

ENERGY VIEWPOINTS

Quarterly Analysis of EU Wholesale Markets

Winter 2004/05 to Winter 2008

Introduction

This report is an historical analysis of the results of our regular Quarterly European Energy Market Trends Surveys ("Energy Viewpoints") over the period Winter 04/05 to Autumn 08.

Moffatt Associates (MA) measures expectations on prices, volumes and market drivers using a Panel of over 60 key market participants from across the EU. Regular questions are as follows:

1. Market Prices

Are spot prices across Europe expected to show an upward or downward trend over the coming 12 months for power and gas?

Are forward prices across Europe expected to show an upward or downward trend over the coming 12 months for power and gas?

How are power and gas prices expected to move in the German, Scandinavian, UK and Netherland markets over the coming 12 months?

2. Market Volumes

How are EU trading volumes expected to move over the coming 6 months?

Whether a higher or lower proportion of traded volumes are expected to go through exchanges over the coming 6 months?

3. Market Price Drivers

Every quarter since Winter 04/05 five factors exerting pressure on energy prices have been analysed in the European Energy Market Trends Surveys: environmental pressures, movements in fossil fuel price, market liberalisation, industry consolidation, infrastructure developments.

How will each of these variables exert pressure on energy prices and how significant will the issue be in determining price movements over the next 5 years?

Surveys and Respondents

The “Energy Viewpoints” Panel consists of a registered Panel of 60 senior market participants and policy makers from across Europe (Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Poland, Spain, Switzerland and the UK)

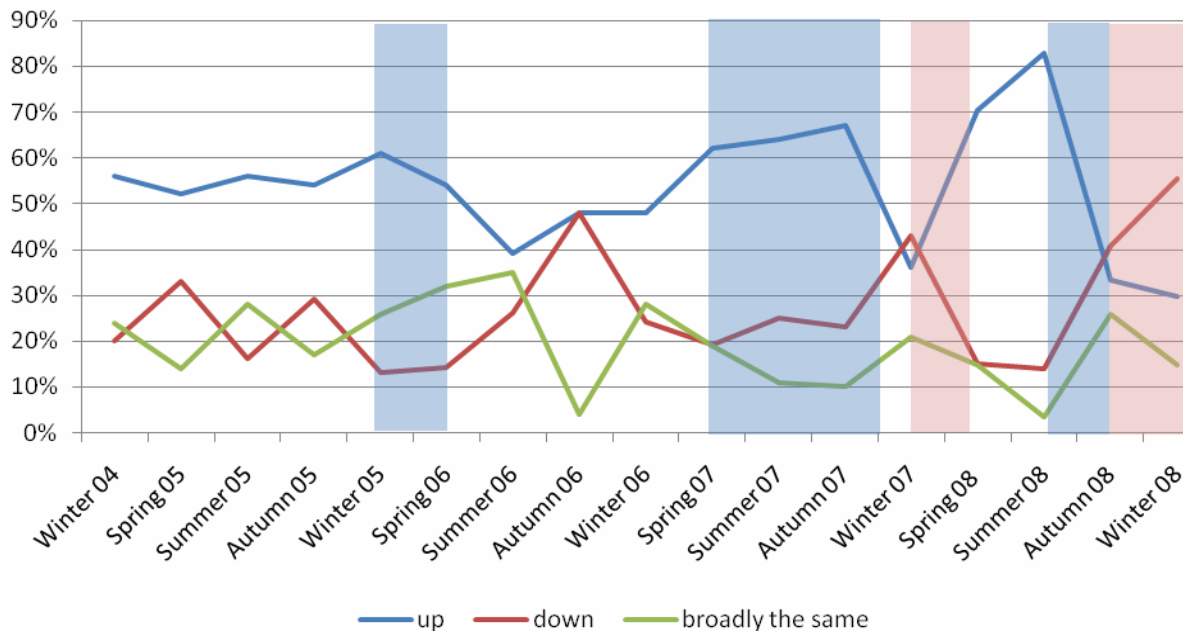
Number of respondents to each of the surveys was as follows:

Winter	04/05	29	Spring	07	31
Spring	05	25	Summer	07	31
Summer	05	25	Autumn	07	33
Autumn	05	25	Winter	07/08	31
Winter	05/06	25	Spring	08	30
Spring	06	25	Summer	08	30
Summer	06	25	Autumn	08	28
Autumn	06	25	Winter	08/09	28
Winter	06/07	29			

“Energy Viewpoints” Survey Results (electricity)

Power spot market expectations

Q: Electricity – What will be the underlying trend for spot energy prices across Europe in the coming 12 months?



Points of interest

Peak expectation for rising spot prices: Summer 08

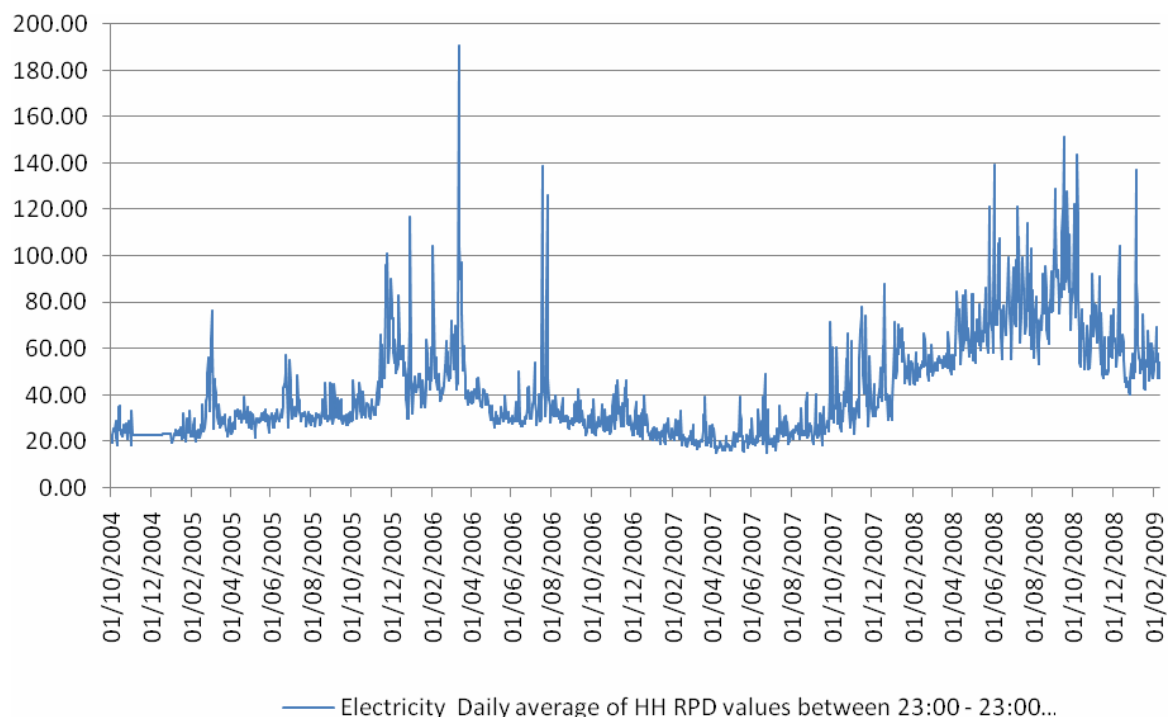
Peak expectation for no change in spot prices: Summer 06

Peak expectation for falling spot prices: Winter 08

Results summary

The graphs above reveal the opinions of our Panel from Winter 04/05 to Autumn 08. The Panel has generally been consistent in its belief that spot prices would increase over the whole period. This trend of rising price expectations has now fallen following its peak in Summer 08, when more than 80% of Panel members were predicting spot power price increases. The latest survey continues to see a significant rise in the number of the panel predicting price reductions, with the Winter 2008 survey reaching a new historical high (56%).

APX – UK wholesale spot prices – electricity



Expectations v outcome

Visual Analysis

When making comparisons between the above and the MA survey it is important to take into account that there will be a time lag between price expectations and actual price movements.

The graph above shows that the highest spot prices occurred in March 06, which coincide with our Panel's expectations of price increases prior to this period. Our Panel once again predicted price increases in Spring 07. However, the period February to September 07 shows relatively low and stable prices. On this occasion it took two quarters, and so it was subsequently not until the winter of 2007 that price expectations fed through to form actual price increases.

Interestingly, in Winter 07 the majority of our Panel predicted price reductions, and although there was no price reduction, a period of lower volatility is apparent.

In Summer 2008, the majority of our Panel believed that prices would rise, and these expectations tracked actual price increases until October when electricity prices started to fall.

Our Autumn 08 and Winter 08 surveys have revealed that the panel now expects to see falling prices over the next twelve months. These expectations are in line with current price data, which has seen a slight overall decrease in the price since October 08's initial fall.

Statistical Analysis

To provide a more detailed insight into the accuracy of the Panel's expectations, MA ran a number of correlations between actual spot data, taking into consideration a varying number of time lags.

Due to the differences in frequency between the daily spot price and the quarterly expectations of the Panel, a 91 day rolling average of the spot price was calculated. The following dates were then chosen to represent the equivalent time periods in our survey:

1st Feb	Winter 04
1st May	Spring 05
1st Aug	Summer 05
1st Nov	Autumn 05

Finally using weighted averages an index series was calculated based upon the Panel's responses (up, down, broadly the same). This was then correlated to the 91 day rolling average spot series.

