



Weekly Publication

UK Market (2019)

Week: 46

United Kingdom

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OVERVIEW

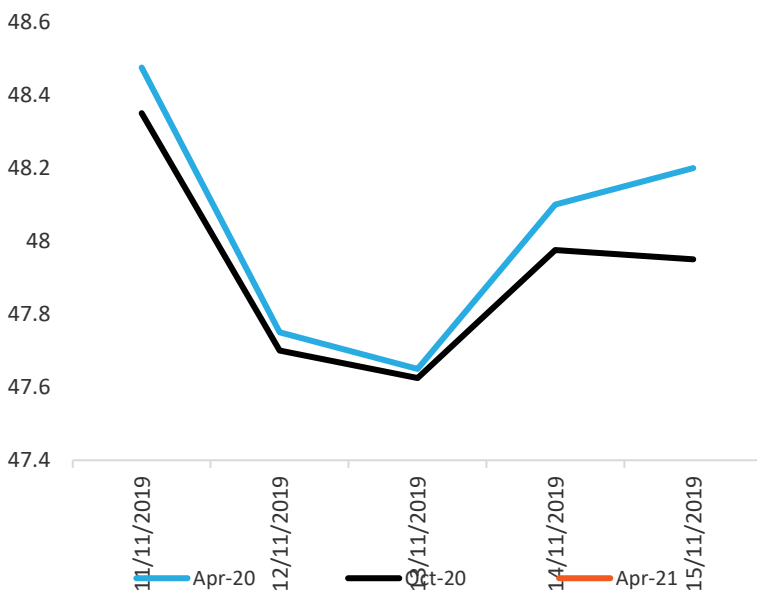
Front season power was down 2.28 per cent last week. Gas was down 1.67 per cent (Friday to Friday).

Coal was down 0.65 per cent, EUA carbon was down 5.69 per cent.

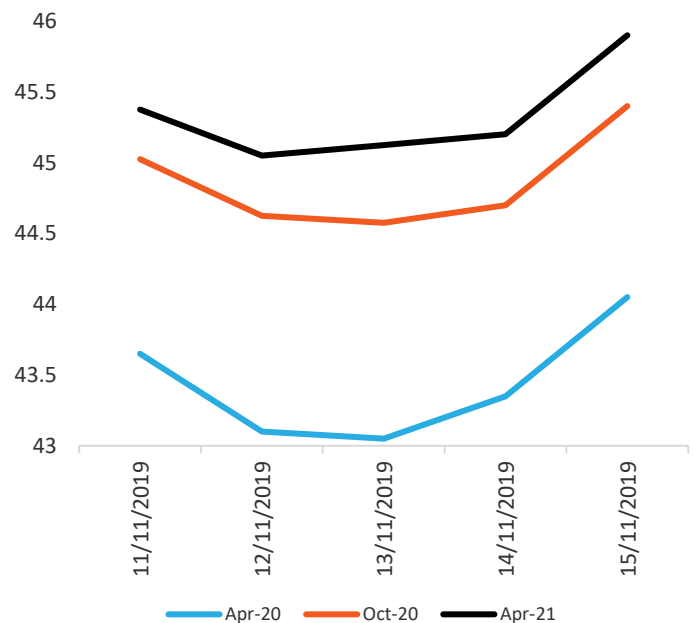
The pound continues to strengthen against the euro (1.02 per cent) but is down marginally against the dollar (0.21 per cent).

Brent crude has increased 2.61 per cent with WTI similarly up 2.7 per cent.

