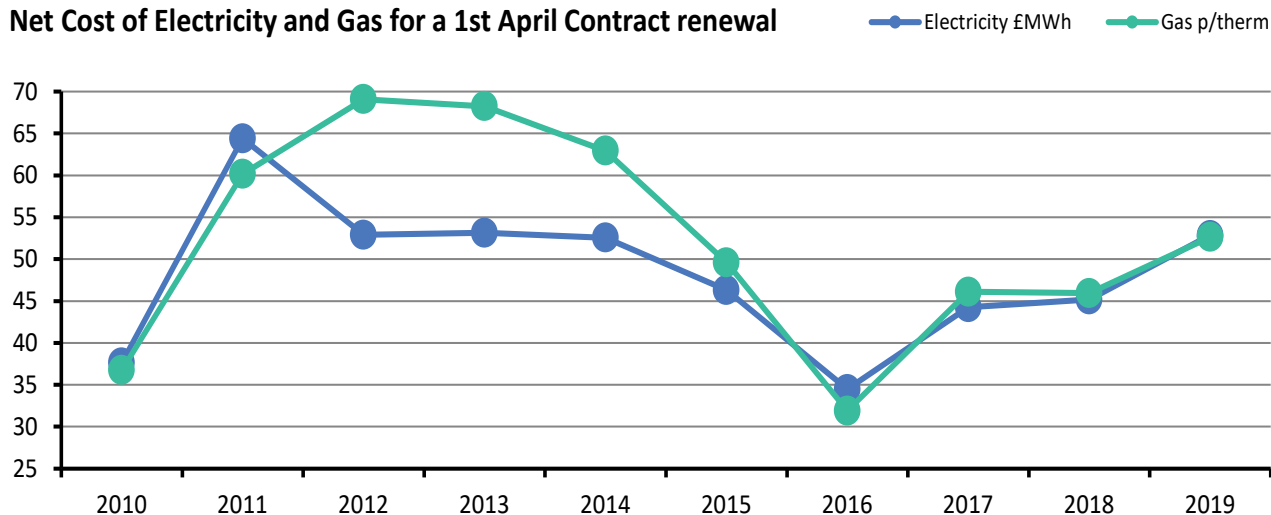


Net Cost of Electricity and Gas for a 1st April Contract renewal



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

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
37.63	64.40	52.90	53.15	52.55	46.30	34.48	44.25	45.18	52.85

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

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
36.75	60.17	69.10	68.24	62.93	49.60	31.90	46.10	45.93	52.63

Week commencing 25th February 2019

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	\$67.21	49.79	£52.03	\$71.55	-8.0
End	\$65.03	51.25	£53.45	\$74.25	-7.2

Soft fundamentals from comfortable supply and higher than seasonal normal temperatures led to prompt natural gas prices continuing their downtrend last week. Curve contracts also broadly fell with the majority of the weakness being displayed on near term contracts. Bullish carbon prices provided some support and limited losses on natural gas contracts. Forecasts for increased wind generation for the beginning of this week weighed on prompt power prices on Friday and pulled the day-ahead product lower. Bullish EUA prices propped up curve contracts as far curve contracts showed the most strength. However, despite bullish power prices, the strength of carbon last week caused all peak and the majority of baseload spreads to fall.

Week commencing 18th February 2019

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	\$65.76	51.42	£53.50	\$71.00	-6.9
End	\$67.21	49.79	£52.03	\$71.55	-8.0

Prompt and near-curve contracts saw yet another bearish week, pressured by above seasonal normal temperatures and a resilient system despite a series of unplanned outages across north sea assets. The Mar'19 contract fell 3.00p/th, to 44.70p/th, with the majority of losses occurring late in the week as risk premium which had been priced in due to outages evaporated. Additional pressure on the curve likely stemmed from a sharp rise in the value of the pound against the euro, which jumped almost 1% last week, however losses were limited somewhat amid a stronger oil market.

Week commencing 11th February 2019

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	\$61.77	51.07	£54.14	\$70.25	-7.5
End	\$65.76	51.42	£53.50	\$71.00	-6.9

Prompt and nearer dated NBP contracts continued down last week, primarily pressured by weather forecast revisions which showed warmer than seasonal normal temperatures and were a stark difference to forecasts seen the previous week. Additional bearish pressure has been given by strong LNG supply, which has persisted throughout winter and allowed storage levels to remain high, whilst North Sea infrastructure has also been reliable. Further dated contracts shook off bearish prompt sentiment and followed up with a stronger oil market, whilst additional support came from a weaker pound against the euro. Power prices were pressured by a weaker NBP gas market and continued strong wind generation. Curve contracts also saw steep losses, primarily weighed down by a sharp fall in European carbon, widening the gap further to Winter'19 amid significant oversupply in the NBP gas market expected.

Week commencing 4th February 2019

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	\$62.26	52.96	£55.31	\$75.15	-3.8
End	\$61.77	51.07	£54.14	\$70.25	-7.5

Warmer than expected temperatures, strong supply volumes from Continental Europe and a glut of wind generation at the back end of last week pushed the day-ahead contract down. Further downward pressure was felt across the curve off falling Brent prices and strong LNG output. Bearish sentiment dominated the Power markets last week as falls across the energy complex pushed down the UK Power market across the curve. The day-ahead market saw modest price falls as fluctuating wind generation saw prices swing throughout the week