Base year – 100

	Exp (0)	Exp (1)	Exp (2)	Exp (3)	Exp (4)
Correlation Co	0.084	0.469	0.291	0.163	0.416

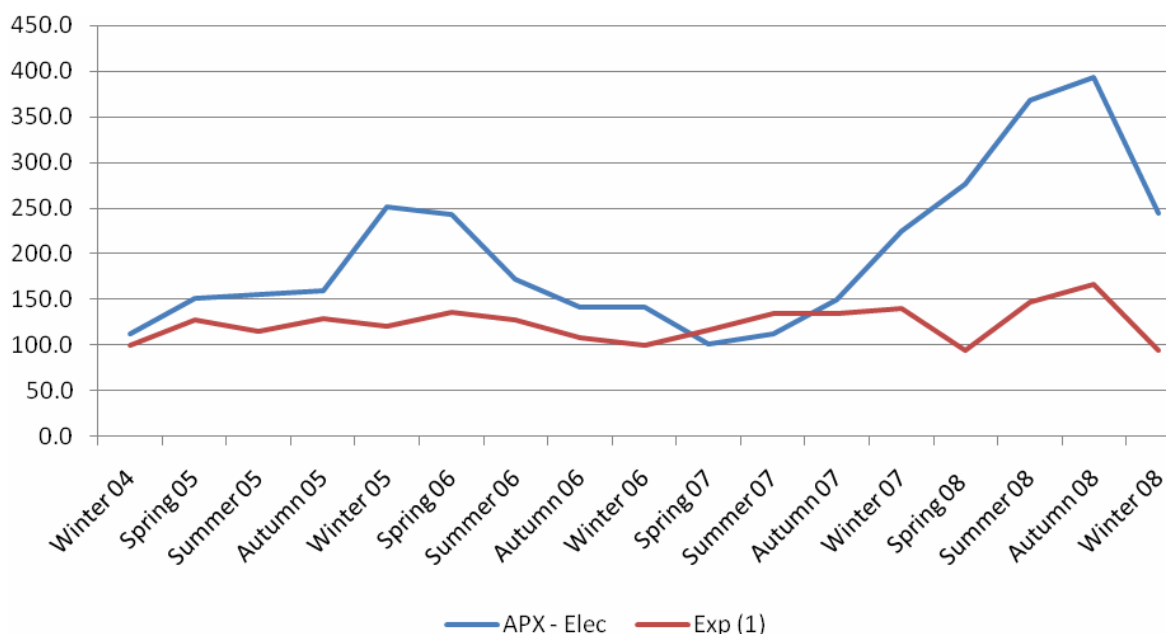
Exp – Expectation of the Panel (lag period)

The above indicated that the Panel's expectations are best correlated with actual data when a lag of one period applies.

Following our latest survey the correlation coefficients have increased for the one and two lag periods, while no lag or a lag of three periods decreased. The four period lag remained relatively unchanged.

The latest figures could suggest that price expectations are feeding through into both the long term and the short term. However the medium term still remains an issue. This result is not unexpected given the current market conditions. In the short term prices will continue to be affected by reductions in demand, and the fall in oil prices, whilst in the long run these are expected to return to an upward trend. The medium term, however, is very uncertain with few able to predict exactly when economies will recover.

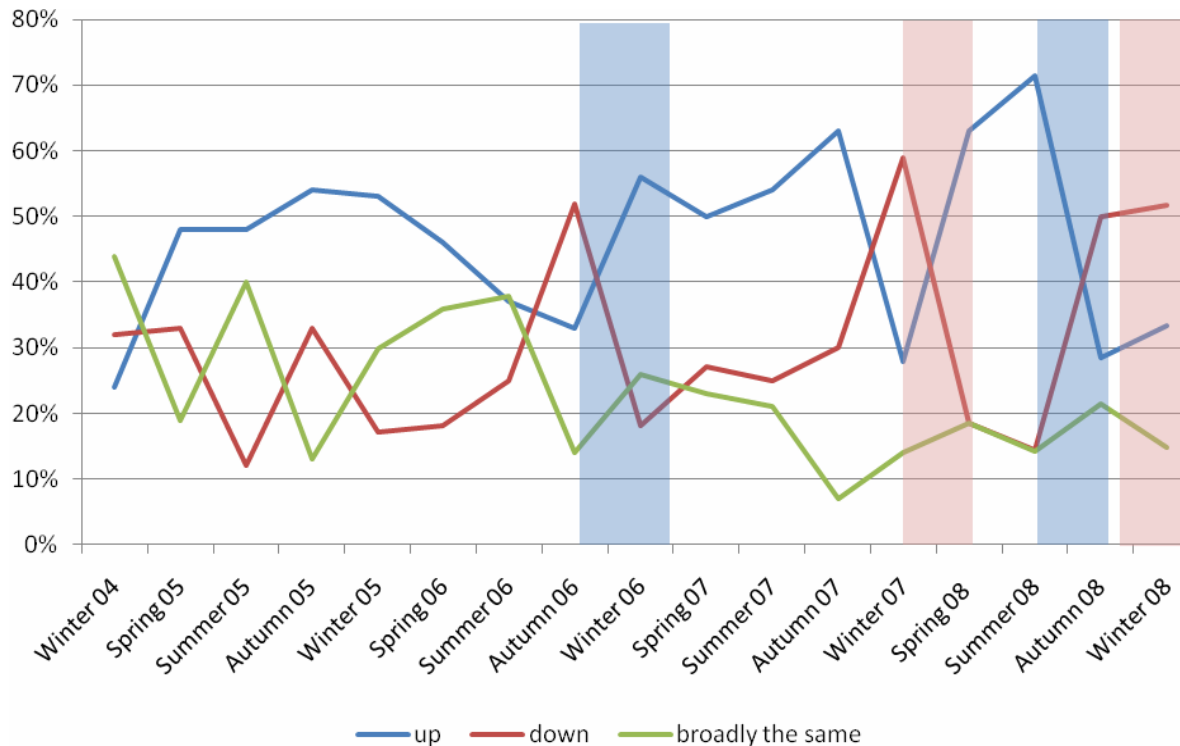
The plot below shows graphically - expectations v actual prices with a 1 period time lag.



“Energy Viewpoints” Survey Results (gas)

Gas spot market expectations

Q: Gas – What will be the underlying trend for spot energy prices across Europe in the coming 12 months?



Points of interest

Peak expectation for rising spot prices: Summer 08

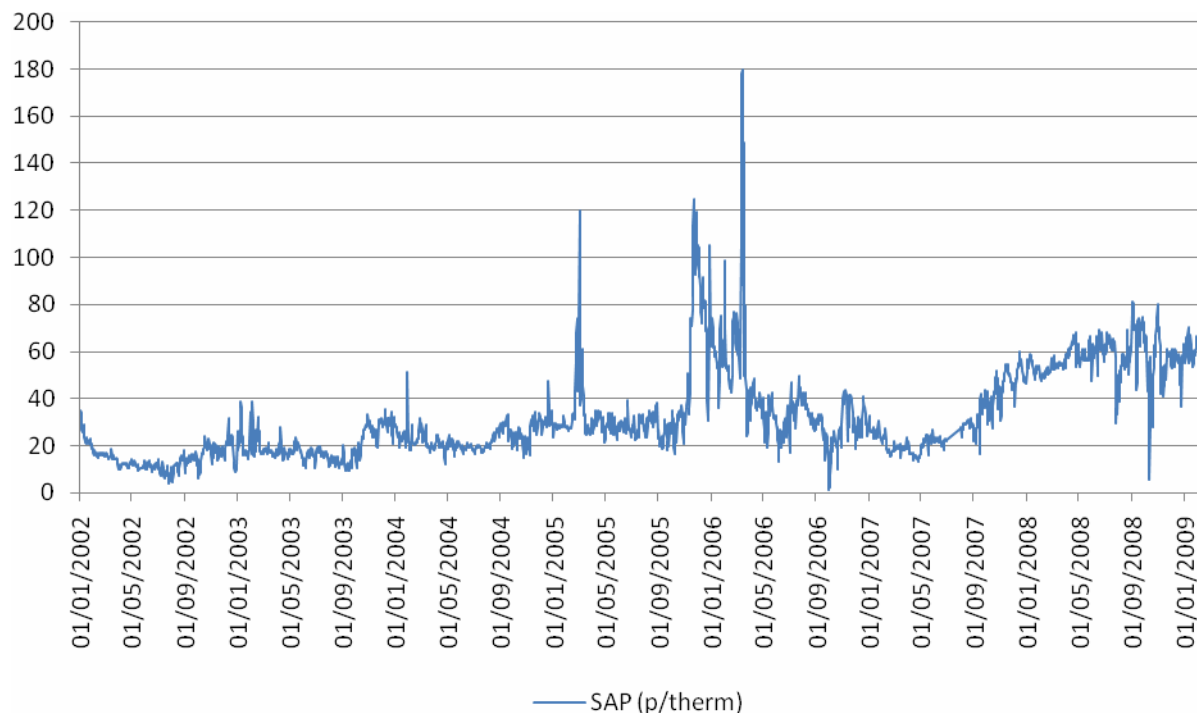
Peak expectation for no change in spot prices: Winter 04/05

Peak expectation for falling spot prices: Autumn 06

Results summary

During the periods Spring 05 to Summer 06, Spring to Autumn 07, and Spring 08 to Summer 08 most respondents felt that spot prices would increase over the next 12 months. Market opinion was briefly reversed in Winter 07 when approximately 60% the Panel believed spot gas prices would decrease. Once again, this was followed by a period in which expectations of price rises were high. However, our recent surveys have shown a significant shift in opinion with both the Autumn 08 and Winter 08 surveys having the majority (50% or above) of respondents indicating expectations of falling prices.

APX – UK wholesale spot prices - gas



Expectations v outcome

Visual Analysis

In March 06, prices peaked which corresponds with survey expectations from Spring 05 to Spring 06 that prices would rise.

Subsequently, during the period Spring 06 to Autumn 06 our surveys reported a growing belief that prices would fall, and in fact the spot price plot did fall between Spring 06 and Autumn 06.

Between Winter 06 and Spring 07 our Panel were of the opinion that prices would once again rise but the above graph shows that this period was relatively stable.

Winter 07 produced an interesting result with the Panel predicting price falls. However, this has not been the case, with energy prices continuing to rise. Expectations returned to that of rising prices in summer 08. This may possibly show that the market underestimated the impact of rising oil and gas prices at this time.

Since Autumn 08 expectations are that prices will fall; these expectations are based upon the recent cooling in the oil price and a general reduction in demand across the economy as a result of the credit crunch. So far it can be seen that actual prices have remained relatively stable around the 60 p/therm area.

Statistical Analysis

Using the same methodology as previously (electricity), MA correlated expectations v actual outcomes.

