September 2016 Newsletter

energy services
BUSINESS POWER LTD

Dear Customer

Both gas and electricity markets finished August lower overall as a general picture of gas oversupply throughout the month weighed on prices. Oil bounced up from $42 to $51 driven by speculative trading from reports of OPEC nations looking to agree a supply cap at their next meeting later in September.

Main Drivers

Winter Supply and Demand Balance
Financial Speculation & Trading Activity
Plant Maintenance & Outages
UK Coal Fired Power Station Closures
UK Distribution & Transportation Network Upgrade
UK Government Green Taxes (RO / FiT / EMR CfD & CM)
Geopolitical Tensions in the Middle East & Eastern Europe
Global Oil & Coal Prices
UK & European Carbon Prices

General Comments

Gas prices fell steadily through the month with increased supply from Norway and the arrival of LNG cargoes countering last month's news that the main gas storage facility at Rough would be out of action until the New Year. An update from Centrica who run the facility said withdrawals from the site would be available from the 1st November easing some worries about the state of the UK's gas storage levels for this winter however injections would still not be available.

Electricity prices tracked the gas market although to a lesser extent with plenty of supply to meet demand.

Oil prices reversed their July fall and rose from $42 to $50 plus on mixed messages from OPEC nations that they were discussing a production cap for their next meeting. However as usual this would need the agreement of traditional enemies, Saudi Arabia and Iran who are often seen as competing for market share. Many experts are also not convinced a production cap now would make much difference as the global production is still comfortably out-stripping supply.

Prices eventually eased to below $47 on rising stockpiles in the USA, an indication demand is not yet meeting supply.

Latest News:

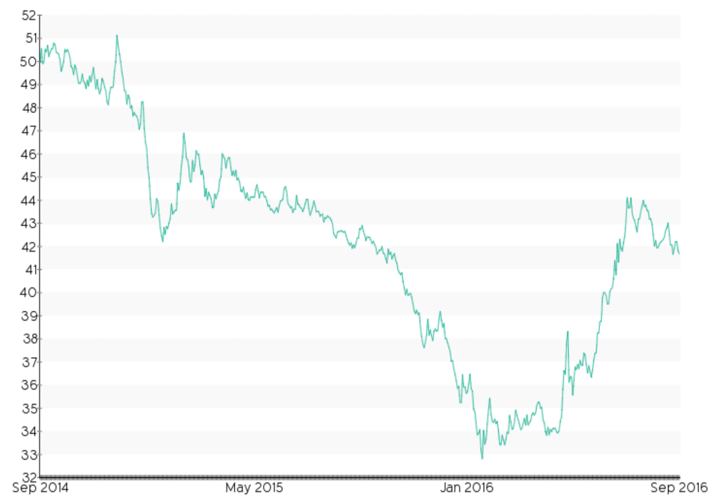
The water market in England is becoming deregulated as from April 1st 2017.

We are in the process of gathering the latest information on pricing structures so we are in the best position to assist and recommend the best options for you.

We will be in contact in due course and to obtain your current water billing details

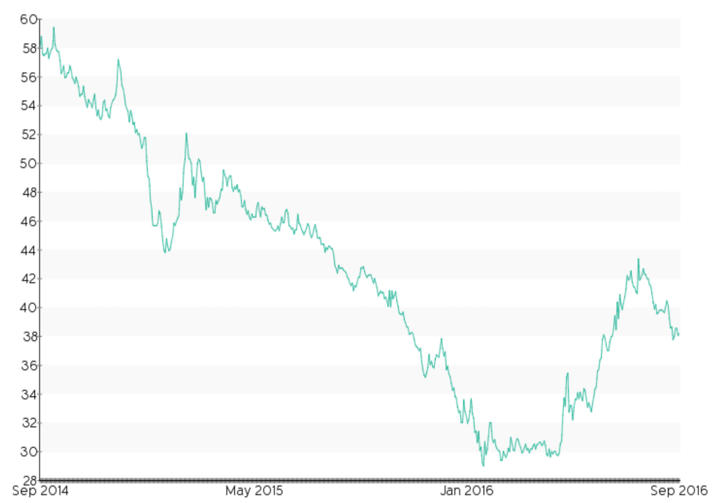
Electricity

Annual Forward Baseload Price (Flat Cost)



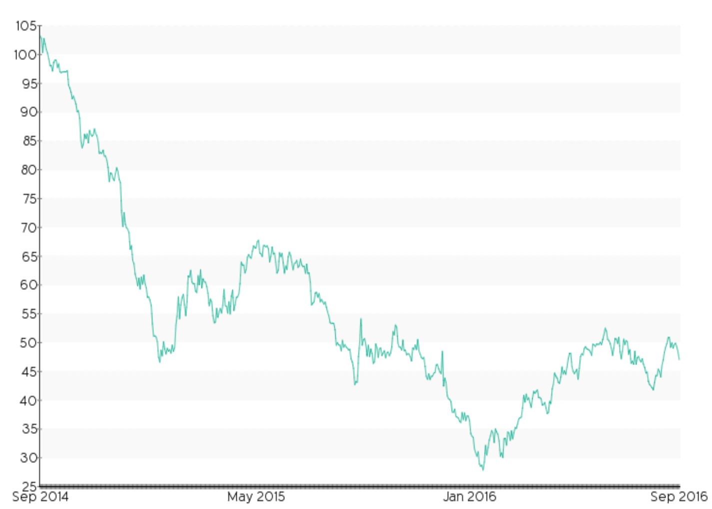
Gas

UK October Gas Year Price (Flat Cost)



Oil

Front Month Price (Brent Crude)



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