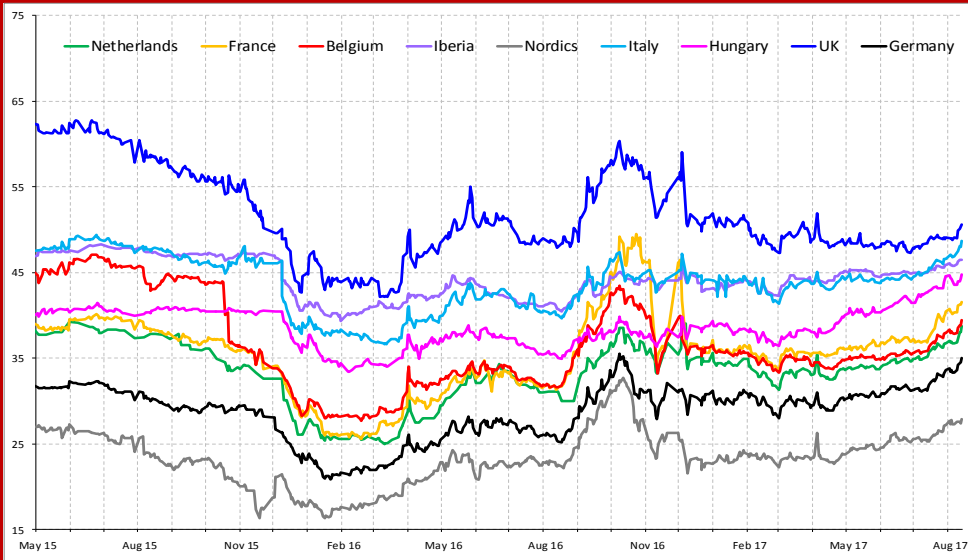
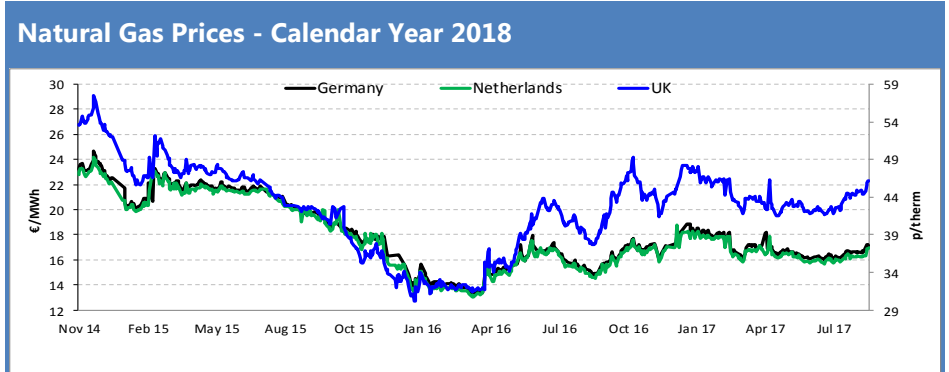


## European Base Load Electricity Prices - Calendar Year 2018 (€/MWh)

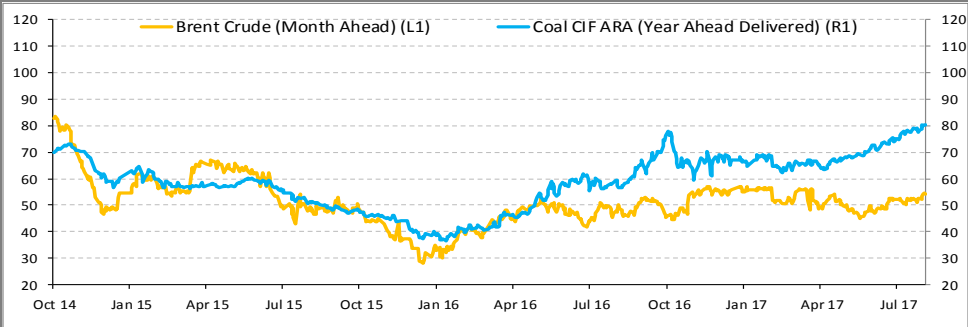


Power	Price	Change*
Italy	48.65	3.73% ↑
UK	50.62	3.21% ↑
Netherlands	38.7	5.31% ↑
Belgium	39.43	4.17% ↑
France	41.55	3.1% ↑
Germany	35.05	5.1% ↑
Hungary	44.75	2.64% ↑
Iberia	46.5	1.62% ↑
Nordics	27.85	2.2% ↑