	Exp (0)	Exp (1)	Exp (2)	Exp (3)	Exp (4)
Correlation Co	0.032	0.099	0.316	0.248	-0.078

Exp – Expectation of the Panel (lag period)

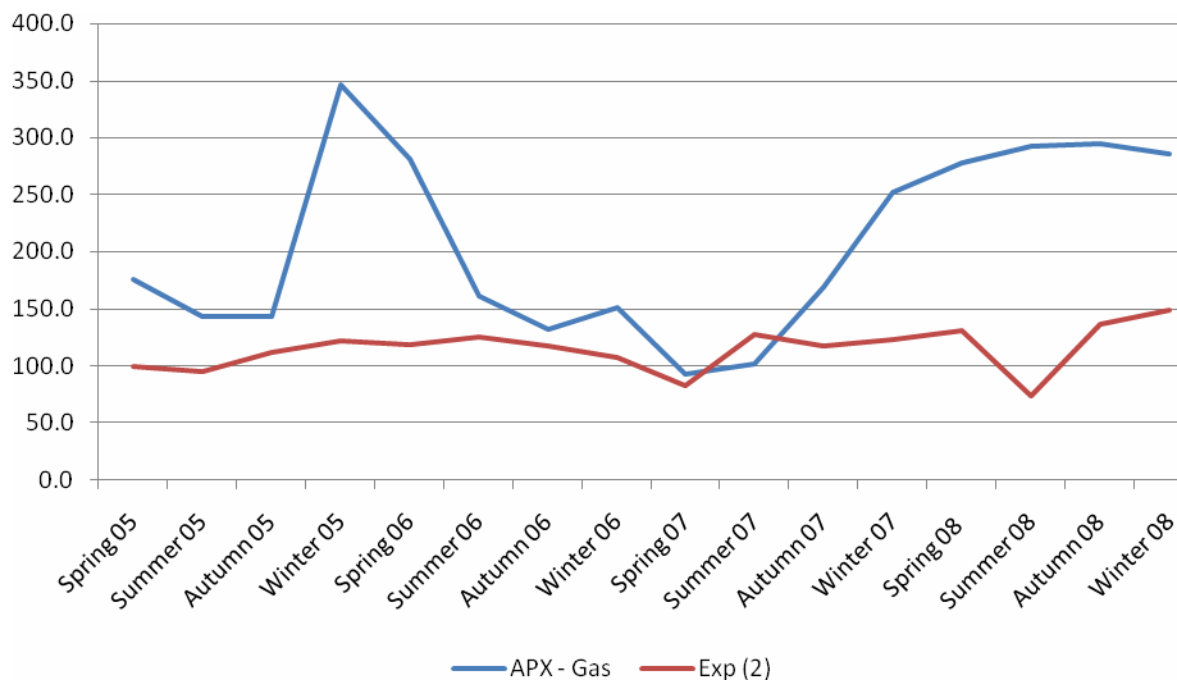
Gas expectations and actual prices produced the highest correlation given a 2 period time lag, in comparisons to a one period lag in the electricity market.

The above suggest that uncertainty still remains amongst expectation in the very short term and long term.

The negative correlation result for a 4 lag structure underlines the fact that long term gas wholesale markets remain less liquid and more unpredictable.

Short term expectations may have suffered recently, given the uncertainty caused over the Russian gas dispute during the early stages of 2009.

The plot below shows graphically - expectations v actual prices accounting using a 3 period time lag.

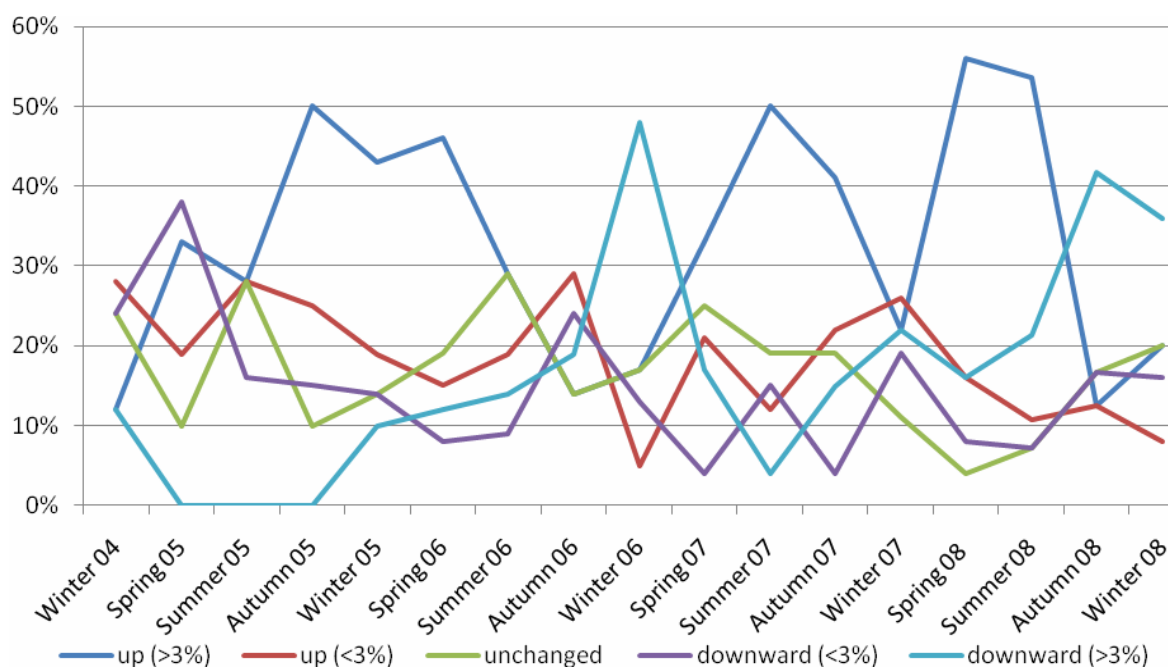


National Markets – Germany, Scandinavia, UK, the Netherlands

Germany

Power Price

Q: Do you expect the underlying trend in power prices to move in the following markets over the coming 12 months?



Points of interest

Peak expectation for price rise (> 3%): Spring 08

Peak expectation for price rise (< 3%): Autumn 06

Peak expectation for no change: Summer 06

Peak expectation for price decrease (< 3%): Spring 05

Peak expectation for price decrease (> 3%): Winter 06

Results summary

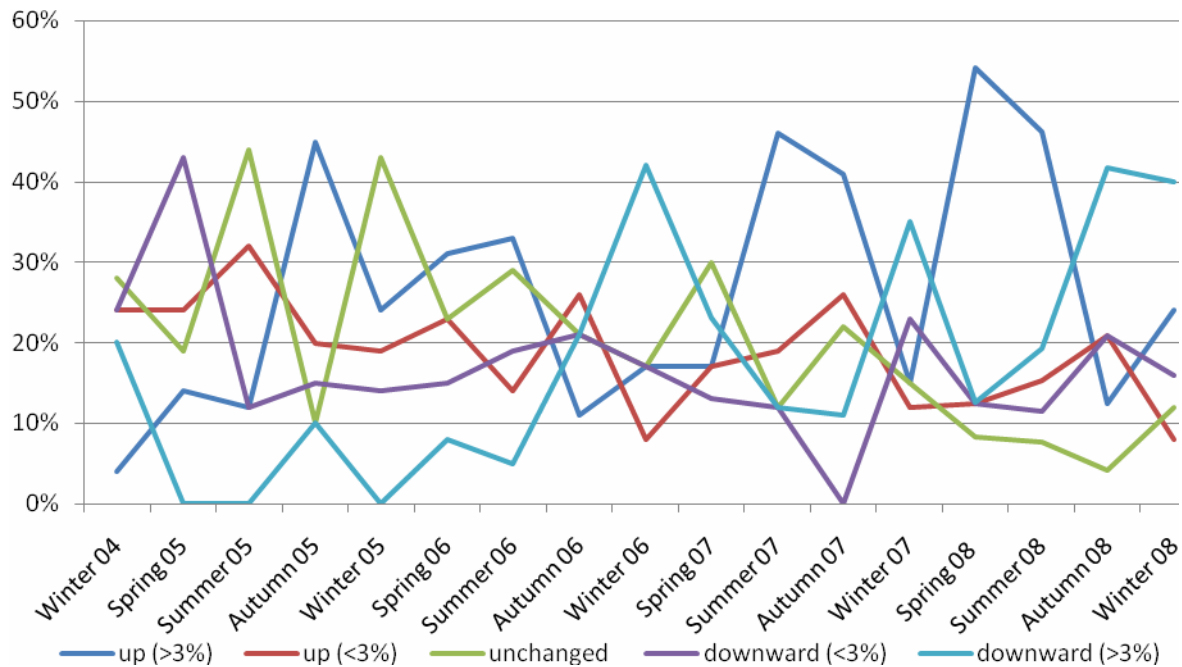
Our latest survey continues to indicate that price expectations are that of falling prices. However, the percentage of those indicating price decreases of more than 3% fell from 42% in Autumn 08 to 36% in Winter 08.

This is in contrast to our previous Summer 08 in which more than 50% of the respondents foresaw a sharp rise in German power prices. Interestingly, over the whole period when participants do indicate rising price expectations they are generally in the order of that of above 3%.

The only other significant indication was that future power prices would decrease was in Winter 06/07.

Gas Price

Q: Do you expect the underlying trend in gas prices to move in the following markets over the coming 12 months?



Points of interest

Peak expectation for price rise (> 3%): Spring 08

Peak expectation for price rise (< 3%): Autumn 06

Peak expectation for no change: Summer 05

Peak expectation for price decrease (< 3%): Spring 05

Peak expectation for price decrease (> 3%): Winter 06, Autumn 08

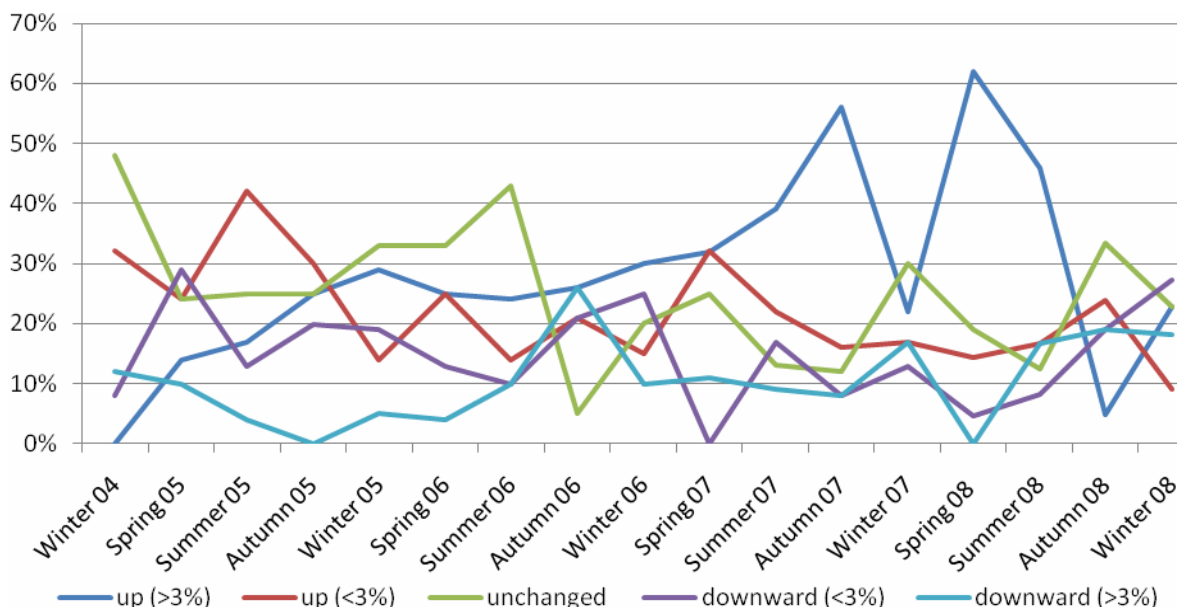
Results summary

There has been varied opinion during the period concerning German gas prices. At present, 40% of the participants believe that gas prices will fall (down from 42% in Autumn 08). This is in contrast to the Spring and Summer surveys which predicted sharp price increases. Interestingly, when the survey began in Winter 04/05 the minority (> 10%) of the Panel member said prices will rise more than 3%.