Power Within Week



Gas Within Week



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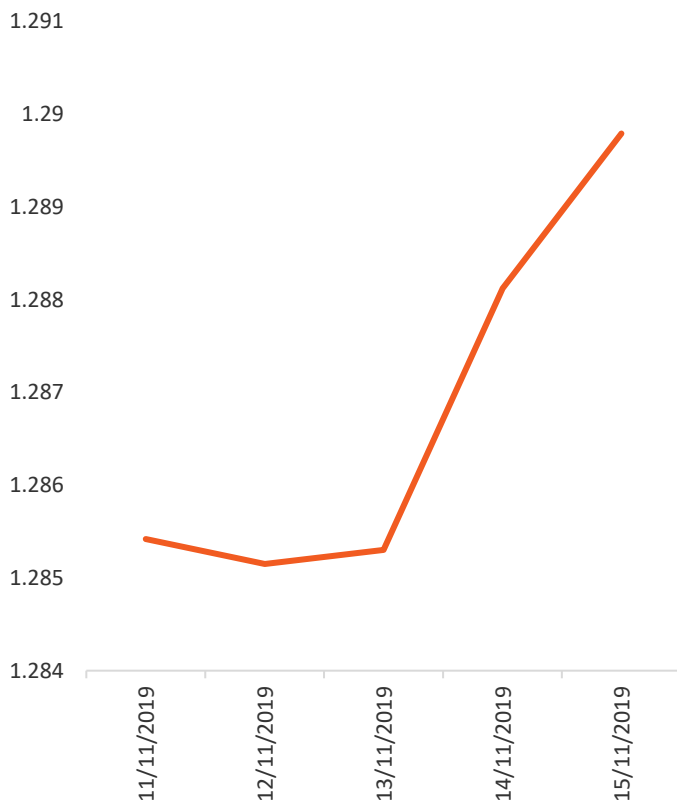
UK Currency

CURRENCY

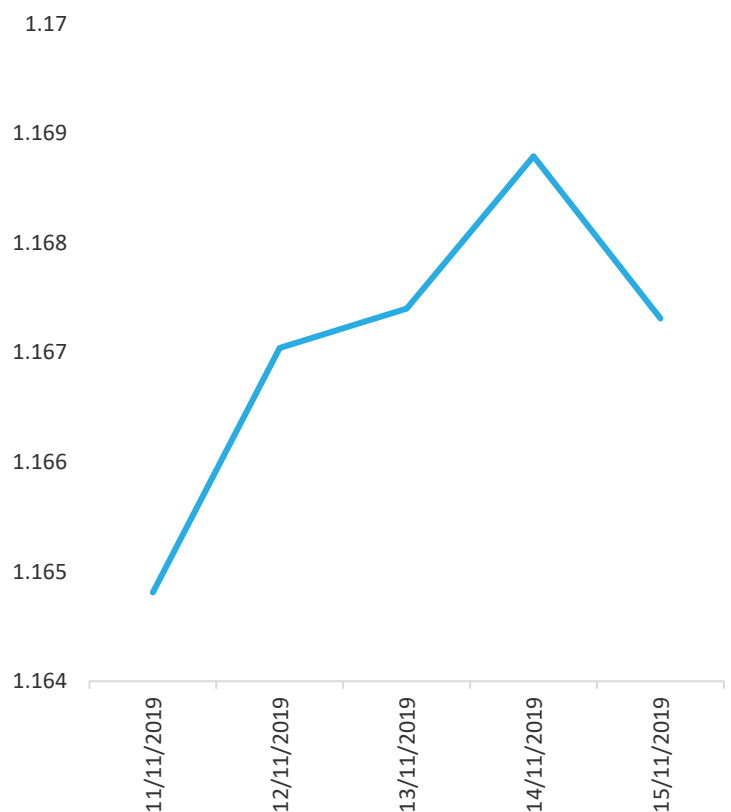
The pound's rally last week came as a result of the Brexit Party announcing that they would stand down candidates in Tory seats.

Sterling jumped 0.8 per cent against the dollar to almost \$1.29 after Brexit party leader Nigel Farage announced his strategy, with a similar gain against the euro to €1.1684. Jordan Rochester, a currency strategist at Nomura in London, said the "limited" reaction to Mr Farage's announcement reflected a wariness among investors to anticipate any particular election outcome with weeks to go, especially as polls look "spookily like 2017."

