

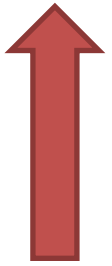


Bearish Factors

- Oil prices have traded even lower over the week, following another substantial build in US crude inventories.
- Withdrawals from LNG storage have reached their highest level for 7-years, as arrivals continue to flood into the UK.
- Temperature forecasts have been revised higher, releasing some pressure built into December and January contracts.

Bullish Factors

- Gas demand in residential and power generation sectors has increased over the week, with temperatures falling to 2 degrees below seasonal normal levels.
- The pound has remained low following the resignation of Brexit Secretary Dominic Raab last week.
- The cost of carbon allowances has increased by €2.08/tCO₂ over the week.



Weekly Price Evolution – Settlement Prices

Source: Bloomberg

NBP – UK Gas Price (p/th)

Contract	Price 15/11/18	Price 22/11/18	Difference
Day Ahead	70.30	66.35	3.95
Dec-18	74.37	66.46	7.91
Jan-19	74.32	67.50	6.82
Sum-19	59.25	55.60	3.65
Win-19	67.05	63.97	3.08
Sum-20	52.37	50.78	1.59
Win-20	60.48	59.20	1.28

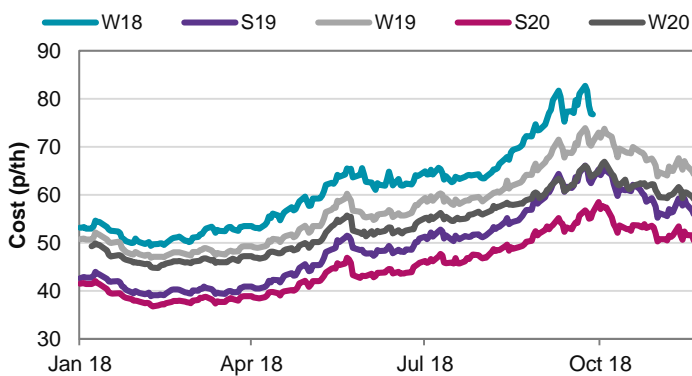
UK Baseload Power (£/MW)

Contract	Price 15/11/18	Price 22/11/18	Difference
Day Ahead	65.38	70.85	5.47
Dec-18	69.40	64.50	4.90
Jan-19	70.05	66.00	4.05
Sum-19	57.85	56.00	1.85
Win-19	63.45	61.24	2.21
Sum-20	51.65	50.90	0.75
Win-20	57.35	56.60	0.75

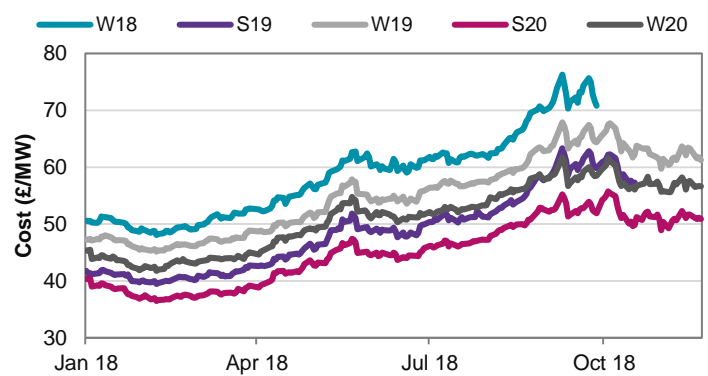
Seasonal Contracts (2018-2020)

Source: Bloomberg

Seasonal Contracts - Gas



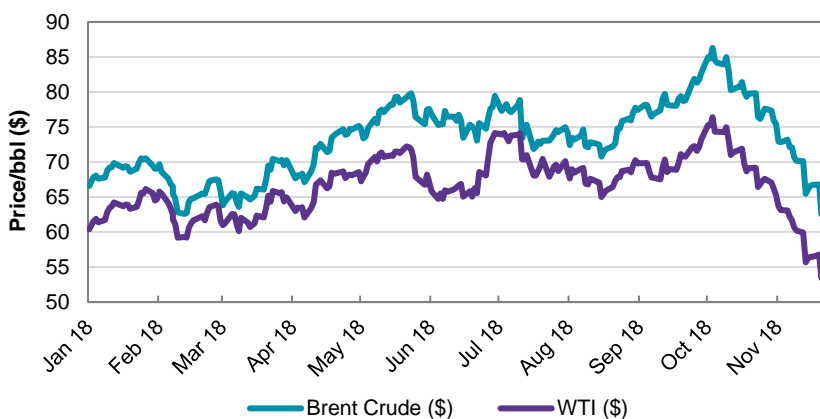
Seasonal Contracts - Power



- Gas and electricity market prices have fallen over the week, shedding much of the value gained over the last 14 days.
- Power contracts for next day delivery have jumped considerably due to a substantial fall in wind power generation.

Oil Price – 2018 Price Evolution

Source: Bloomberg



- Oil prices have fallen by \$3.52/barrel over the week to a current level of **\$62.60/barrel**.
- Oil prices have continued to fall as global markets appear oversupplied. US waivers have reduced the impact of Iranian sanctions, while OPEC and US oil output continues to grow.
- Oil demand growth is also wavering, with OPEC revising down their forecasts for 2019.
- A 4.8m barrel build in US crude stocks added bearish pressure to prices.