Scandinavia

Power Price

Q: Do you expect the underlying trend in power prices to move in the following markets over the coming 12 months?



Points of interest

Peak expectation for price rise (> 3%): Spring 08
Peak expectation for price rise (< 3%): Summer 05
Peak expectation for no change: Winter 04
Peak expectation for price decrease (< 3%): Spring 05
Peak expectation for price decrease (> 3%): Autumn 06

Results summary – Scandinavia Power

Over the whole period there has been a general upward trend in the number of participants of the opinion that Scandinavian power prices will rise by more than 3%. In Autumn 08 the percentage of participants predicting price increases of above 3% has fallen to just 5%. The latest Winter survey has seen this increase to 23%, despite no strong indication in any one direction. Currently survey results favour expectations of a slight fall in the power price.

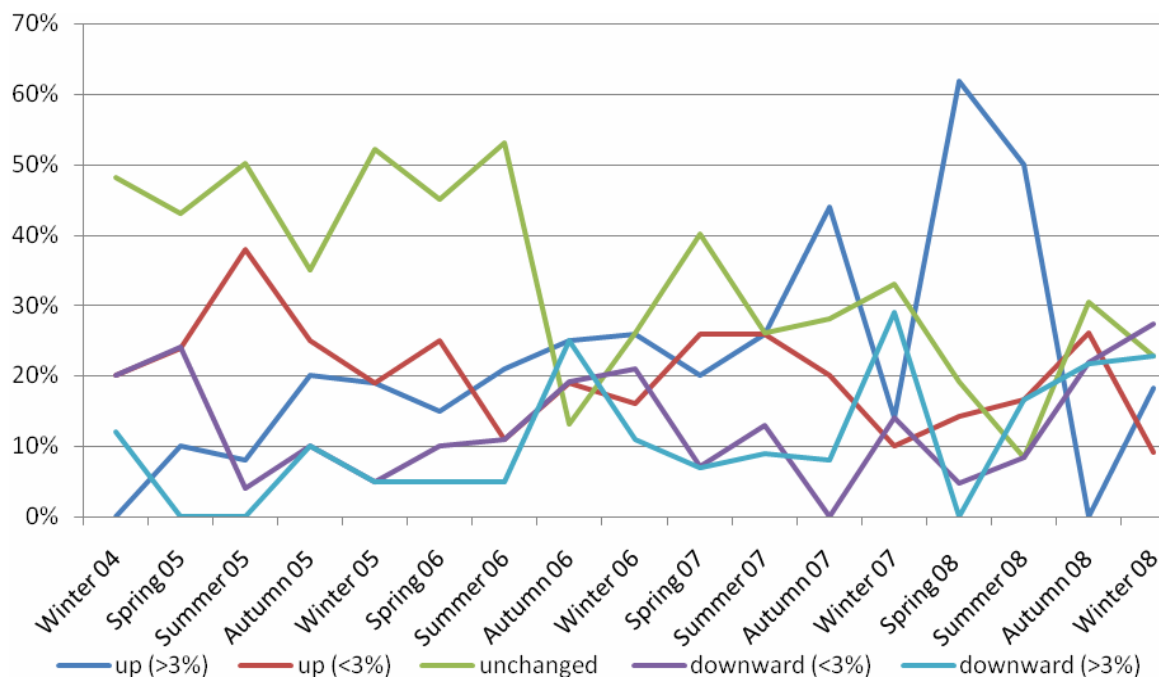
In Autumn 06, 26% thought that Scandinavian power would rise sharply; the same percentage thought power would decrease sharply.

Over the whole period not more than 20% (except Autumn 06 - 26%) indicated there would be a sharp decrease in prices. In Winter 07/08 only 14% thought gas prices would rise more than 3%. However, this rose dramatically to 62% one quarter later.

The latest survey reveals an overall view of stable electricity prices (33%), this is in stark contrast to the Spring 08 and Summer 08 surveys in which most respondents (more than 40%) thought prices would increase sharply.

Gas Price

Q: Do you expect the underlying trend in power and gas prices to move in the following markets over the coming 12 months?



Points of interest

Peak expectation for price rise (> 3%): Spring 08
Peak expectation for price rise (< 3%): Summer 05
Peak expectation for no change: Summer 06
Peak expectation for price decrease (< 3%): Winter 08
Peak expectation for price decrease (> 3%): Winter 07

Results summary

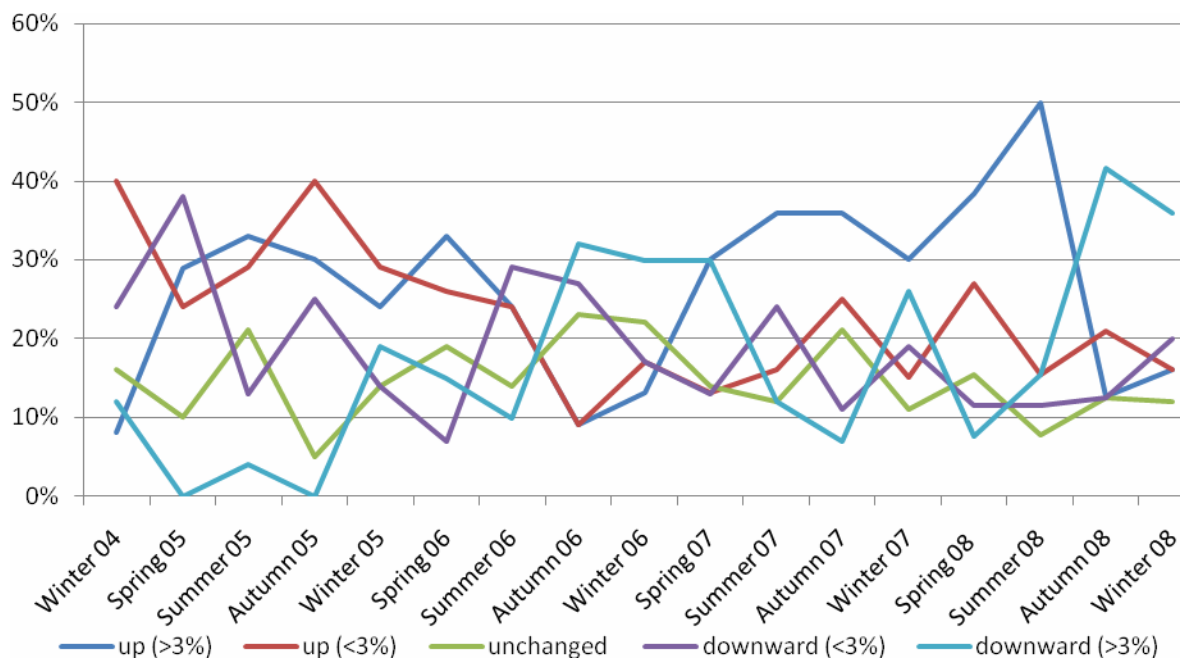
During the period Winter 04/05 to Summer 06 the majority of the Panel thought Scandinavian gas prices would be unchanged in the next 12 months. This rate fell dramatically to 13% in Autumn 06, recovering in later periods only to fall to an all time low in Summer 08 (8%). Winter 07/08 saw just 14% of panel members indicating prices would rise by more than 3% in the next twelve months but one quarter later this had increased to 62%.

The Winter 08 survey reveals a mix of expectations, however the overall view can be considered that of falling prices given that 50% of the panel indicated expectations of falling prices irrespective of magnitude. Whilst those who believed prices would fall by less than 3% reach an historic high of 27%.

UK

Power Price

Q: Do you expect the underlying trend in power prices to move in the following markets over the coming 12 months?



Points of interest

Peak expectation for price rise (> 3%): Summer 08

Peak expectation for price rise (< 3%): Winter 04/05; Autumn 05

Peak expectation for no change: Autumn 06

Peak expectation for price decrease (< 3%): Spring 05

Peak expectation for price decrease (> 3%): Autumn 08

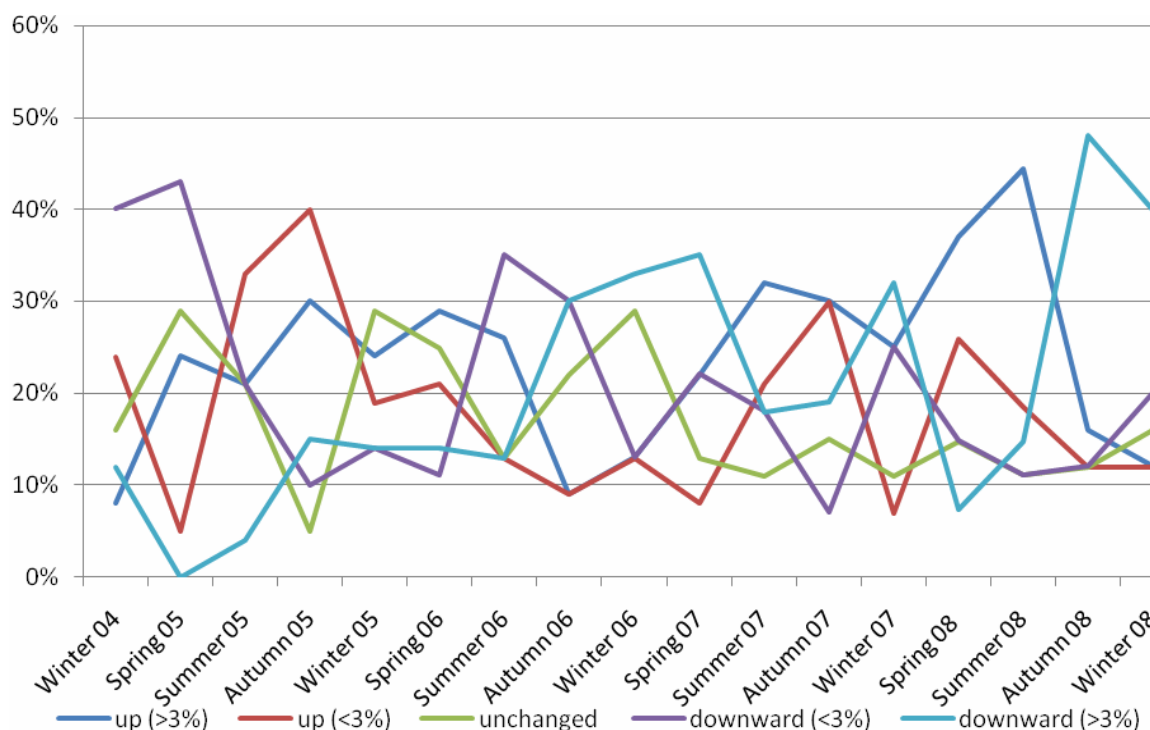
Results summary

Spring 07 was a turning point in which expectations went from a situation where the same percentage (43%) thought prices would rise as well as prices would fall, to that of price rises being the most popular expectation amongst the Panel.

