

Weekly Energy Market Report

GAS

Seasonal contracts for Summer 2017 and Winter 2017/18 delivery both rose around 7.5% week-on-week, as UK gas markets were spurred by higher crude oil and European gas markets.

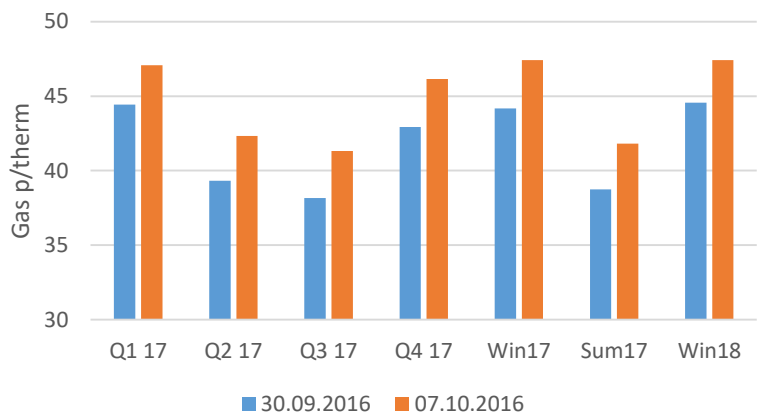
Curve prices also received support from a weakening pound due to the impact of Theresa May's announcement about the timing of invoking Article 50.

Spot prices saw support from concerns over supply. Pipeline imports from Norway and the Netherlands were both lower than anticipated due to unplanned plant outages.

Forecasts for lower temperatures in the next week and a lack of liquefied natural gas (LNG) cargoes to Britain added further support.

Day-ahead prices gained around 18% week-on-week.

Change in Gas Prices



OIL

Brent opened the week on the bullish theme, ending the session above \$50 a barrel for the first time since August following OPEC's announcement of agreed production cuts.

Tuesday saw a flat trading with the effect of supply concerns being limited somewhat by a stronger US dollar.

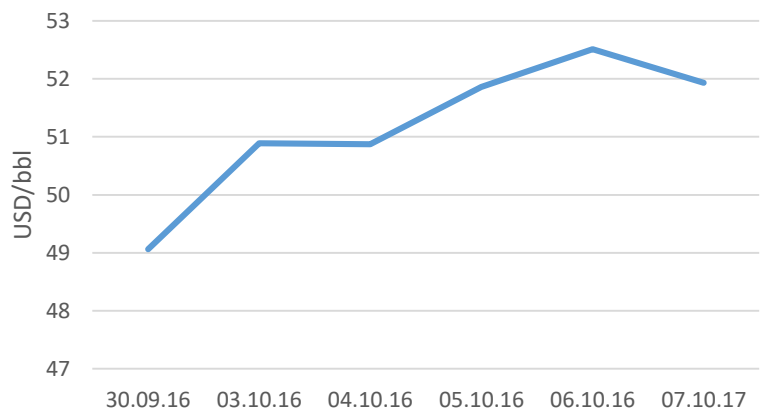
Brent hit new highs on Wednesday at \$51.86 a barrel following reports that US inventories fell by 7.6M barrels, with prices attaining levels not seen since June.

Brent hit \$52.51 per barrel on Thursday as the potential impact of Hurricane Matthew added to an already bullish market.

Crude oil ended the week down 1% at \$51.93 a barrel after Russian Energy Minister Alexander Novak said he doesn't expect to reach a deal with OPEC at a meeting to discuss participation in the cartel's supply control scheme in Istanbul this week.

However, for the week, Brent rose 5.85%.

