

Weekly Energy Market Report

GAS

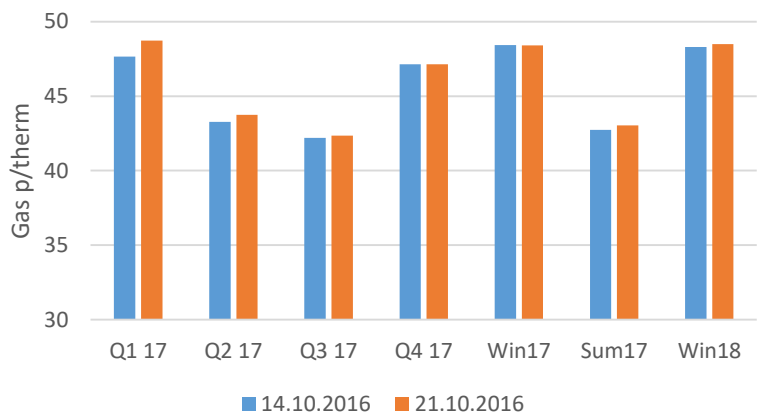
British year-ahead contracts rose by about 1% week-on-week as natural gas demand across the EU is expected to increase by 6% in 2016, helped by rising industrial production and more use in power generation and transport.

Cooler winter outlook, reduced Norwegian inputs along with increased CCGT demand due to reduced wind generation kept the system tight and spot prices firmed as a result. For the week, they rose by about 8%.

Norwegian flows via the Langeled pipeline are already close to maximum capacity, meaning Dutch BBL gas pipeline imports and medium range storage withdrawals may be called upon to balance the UK gas system

Seasonal prices for Summer 2017 rose 0.4% last week, as rising coal prices boosted the likely demand for gas-fired generation next year.

Change in Gas Prices



OIL

Brent opened the week slightly down as markets were taking their breath in the absence of news from OPEC. However, the sentiment was bullish as traders expected that major crude producers will reach a deal to curb output.

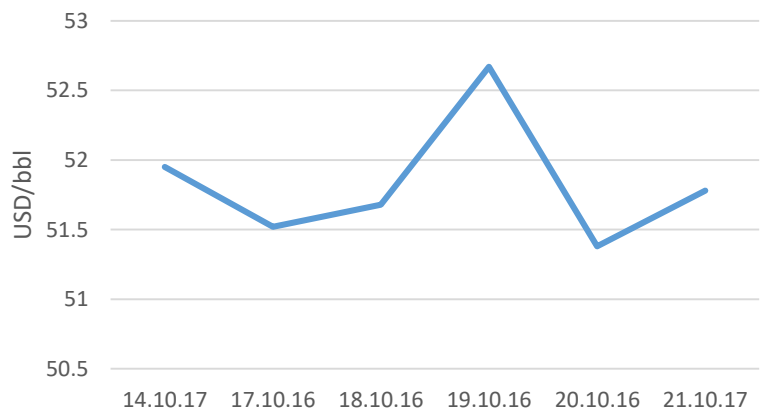
On Tuesday, Brent started to rebound on expectations of OPEC output reduction, then continued to increase in post-settlement trade after the API showed an unexpected draw in U.S. crude stockpiles.

London-based Brent hiked 2% on Wednesday after the General Secretary of OPEC showed his confidence that organised production cuts will follow November's meeting.

Thursday's session saw some cooling, with a reversal of recent gains. Brent lost 2.5% as the dollar hit seven months high against a basket of currencies.

Crude oil ended up on Friday on hopes that Russia and OPEC will reach a deal at the weekend aimed to keep crude above \$50 a barrel. For the week, Brent lost 0.33%.

Brent

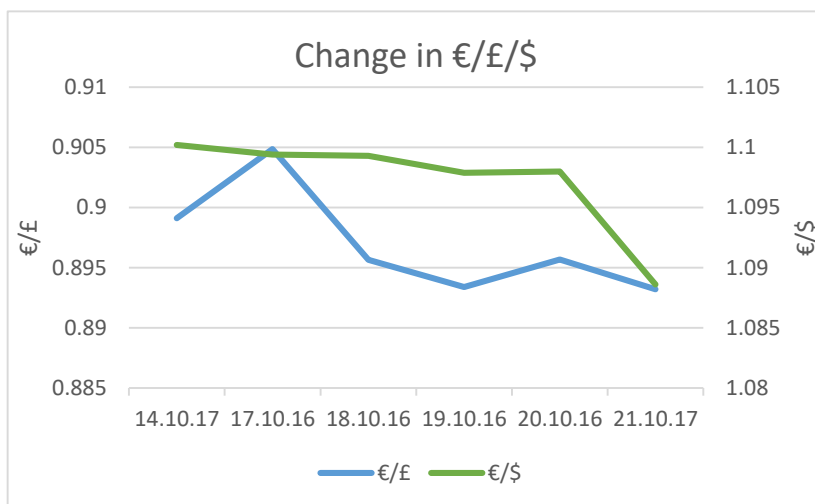


FX

The value of the pound ended the week 0.7% higher compared to the euro, after independent research by the Treasury showed the economy is still performing better than expected following June's Brexit vote. The UK economy is predicted to grow 1.9% in 2016.

The euro plunged to a 4-month low against the US dollar, which rose to its highest level in seven months, after the European Central Bank President Mario Draghi left the door open for more monetary stimulus at its next policy meeting in December.

On Friday, the dollar hit the highest level since February. Hawkish comments from Fed officials including New York Fed President William Dudley and higher expectations that Hillary Clinton will win the U.S. presidential election have increased bets that the U.S. central bank will raise rates in December.



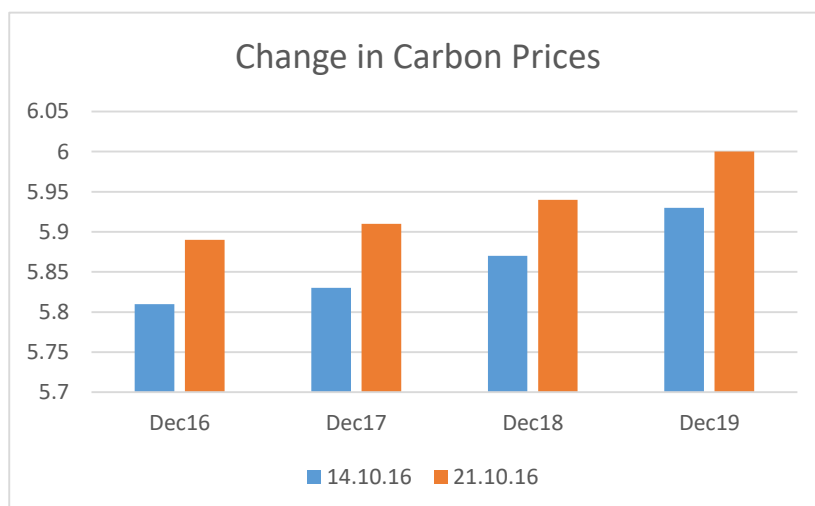
CARBON

On Monday, carbon allowances in EU climbed as much as 1.2% to trade at 5.9 euros/tonne amid continued strength in coal and power markets.

For the week, European carbon prices gained 1.4% as German power prices continued their bullish momentum. However, as coal prices rose, the reduced profitability of coal-fired generation failed to provide any support to carbon.

EU carbon permits for 2017 delivery traded at 5.91 euros/tonne each on Friday.

France will not introduce a carbon floor price mechanism targeting coal-fired plants from January as promised by President Francois Hollande, the country's budget minister told parliament on Friday.



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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