Autumn 08 revealed a record number (42%) of respondents indicating prices would fall by more than 3% in the next 12 months. This view has continued into the Winter survey with 36% of respondents still of this opinion. Other periods in which this was the prevailing view include Spring 05, and Summer 06 – Winter 06/07.

Gas Price

Q: Do you expect the underlying trend in gas prices to move in the following markets over the coming 12 months?



Points of interest

Peak expectation for price rise (> 3%): Summer 08
 Peak expectation for price rise (< 3%): Autumn 05
 Peak expectation for no change: Spring, Winter 05, Winter 06
 Peak expectation for price decrease (< 3%): Spring 05
 Peak expectation for price decrease (> 3%): Autumn 08

Results summary

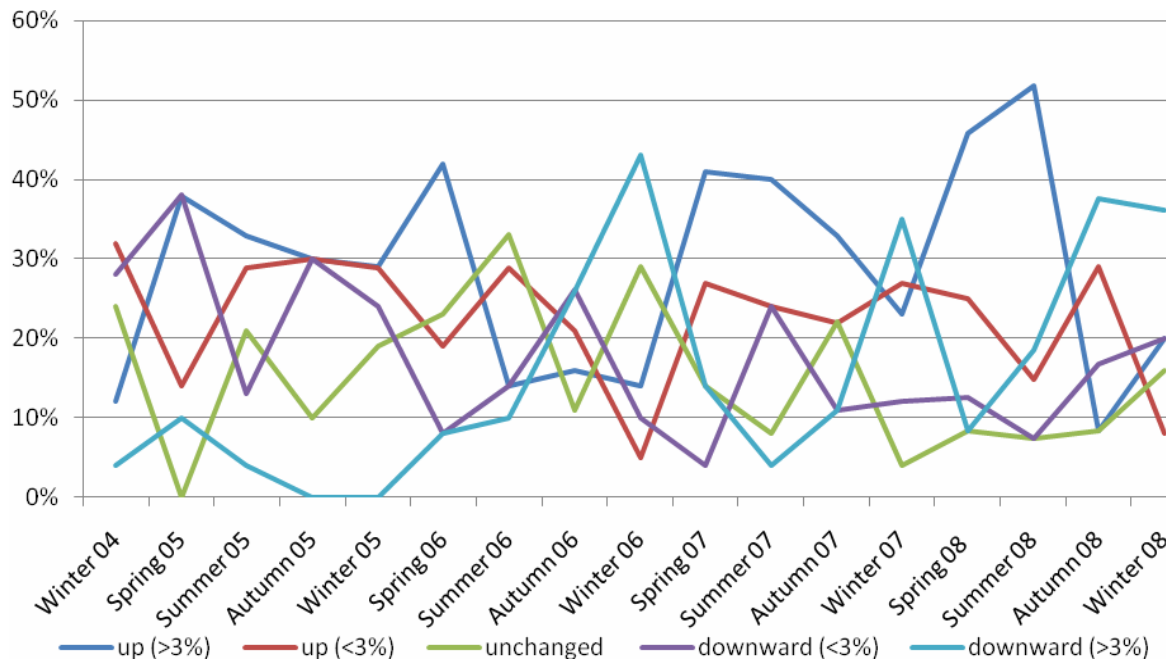
Between Winter 04/05 and Spring 05 the general consensus was that prices would fall slowly. This was followed by 29% of participants believing prices would not change in the coming year, generally until Winter 07 opinion can be considered diverse.

In the period from Winter 07 to Summer 08, a clear majority thought UK gas prices would rise sharply whilst only 26% said prices will fall. In Summer 08 these expectations reached their highest level at 44%. The Autumn 08 survey revealed a change in fortunes with a record majority of the panel (48%) predicating decreases in prices over the next twelve months. As with power prices in the UK the Panel's expectations have remained relatively unchanged in the Winter 08 survey.

The Netherlands

Power Price

Q: Do you expect the underlying trend in power prices to move in the following markets over the coming 12 months?



Points of interest

Peak expectation for price rises (> 3%): Summer 08
Peak expectation for price rises (< 3%): Winter 04
Peak expectation for no change: Summer 06
Peak expectation for price decreases (< 3%): Spring 05
Peak expectation for price decreases (> 3%): Winter 06

Results summary

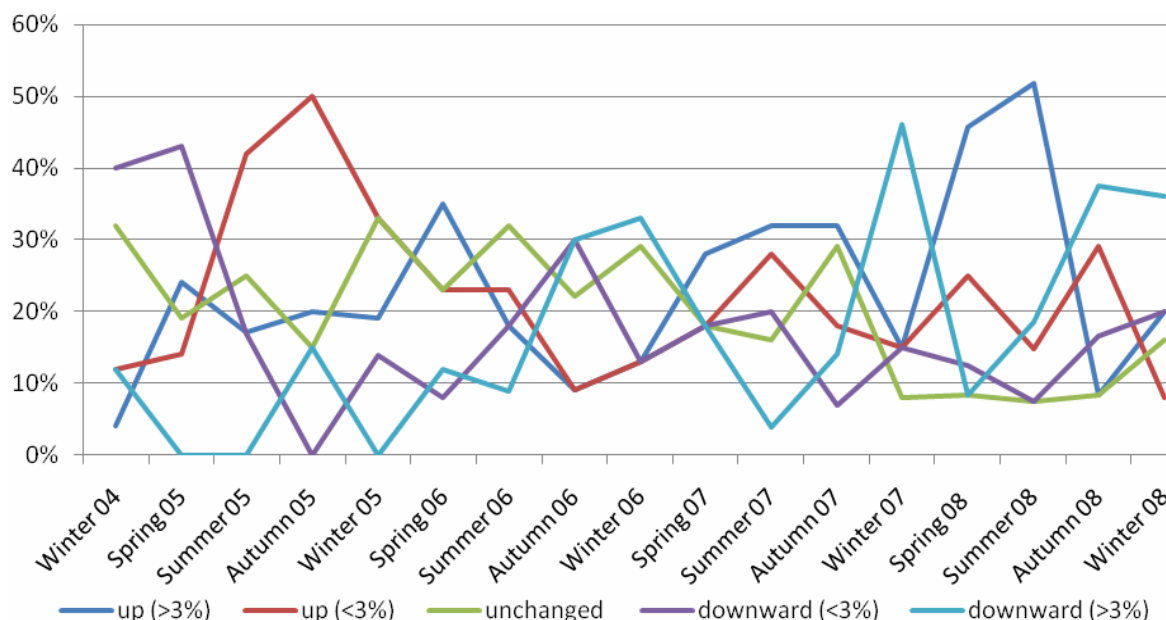
Winter 08 results have revealed a continuation of the trend set in place during the Autumn. The Autumn 08 survey revealed a significant change from that of the Summer 08 with those in the panel predicting price increases of greater than 3% falling from a 50% majority to a record low of 8%. Our Autumn survey reveals that 38% of respondents now see price decreases of more than 3% as the most likely outcome over the next twelve months. Whilst the previous record high of 52% of respondents anticipating price increases of above 3% this has now declined to a record low of 8%.

In the period up to Spring 06 most participants predicted that prices would rise. However, this trend was broken until Spring 07 when once again rising prices were considered the most likely outcome by the Panel. In the interim period, it was initially felt that prices would remain unchanged, but this was eventually replaced by the view that there would be a downward pressure on prices.

In Winter 06/07, the majority indicated their belief that power prices would fall by more than 3% which was the highest rate in this case over the whole period.

Gas Price

Q: Do you expect the underlying trend in gas prices to move in the following markets over the coming 12 months?



Points of interest

Peak expectation for price rises (> 3%): Summer 08

Peak expectation for price rises (< 3%): Autumn 05

Peak expectation for no change: Winter 05

Peak expectation for price decreases (< 3%): Spring 05

Peak expectation for price decreases (> 3%): Winter 07

Results summary

Netherlands gas price expectations show a very mixed picture over time, between Winter 04/05 and Spring 05 the majority of the Panel believed gas prices would fall by less than 3%. However, this was soon replaced in the Autumn with rising price expectations.

Between Spring 06 and Autumn 07 an overall trend is hard to ascertain with views varying significantly.

Winter 07/08 presented a picture of reductions in prices of greater than 3%, (record high of 46%); this was soon to be replaced with expectations of sharp price increases during the Spring and Summer. Autumn 08 revealed an increase in expectations of falling price with 38% of respondents indicating prices would fall by more than 3%. In Winter 08 the panel continue to believe that price decreases are more likely with expectations of rising prices remaining low.

Quarterly Energy Market Trends Survey - market volumes and liquidity

Market Volume

The results of MA's latest EU online survey results (EU Wholesale Market Study ([Click here](#))) reveals that for many people, an increase in both trading volumes and number of traders are essential conditions for an improvement in liquidity, but it is clear that the predominance of bilateral trading limits the development of both spot and forward markets.

Electricity

In electricity, three measures rated most highly in terms of their positive impact on future market liquidity were:

- incentives to encourage more investment in interconnectors;
- the removal of regulated end-user prices;
- harmonisation of rules relating to TPA, balancing and TSO network investment.

These were closely followed by – clarity on Phase Three of the EU ETS scheme, forcing all generation output to be traded wholesale and cross-border market coupling via implicit auctions. Greater market participation by major energy users was seen as something that would encourage greater market liquidity but, because of lack of market knowledge and expertise, many users are reluctant to trade directly, preferring the stability of bilateral long term contracts. All traders agreed that, in theory, wholesale markets would become more liquid and more efficient if trades taking place within dominant generation and supply companies were openly traded on the market. But in practical terms trying to legislate to make this happen is seen as unrealistic, although certain regulators, traders and users would like to see more published data on the volume and pricing of these “internal” trades.