Natural Gas	Price	Change*
UK (pence/therm)	46.2	3.93% ↑
UK (€/MWh)	17.29	4.38% ↑
Netherlands (€/MWh)	16.98	4.3% ↑
Germany (€/MWh)	17.01	2.41% ↑



## Brent Crude (Month Ahead) & Coal CIF ARA (Year Ahead Delivered)



Commodities	Price	Change*
Brent Crude Oil (\$/bbl)	54.22	2.81% ↑
Coal CIF ARA (\$/Ton)	80.5	2.81% ↑
CO <sub>2</sub> EUA (2017)	7.04	19.93% ↑
CO <sub>2</sub> CER (2017)	0.2	-4.76% ↓
GBP/EUR	1.0968	0.43% ↑

### Power

Despite lower demand, European spot electricity prices rose last week, buoyed by an expected sharp drop in wind power generation. Wind power output in Germany dropped by 40% on Friday while in France fell by 45% GW to 1.2 GW adding to the bullish sentiment. German solar production rose by 820 MW to 4.2 GW. Both coal and EUA prices continued to rally, leading to an increase in clean coal costs. The rise was stronger for EUA prices (circa 20% for the Dec 17 contract, to 7.04EUR/tonne); prices took support from reports suggesting strong political commitment to tighten the market among key EU member states, Germany and France in particular. The German Cal 18 contract closed at EUR 35.05/MWh (5.1%) whilst the French Cal 18 traded above EUR 41/MWh finishing at EUR 41.55/MWh (3.1%). In the UK renewable power generation has been mixed; solar peaks have had highs of 4GW, with Wednesday bringing the highest outturn for wind generation at 6GW. Any lapses in renewable generation have seen CCGT and coal generation pick up. The UK annual 18 contract advanced by 2.7% to GBP 46.15/MWh.

### Natural Gas

A strong energy complex continued to support European gas prices last week. Brent and EUA prices were particularly supportive. On the fundamental side, prospects of below-average temperatures this week combined with the shutdown of the Nordstream pipeline and a tight LNG delivery schedule in north-western Europe in September remained supportive for near and long term contracts. Regarding pricing, the German (NCG) 2018 annual contract finished at EUR 17.01/MWh, up by 2.41% whilst its Dutch equivalent TTF Cal 2018 prices increased by 4.31% to EUR 16.98/MWh. The gas system for the UK started the week balanced but some drops in Norwegian supply took the linepack short. Exports through the IUK have been strong this week, around the 30mcm mark, and industrial gas fired power demand have added to any system shortness. The NBP 2018 contract fell by 0.43% to trade at 44.45 p/therm.

### Oil & Coal

On Monday Brent was trading around USD 52.50/bbl, looking more settled following the volatility generated by the aftermath of Hurricane Harvey. Mid-week, oil started to increase as US refineries started to return to service following outages linked to Hurricane Harvey. Around half of the Gulf of Mexico Coast refineries would have restarted by the end of this week but some may not reach steady state until the end of September. Added to the above, dollar weakness driven by uncertainty over the tensions between the US and North Korea, has also helped push up oil prices, as the dollar based commodity becomes more attractive to investors. EIA report showed a build in US stockpiles last week, mitigating some of the bullish pressure. Brent finished at USD 54.22/bbl, up by 2.81%. The benchmark API2 Cal-18 coal future gained USD 2.20/tonne over the last week to close at USD 80.50/tonne, on the back of increased demand from Asia.

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