Pound/Dollar



Pound/Euro



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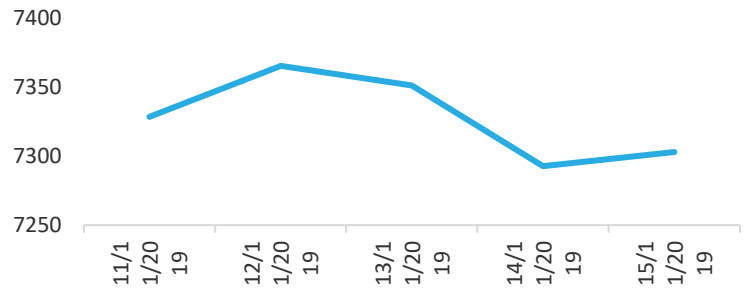
UK Equities

EQUITIES

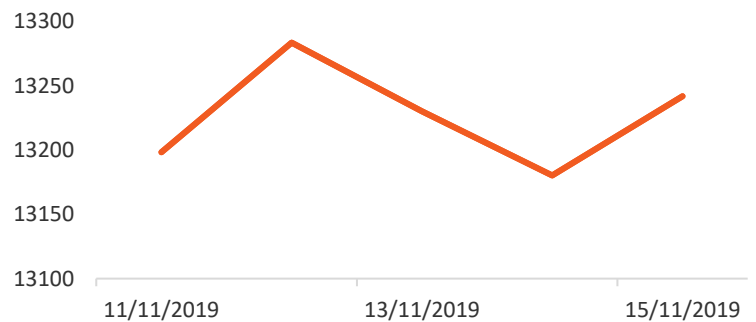
The Nasdaq climbed to a record high on Tuesday as investors kept watch for signs of progress in US-China trade talks and awaited congressional testimony from Jay Powell. US stocks maintained solid gains as Donald Trump made a speech at the Economic Club of New York in which he said a preliminary trade pact between the world's two largest economies may be near.

However, the next day European stocks fell as a result of more comments from Trump. Mr Trump threatened to escalate the trade war with China in a speech and said US tariffs on Chinese goods would be "raised very substantially" if no truce was reached with officials in Beijing. The composite Stoxx Europe 600 was down 0.6 per cent, with drops across major continental bourses. London's FTSE 100 fell 0.6 per cent, while the Cac 40 in Paris was 0.5 per cent lower. Frankfurt's trade-sensitive Dax 30 was down 0.8 per cent.