Gas

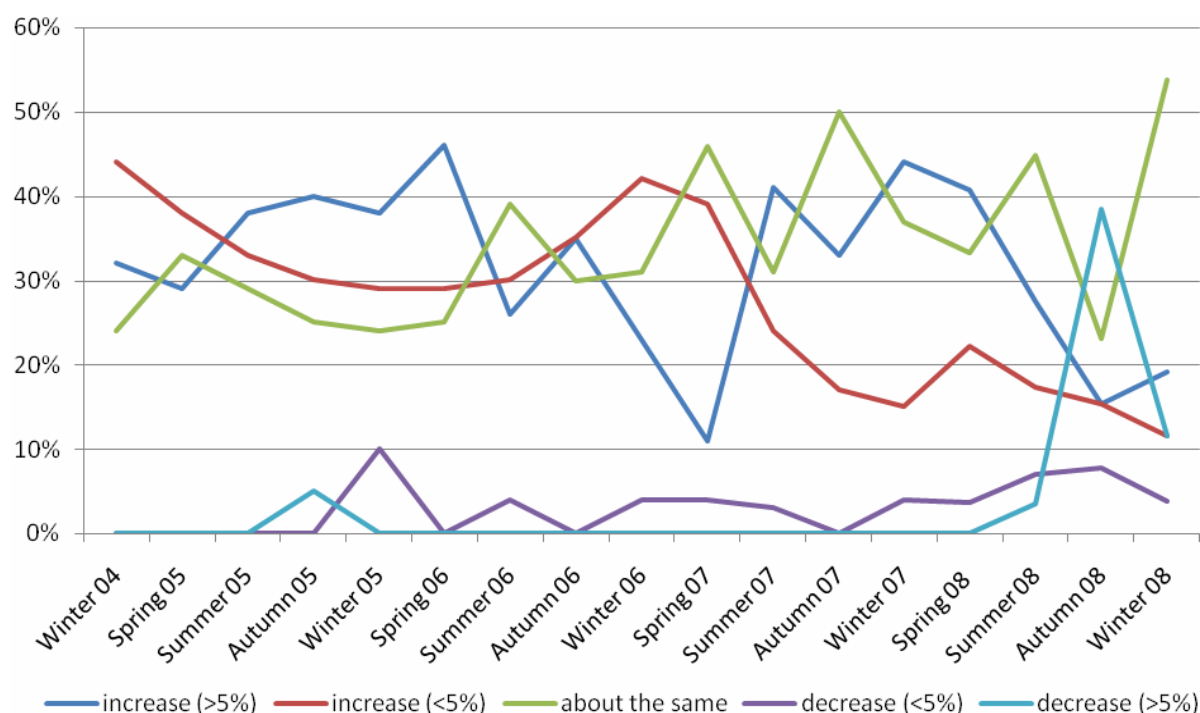
In gas, the three measures rated most highly in terms of their positive impact on future market liquidity were:

- incentives to invest in national and cross-border transit capacity;
- harmonisation of market rules relating to TPA, balancing etc;
- high level minimum standards for infrastructure data disclosure.

These were closely followed by – forcing more entry point trading of long term gas contracts, UIOLI conditions on pipelines and interconnectors and moves to encourage larger trading hubs. This would encourage price harmonisation and increase the effectiveness of measures such as gas release programmes to facilitate competitive access to gas supplies. However, enlarging gas trading hubs, together with legislating to create more flexibility in long term gas contracts and de-coupling the link between oil and gas prices, were not seen as being practical options given the dependency of the EU on a small number of producers, the lack of downstream supply competition and the global nature of the gas market.

“Energy Viewpoints” Survey Results - power volumes

Q: Power - How do you see EU market trading activity (defined as volumes traded – exchanges and OTC) changing over the coming 6 months?



Points of interest

Peak expectation for price rises (> 5%): Spring 06
 Peak expectation for price rises (< 5%): Winter 04
 Peak expectation for no change: Winter 08
 Peak expectation for price decreases (< 5%): Winter 05
 Peak expectation for price decreases (> 5%): Autumn 08

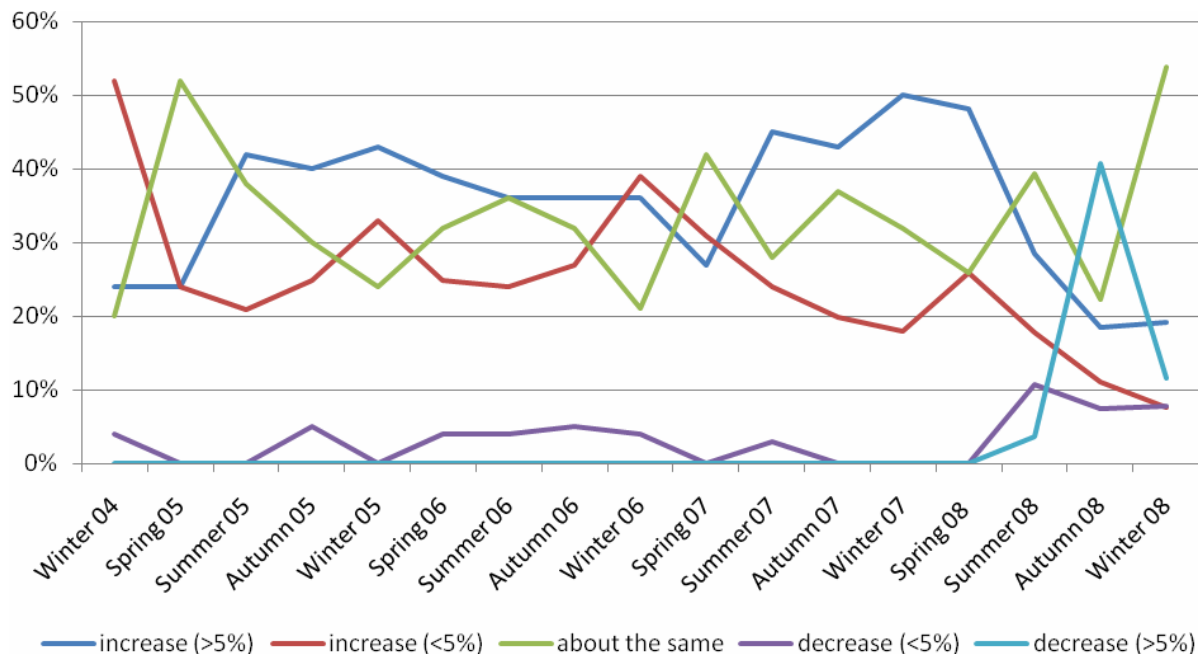
Results summary – Power Market Trading Activity

The graphs above show that the Panel generally do not believe trading activity will decrease. However, our latest survey indicates that a record number (54%) now believe activity will remain unchanged. This change in expectations can be attributed to the recent financial climate and the concerns regarding how many financial institutions will still be active within the market in the future.

A previous significant change occurred in Spring 07, initially only 11% thought trading activity would increase at a rate greater than 5% but one quarter later 41% said it would increase.

“Energy Viewpoints” Survey Results - gas volumes

Q: Gas - How do you see EU market trading activity (defined as volumes traded – exchanges and OTC) changing over the coming 6 months?



Points of interest

Peak expectation for price rises (> 5%): Winter 07

Peak expectation for price rises (< 5%): Winter 04

Peak expectation for no change: Winter 08

Peak expectation for price decreases (< 5%): Summer 08

Peak expectation for price decreases (> 5%): Autumn 08

Results summary – Gas Market Trading Activity

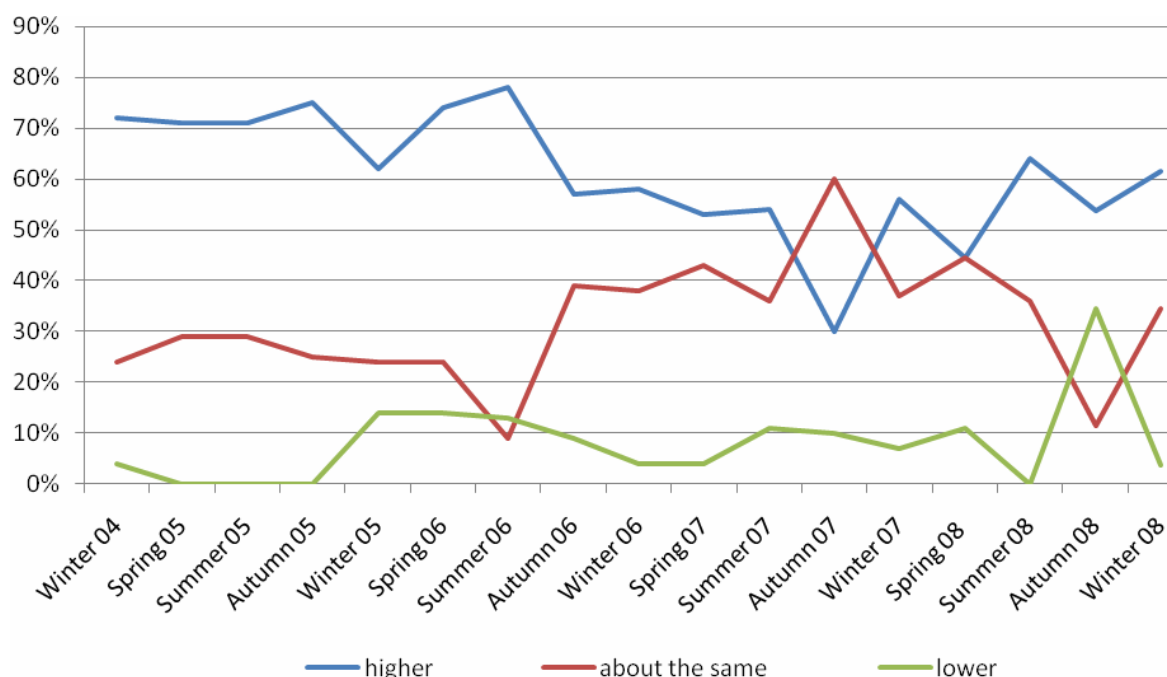
As with power in the period leading up to Autumn 08 only a minority of the experts expected a decrease in market trading activity. Autumn saw these expectations soar, reaching a record high of 41%. These expectations for decreases have subsided during Winter 08 and now expectations are that of unchanged market volumes (54%). This again can be considered to be reflecting concerns surrounding the credit crunch and the future activity of the banks within the energy sector.

