

Weekly Energy Market Insights

Reduce your Price Risk ⚡ Monday 2 April 2018

Energy Price Update



Power /Mw/h

Prev. week £51.55

Last week £51.00 ↓



Gas /therm

Prev. week 53.9p

Last week 49.3p ↓



Oil /barrel

Prev. week \$68.91

Last week \$69.53 ↑

Top stories



Renewable energy capacity on the rise as costs plummet

Costs of renewable energy and battery power are declining rapidly, mounting a threat against traditional power generating fuels. Onshore wind generating costs have fallen 18%, while offshore wind has fallen 5%. At the same time, battery costs have dropped dramatically from \$1,000/KWh in 2010 to \$209/KWh in 2017, with all of this shaping up for global renewable energy capacity to rise by 1TWh over the next five years.



Shale can make "real difference" post Brexit, says Cameron

Ex UK PM David Cameron insists that fracking natural gas from shale is necessary for post-Brexit survival. "I passionately believe that there is big potential for fracking...in Britain. We are going to fall behind if we don't extract the gas that we have that can make us more competitive, more energy independent, less reliant on Russian gas," Cameron said last week.



OPEC, Russia consider long-term oil alliance

OPEC and Russia are in talks on a historic 10-20 year oil alliance over global oil control, instead of their current yearly agreements. This is an attempt to limit the effects of oils bust-boom cycles. The agreement come at an awkward time considering Saudi and Russia back different forces in the Syrian conflict.

Outlook for the week ahead (based on current trends)

Power

Prices could be brought down by potential cheaper gas, but with carbon being so volatile, prices could easily sway either way. Outlook £50.5/MWh

Gas

With two additional shipments of LNG due next week at Milford Haven, prices should fall as an oversupply is create. However, the forecast colder weather should limit price decline. Outlook 48.5p/therm

Oil

An unexpected increase in stocks means oil production could slow down, but with tensions yet to be relieved in the Middle East. Outlook \$71/pb

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