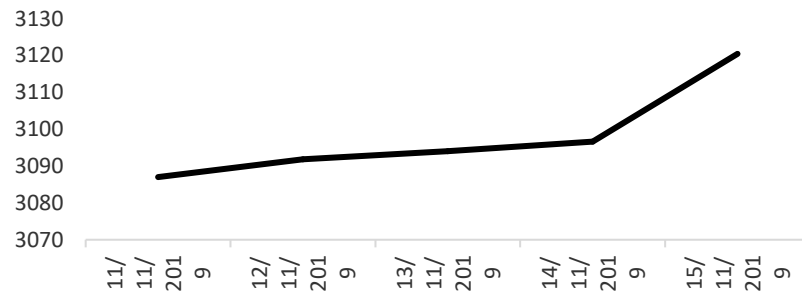
FTSE



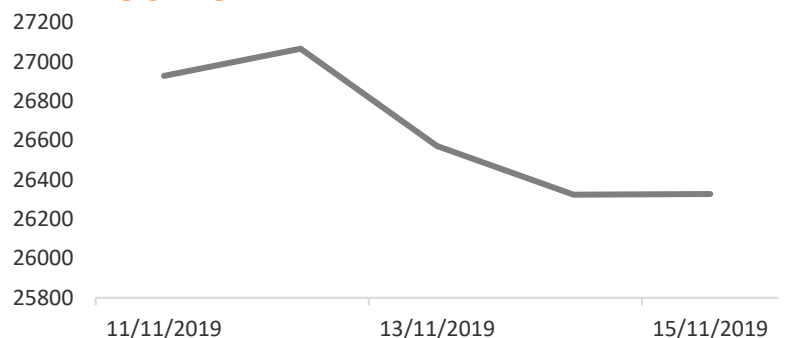
DAX



S&P 500



HANG SENG



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UK Carbon/Coal

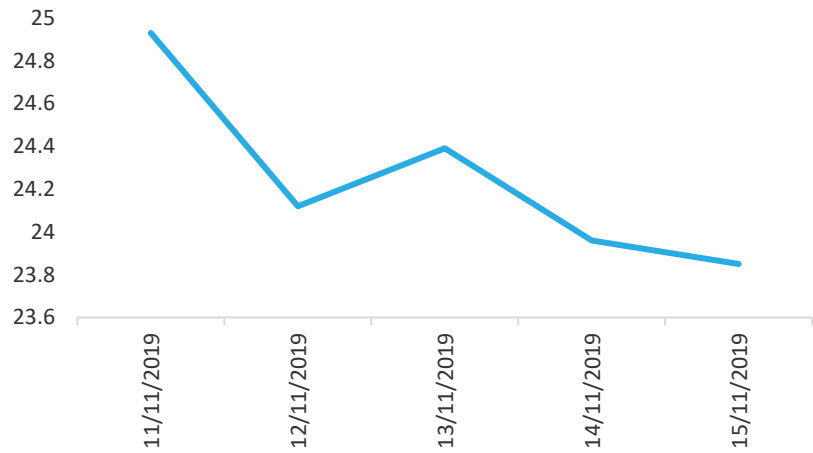
COAL/CARBON

China's growing appetite for new coal-fired power stations has outstripped plant closures in the rest of the world since the start of the last year, data shows.

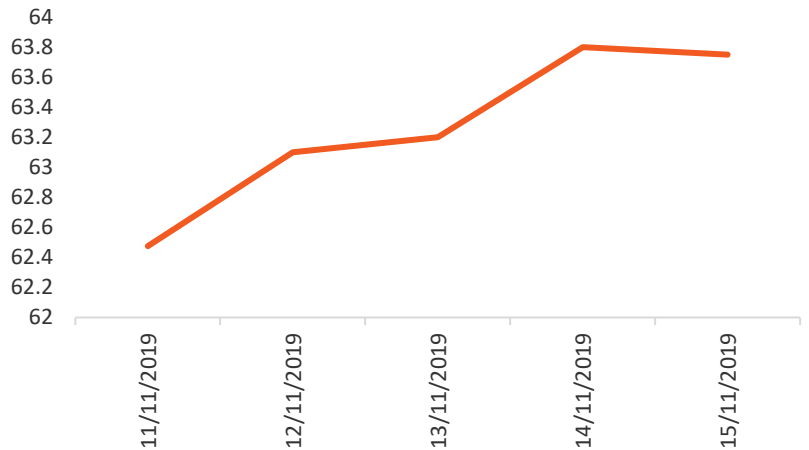
Elsewhere countries reduced their capacity by 8GW in the last 18 months to June because old plants were retired faster than new ones were built. Built over the same period China increased its capacity by 42.9GW despite a global move towards cleaner energy sources and a pledge to limit the use of coal.

Christine Shearer, an analyst at the NGO Global Energy Monitor, said: "China's proposed coal expansion is so far out of alignment with the Paris agreement that it would put the necessary reductions in coal power out of reach, even if every other country were to completely eliminate its coal fleet."