In Winter 04/05, most respondents said market trading activity would increase between 0-3% but by the next quarter the majority indicated there would be no change in market trading activity.

The most significant rate of increase in trading was recorded in Winter 07/08 when 50% of experts said trading activity would rise by more than 5% over the next 6 months. This rate fell substantially in Summer 08 and has continued to fall reaching a historic low of 19%.

“Energy Viewpoints” Survey Results - Role of Energy Exchanges (power)

Q: Power – Do you see a higher or lower proportion of market activity going through exchanges over the coming 6 months?



Points of interest

Peak expectation for rising volume: Summer 06

Peak expectation for no change: Autumn 07

Peak expectation for falling volume: Autumn 08

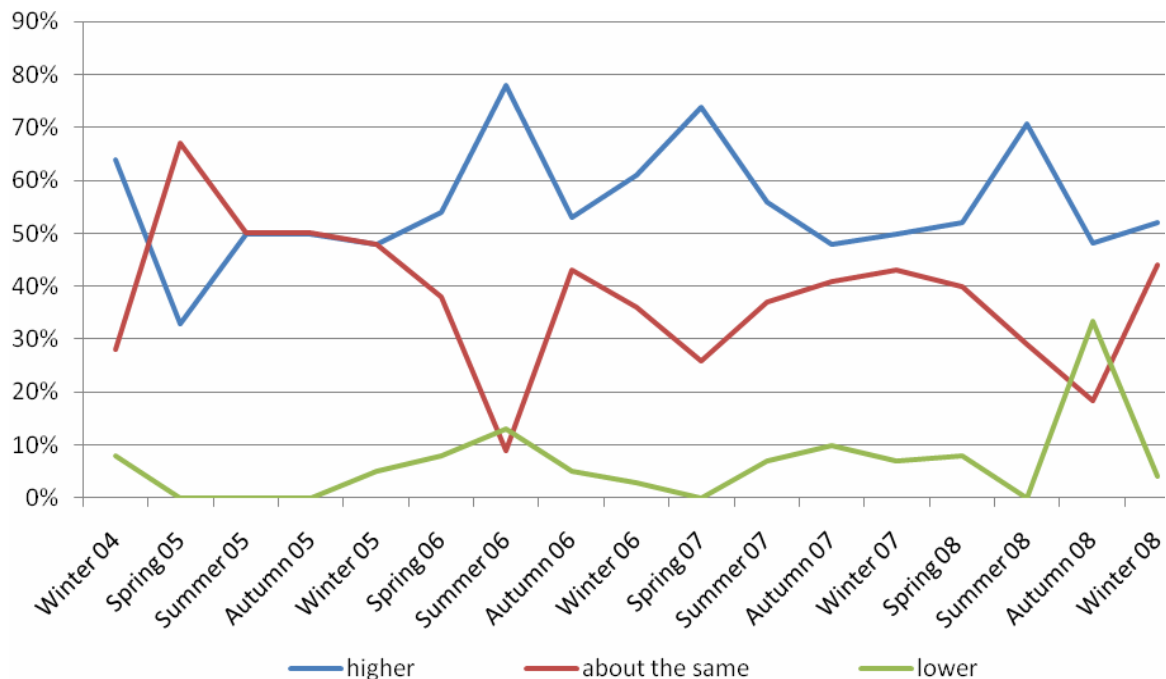
Results summary – Power Proportion of Market Activity

During the period Winter 04/05 to Summer 07 most of the Panel believed that exchange trading would increase, whereas only an insignificant percentage thought proportion of exchange activity would decrease. Autumn's 08 peak in which 35% of participants indicated market activity would fall has now subsided back to previous levels.

Opinion still favours an outlook of price increases, but the significance level has fallen. Its record high occurred during Summer 06 when 78% of experts said proportion of exchange trading would be higher.

“Energy Viewpoints” Survey Results – Role of exchanges (gas)

Q: Gas – Do you see a higher or lower proportion of market activity going through exchanges over the coming 6 months?



Points of interest

Peak expectation for volume rises: Summer 06

Peak expectation for no change: Spring 05

Peak expectation for falling volume: Autumn 08

Results summary – Gas Proportion of Market Activity

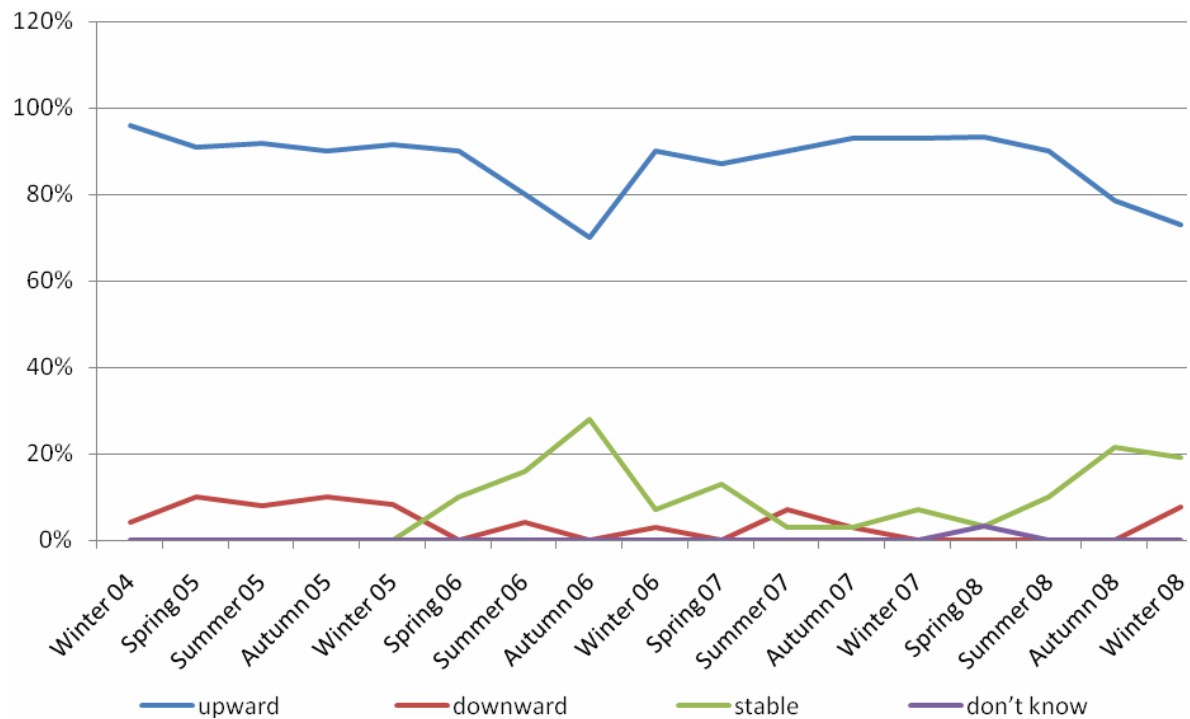
From Spring 06 to the latest survey (Winter 08) the general belief has been that exchange activity would rise. During this period belief that activity would rise peaked in Summer 06 when 78% of respondents believed in rising activity compared to just 9% thought there would be no change.

The Autumn 08 survey revealed a significant increase in the number of respondents who believe activity on exchanges would decrease; this has subsequently fallen back to historic levels.

“Energy Viewpoints” Survey Results – other market drivers

Environmental pressures

Q: Which way will environmental issues exert pressure on energy prices and how significant will it be in determining changes to prices over the next 5 years?



Points of interest

Peak expectation for high price: Winter 04/05

Peak expectation for no change: Autumn 06

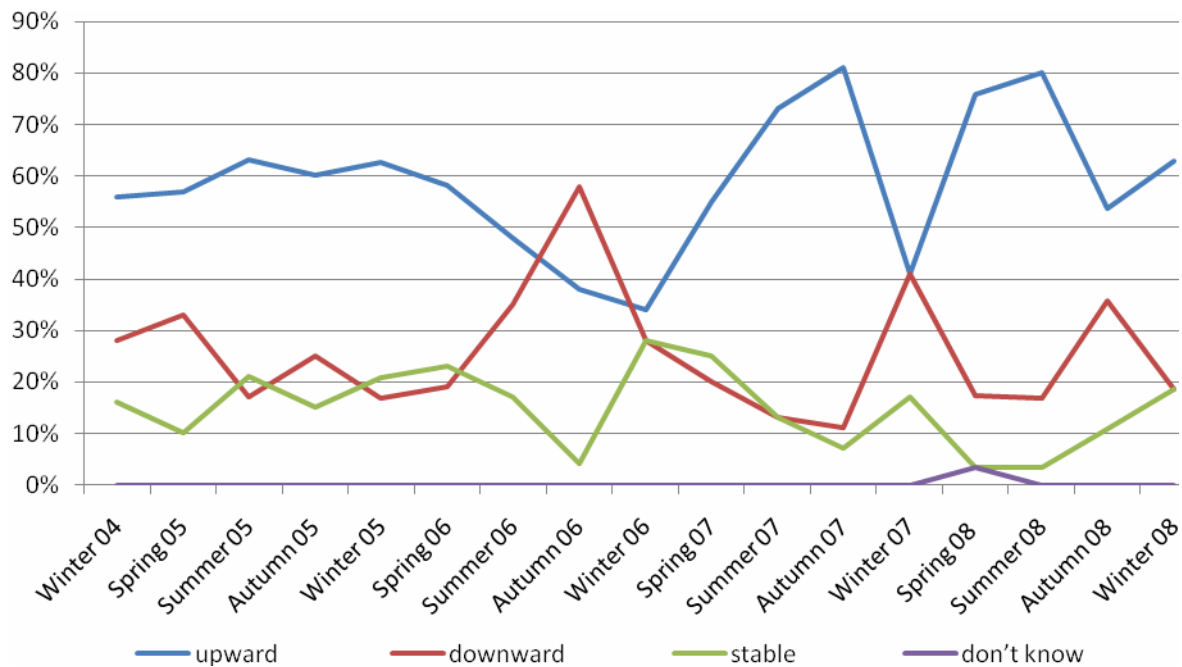
Peak expectation for low price impact: Spring, Autumn 05

Results summary

The majority of respondents agree that environmental pressure fuel upward pressure on energy prices. Only a minority indicated that environmental pressures may lead to stable or falling prices.

Movement in fossil fuel prices

Q: Which way will movements in fossil fuel prices exert pressure on energy prices and how significant will it be in determining changes to prices over the next 5 years?



