.95/t before dropping back to \$99.35/t this week. Carbon prices dropped throughout this week from €86.54/t to €81.03/t.

The Pound strengthened against the Euro (€1.1552 to €1.1590) and weakened against the US Dollar (\$1.3808 to \$1.3698) this week.

YEAR AHEAD PRICING (ENERGY ONLY)



Electricity (£/MWh)		
Prompt Price	Future Price	Average Price
77.75	72.25	75.00

Gas (p/Therm)		
Prompt Price	Future Price	Average Price
75.75	72.00	73.88

PRICE MOVEMENTS OVER PAST WEEK

↓ -13.4 %

↓ -13.1 %