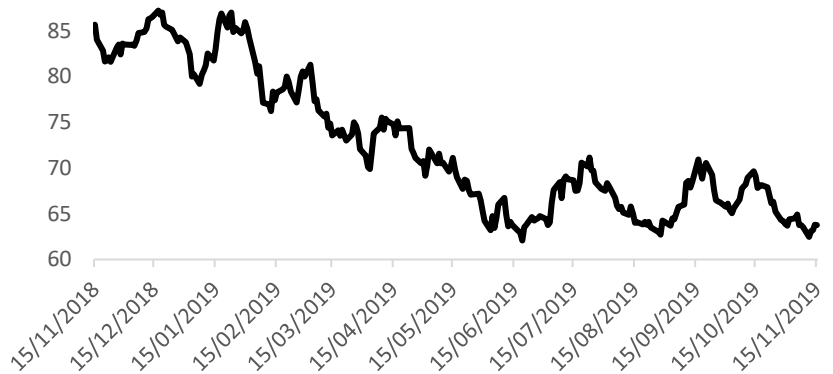
Carbon (€)



Coal Within Week



Coal (Annual)



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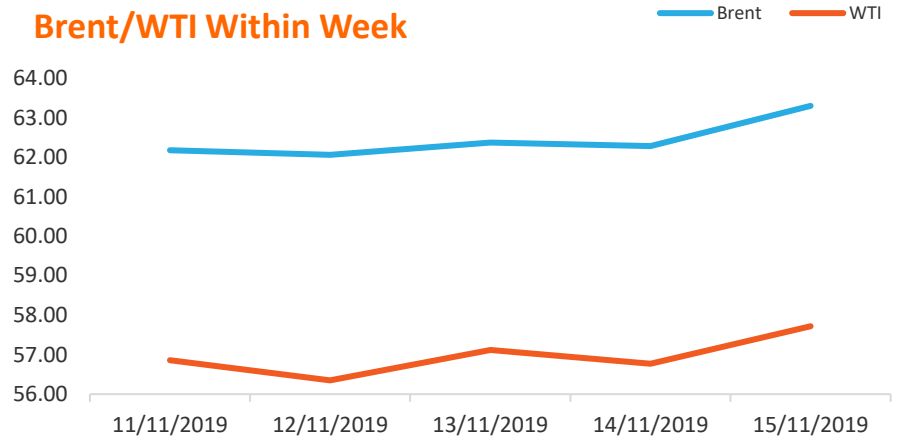
UK oil

OIL

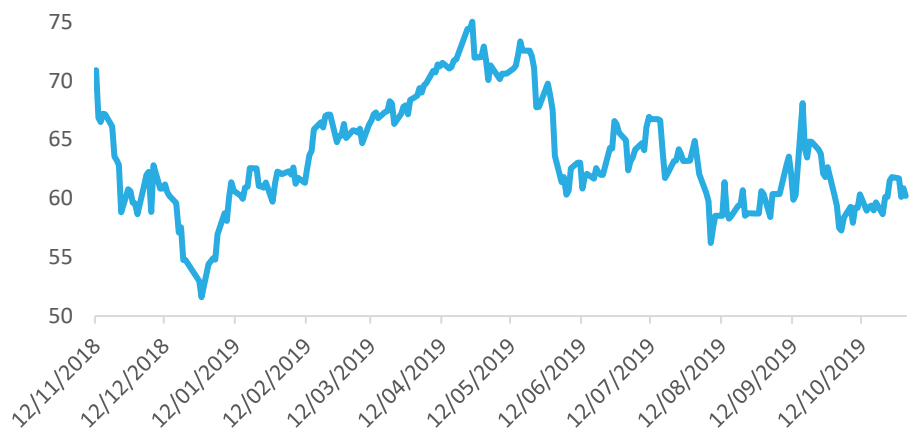
The International Energy Agency said Opec and its allies face a “major challenge” next year as demand for their crude falls sharply in response to accelerating production from rivals. The Paris-based body’s comments come ahead of the December 5 and 6 meeting of oil ministers from Opec, Russia and other nations that are part of an oil supply alliance, seeking to keep prices in check. Even as these countries have agreed to enact output cuts of 1.2m barrels a day until March 2020, the world’s need for Opec crude will fall even further in the coming months. The IEA expects Opec production to stand at 30.2m barrels per day in the fourth quarter. This is higher than the 28.2m b/d that the energy agency believes will be needed.

