week on week marketview

ecagroup°

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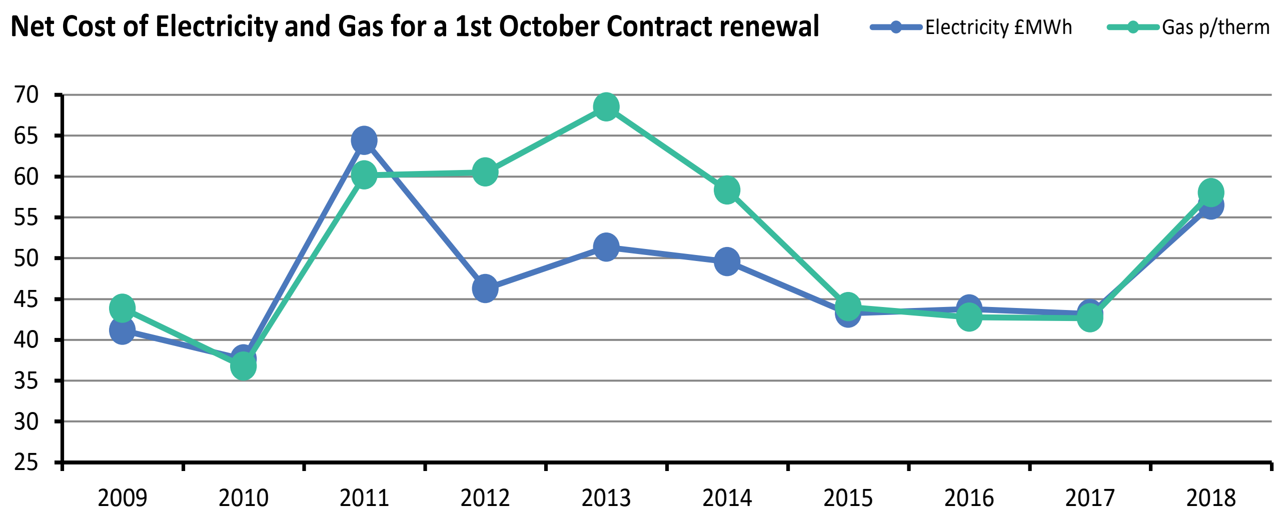

Electricity: base load cost - excludes distribution, taxation and supplier margin and costs

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
41.15	37.63	64.40	48.13	51.39	50.26	42.78	42.08	44.72	58.26

Gas: core gas cost - excludes distribution, taxation and supplier margin and costs

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
43.84	36.75	60.17	62.79	68.03	58.88	42.80	39.80	45.02	60.20

Week commencing 20th August 2018

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	$71.78	63.14	£60.53	$100.70	-0.9
End	$76.11	65.87	£63.34	$96.60	0.8

Maintenance at key Norwegian facilities supported prompt NBP contracts last week as flows into Britain were reduced. Lower Norwegian supply resulted in the system being short on multiple occasions, which added further bullishness to prompt contracts. Curve contracts gained due to bullish carbon, crude oil and a weaker pound against the euro. Contracts for delivery in Q4 all traded stronger, signalling the market is pricing in higher risk at the beginning of winter due to the fact the level of gas in storage sites across Europe is still below the previous three year range and east Asian LNG prices remain high. Variation in wind generation heavily influenced prompt power prices last week. After a mid-week dip due to higher wind generation, the day-ahead contract closed up as expectations for falling renewable output after the bank holiday weekend gave support. Rising carbon and natural gas prices buoyed the curve.

Week commencing 13th August 2018

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	$72.74	60.89	£58.87	$99.50	-1.7
End	$71.78	63.14	£60.53	$100.70	-0.9

Prompt NBP gas contracts surged higher last week as industrial union action impacted UKCS production and Norwegian infrastructure maintenance reduced flows through the Langeled pipeline. Near curve contracts also pushed up with the prompt as the current supply issues will curtail storage injections and amplify the risk of not refilling stocks before winter. Furthermore, North East Asian LNG prices for October have climbed higher amid aggressive restocking activity, with the high prices encouraging European re-exports into Asia. Far curve contracts gained value as bullishness was driven from higher coal and carbon prices. The day-ahead Power contract gained last week, as a stronger prompt gas market and a lower wind generation forecast provided support. However, earlier in the week power prices were mainly bearish due to increased wind generation, with the majority of the week-on-week gain being made on Friday. Curve contracts all traded in line with their corresponding NBP gas market equivalents as bullish sentiment fed through

Week commencing 6th August 2018

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	$72.53	58.84	£57.39	$94.15	-1.4
End	$72.74	60.89	£58.87	$99.50	-1.7

The day-ahead contract closed at 58.75 p/th on Friday losing 0.25 p/th on a week-on-week basis as the UKCS returned into supply towards the end of the week following maintenance. Further losses were muted however due to an extension of an outage at the Cygnus field which resulted in some 8.5 mcm/d being offline until Saturday the 11th. The rest of the prompt and curve contracts moved in the opposite direction with the front-month rising by 1.75 p/th over the week to close at 60.50 p/th, breaking the level of 60 p/th for the first time since December 17. The NBP curve was supported by the stable further dated oil contracts while the pound had significant losses against the Euro pushing UK gas prices higher.

Week commencing 30th July 2018

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	$74.56	59.30	£57.61	$97.95	-1.2
End	$72.53	58.84	£57.39	$94.15	-1.4

NBP prompt prices saw a bullish week triggered by supply-side outages on domestic production and Norwegian imports, primarily on the SAGE system and the SEAL pipeline. Supply was tight on Friday with the SAGE pipeline network offline for maintenance and restriction on the Vesterled pipeline delivering into the St Fergus terminal. Planned maintenance also commenced on the SEAL pipeline on Thursday and flows are expected to remain at zero until Tuesday 6th of August. With high gas to power demand and weaker UKCS production, MRS switched to withdrawals to balance the system and took the opportunity of higher prices. The day-ahead contract closed at 59.00 p/th. Despite bearish sentiment from the oil market, NBP curve contracts rose potentially supported by a weaker pound, which lost 0.3% against the Euro. Larger gains were seen in the nearer term contracts likely coming from north sea supply outages and high north east Asian LNG prices.