Points of interest

Peak expectation for high price impact: Summer 08

Peak expectation for no change: Winter 06

Peak expectation for low price impact: Autumn 06

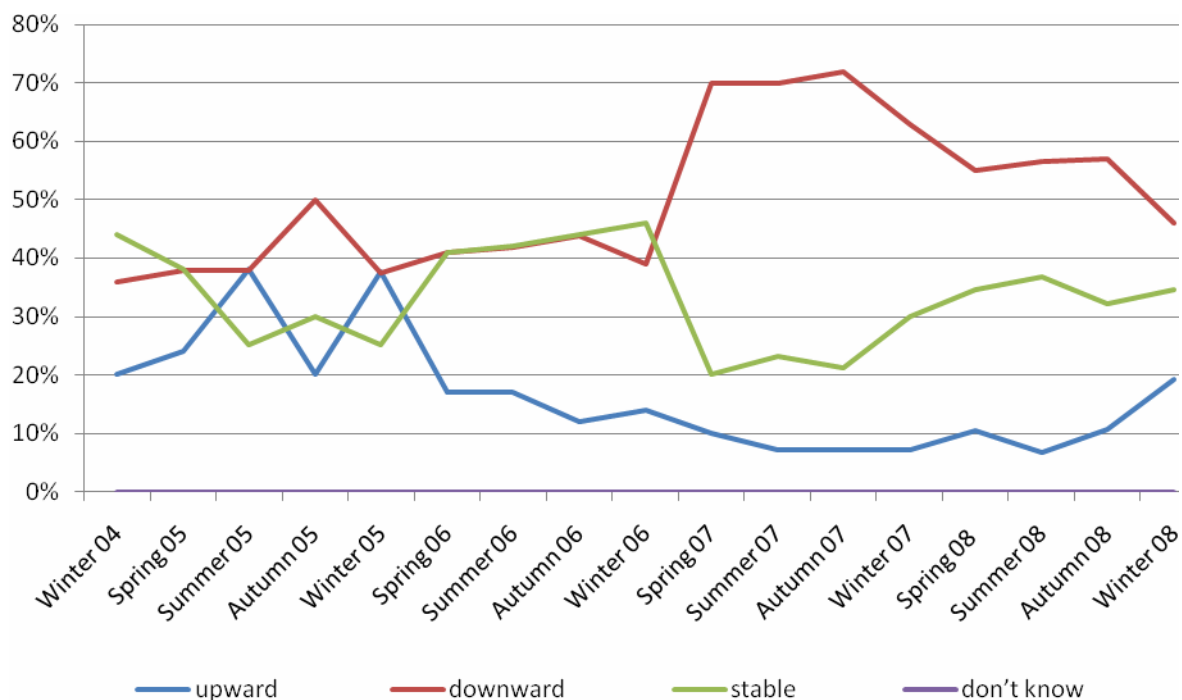
Results summary

Between Winter 04/05 and Summer 06 most respondents were of the belief that movements in fossil fuel prices would cause an upward trend in energy prices. However, opinions switched only a quarter later with a significant number of the Panel expecting it to cause downward pressure.

Since Winter 06/07 experts have consistently been of the opinion that fossil fuels will apply an upward pressure on prices, the Autumn 08 survey had indicated that upward pressure had decreased, (54% indicating upward pressure and 34% opting for a downward influence). However, in the latest Winter 08 survey 63% of the panel have indicated upward price pressures (54% Autumn 08).

Market liberalisation

Q: Which way will market liberalisation exert pressure on energy prices and how significant will it be in determining changes to prices over the next 5 years?



Points of interest

Peak expectation for high price impact: Summer 05

Peak expectation for no change: Winter 06

Peak expectation for low price impact: Autumn 07

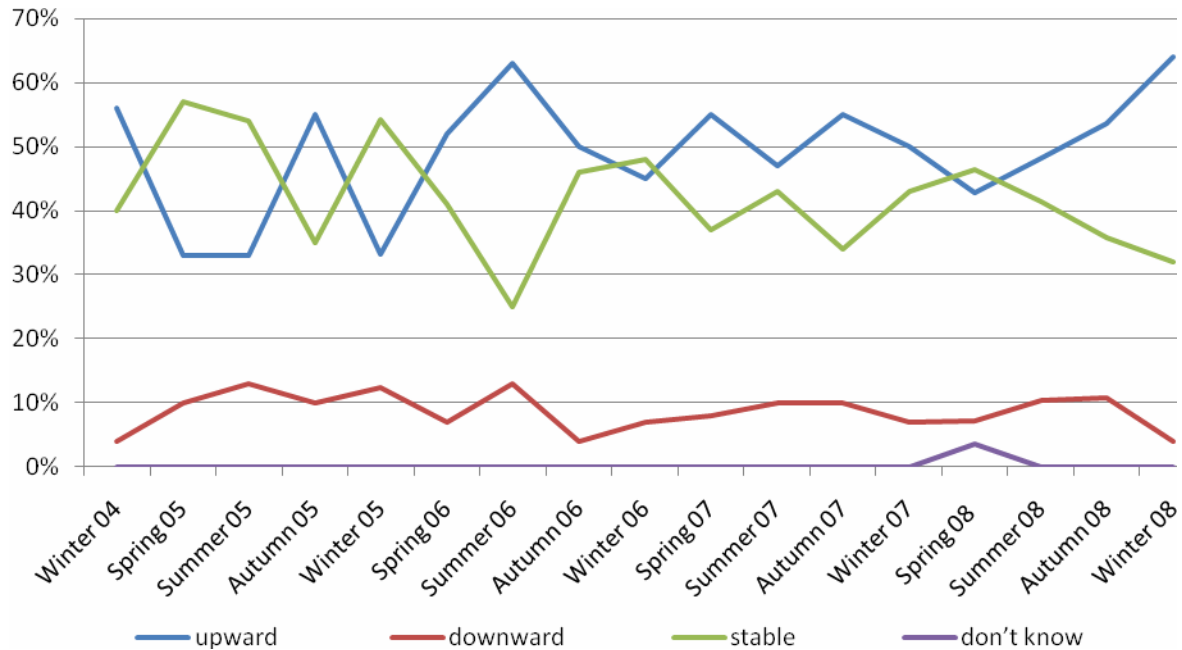
Results summary – Market Liberalisation

In general, experts believed that market liberalisation would have the effect of reducing energy prices and/or resulting in no change in prices, with an insignificant number indicating that market liberalisation would lead to rising prices (since Spring 07).

In Winter 08, experts are still of the belief that market liberalisation generally causes a downward pressure on prices.

Industry consolidation

Q: Which way will industry consolidation exert pressure on energy prices and how significant will it be in determining changes to prices over the next 5 years?



Points of interest

Peak expectation for high price impact: Winter 08

Peak expectation for no change: Spring 05

Peak expectation for low price impact: Summer 05, Summer 06

Results summary

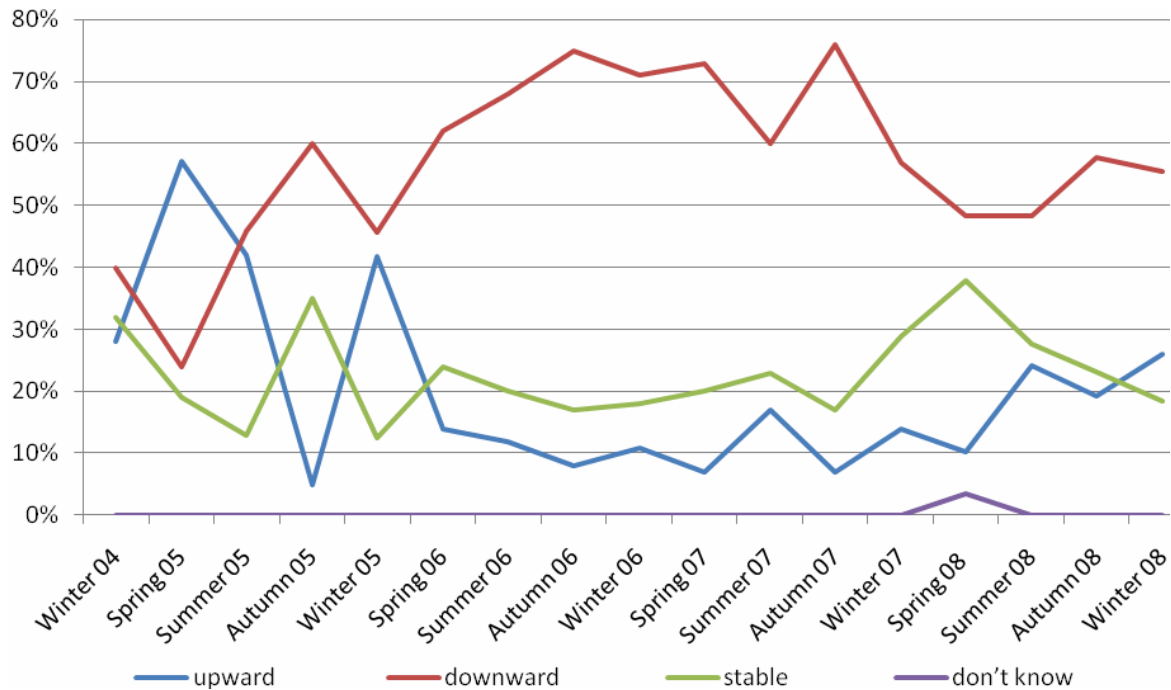
Historically, industry consolidation as a cause of downward pressure on energy market prices has only ever reached a maximum of 13% and so can be considered insignificant.

Given the results above industry consolidation can be considered to have an upward pressure upon prices. This pressure has reached a new historical high in the Winter 08 survey with 64%% of the panel in agreement that prices would rise over the subsequent 5 year period.

However there have been occasions such as Spring 08 where it was felt that industry consolidation would have no overall effect upon prices. Our recent survey shows a reduction in the number of the panel indicating such pressures (down to 23%) compared to a rise in those indicating upward pressures (up to 58%)

Infrastructure developments

Q: Which way will infrastructure developments exert pressure on energy prices and how significant will it be in determining changes to prices over the next 5 years?



Points of interest

Peak expectation for price rises: Spring 05
Peak expectation for no change: Spring 08
Peak expectation for falling prices: Autumn 07

Results summary

Between Summer 05 and Winter 08 experts believed infrastructure developments have a downward effect on energy prices. Our most recent survey (Winter 08) shows that currently 56% of the panel are of this opinion.

However, historically the panel has believed that infrastructure developments can cause price increases (Spring 05), but since this date the number indicating such movements has decreased becoming less significant.

Over the period the number of our Panel who believe that infrastructure developments have no impact on the level of price has remained relatively constant.