US supply — that has been driving non-Opec growth rapidly in recent years — is still expanding, albeit at a slower rate, while “significant contributions” are expected from Brazil, Norway and Guyana. It is expected that Opec ministers will ask certain countries to boost their compliance with the existing supply cuts deal, rather than the whole group enacting bigger cuts.

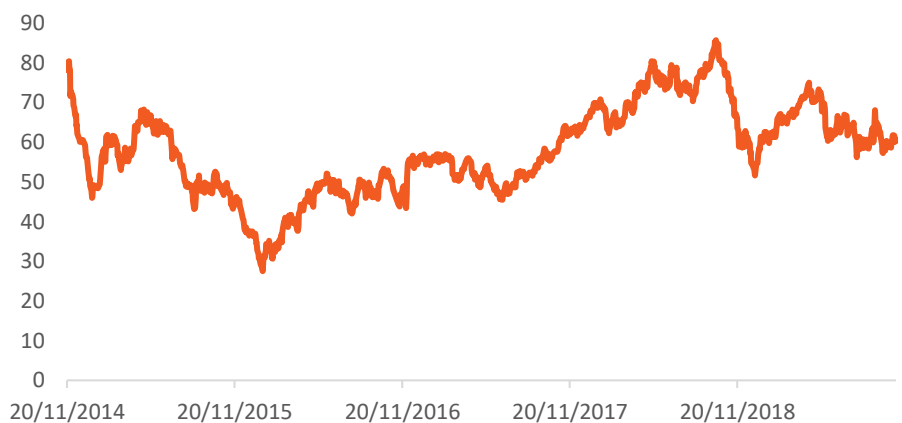
Brent/WTI Within Week



Brent (Annual)



Brent (Long View)