Brent



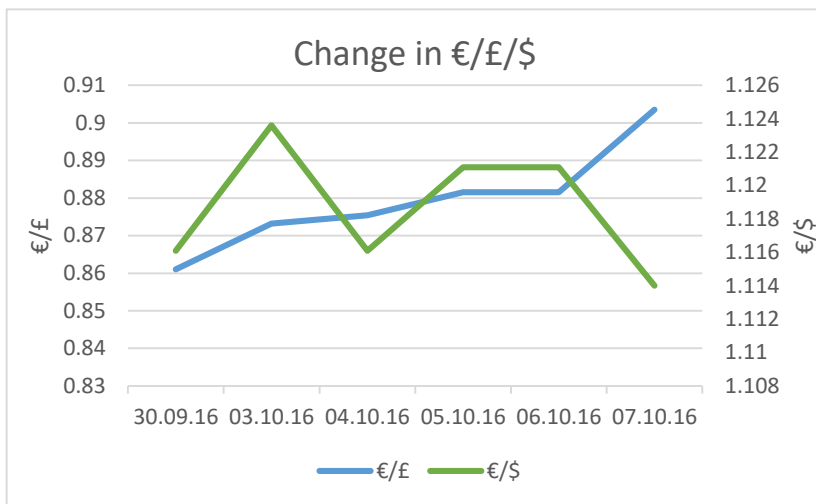
FX

The value of the pound ended the week 4.7% lower compared to the euro, after spending the week under pressure on fears that the UK could experience a 'hard Brexit' and lose access to the EU's single market.

The Euro declined by 0.63% against its USD pair as traders, aside from Brexit, were focused on how incoming US economic data will shift Fed rate hike expectations for December.

The Euro is taking a back seat to the other pair due to a politically and economically stagnant Euro-Zone.

ECB policymakers have turned their attention to whether or not their easing programs are working as intended, with ECB President Draghi emphasizing the Governing Council's commitment to its easing policies, any negative weight should be lifted from the Euro.



CARBON

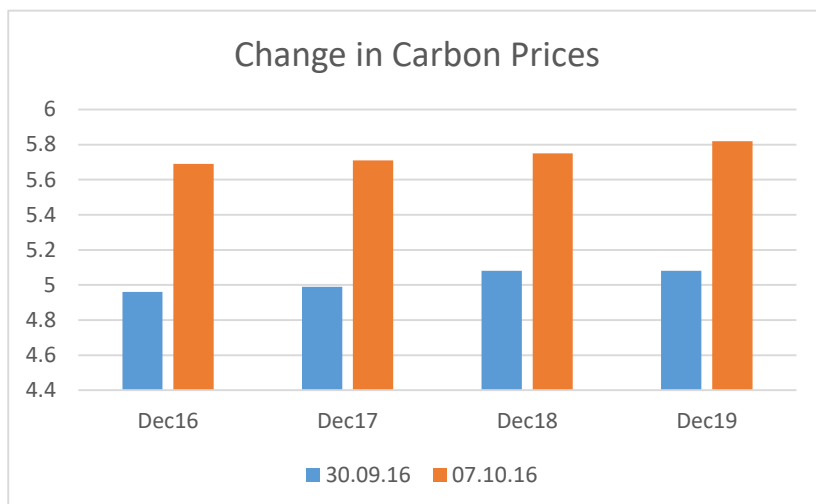
EU carbon allowances opened the week 7% higher rising to 5.34 euros a tonne, extending a three-month high on Monday amid choppy markets due to Brexit and further rises in German power, with observers giving an upbeat outlook.

EU carbon rose more than 14% week-on-week as France is set to finalise the carbon floor price mechanism plan this week. The plan will target only coal power plants initially.

Carbon markets were driven higher by the strong hike in crude oil prices.

Movements in German power markets also remain an important factor for carbon and any strong gains in German electricity contracts could rise the cost of carbon allowances.

European carbon retired from the previous session's four-month high on Friday but buyers kept EUAs above a technical resistance-turned-support level at 5.71



Power prices in Ireland are strongly linked to gas and Carbon prices by the volume of gas fired power stations in Ireland's power market. Gas prices are in turn influenced by oil prices and exchange rates.

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