United Kingdom

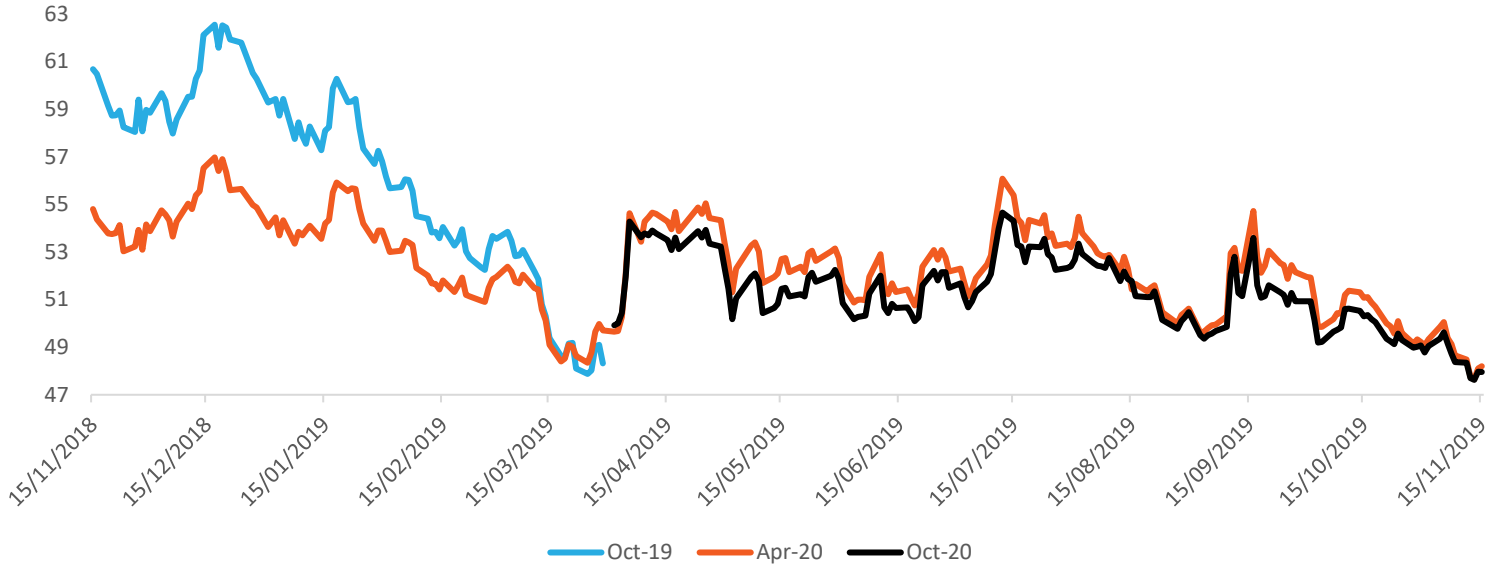
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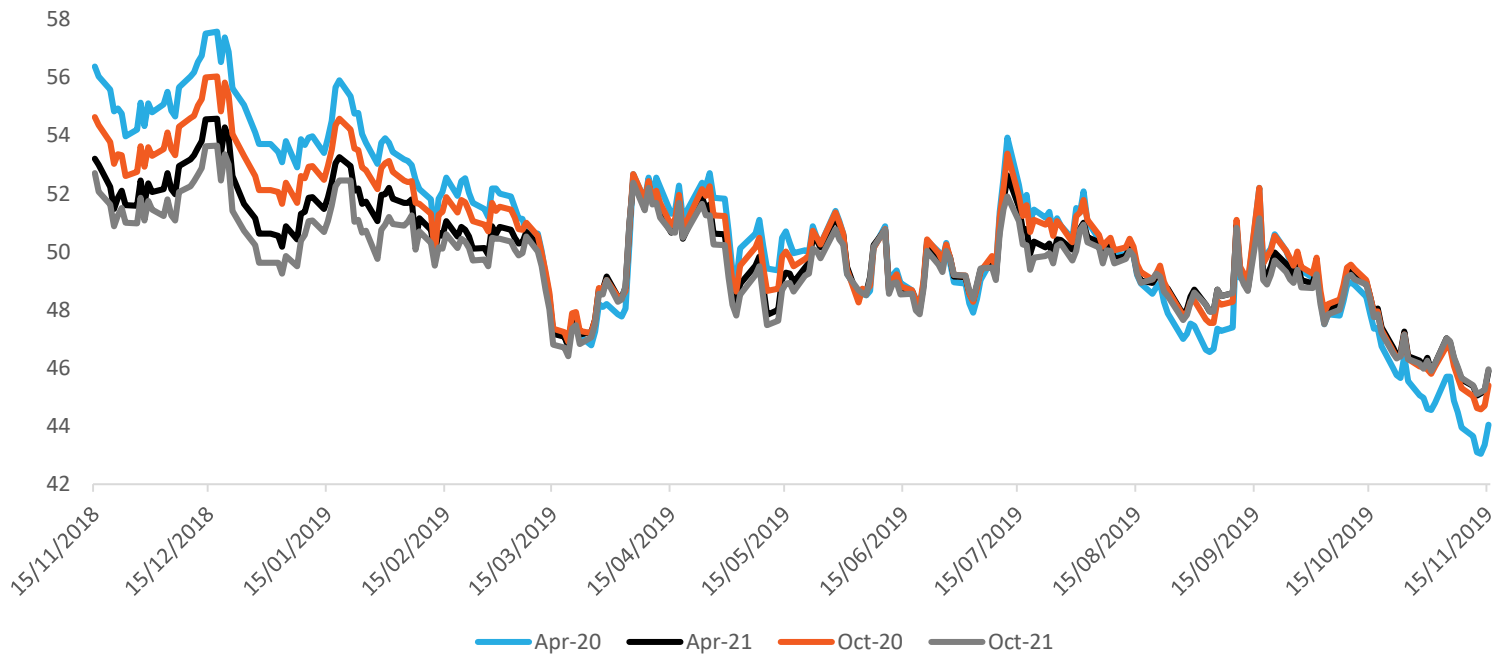


UK Power + Gas

Power (Annual)



Gas (Annual)



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