

Power & Gas in Central Europe in September

- ✓ Electricity prices increased 4.7% mom on the front-year level in September. Czech baseload Cal18 closed at EUR 35.45 per MWh at the end of the month
- ✓ Natural Gas prices rose 3.7% last month. At the end of September, Front Year traded at EUR 17.350 per MWh
- ✓ PXE traded 6,830 GWh last month, some 208% up than the average seen in the previous 12 months

Commodity Prices...

September was a great month for commodities globally.

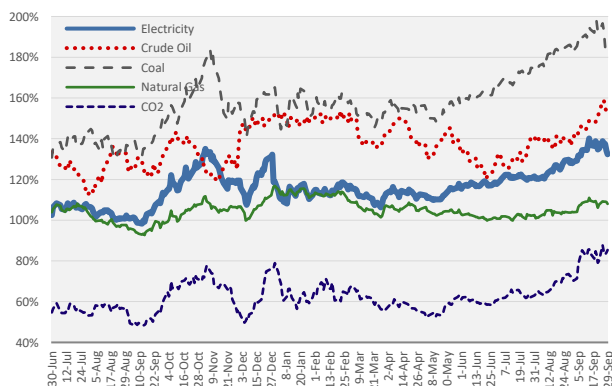
Price of Brent crude oil increased 8.6% mom and closed the month at US\$ 56.9. In spite of the jump, price of oil price is rather flat when compared to the end of 2016.

CO2 certificates appreciated 19% to EUR 7.08 per tonne. Since the end of 2016, CO2 price is 8.1% up.

Czech electricity prices increased 4.7% mom last month and gas prices added 3.7% mom in September.

Coal was the only commodity, which fell last month - by 0.3% mom to US\$ 77.25 per tonne (up 10% ytd):

Commodity Price Development (ytd)



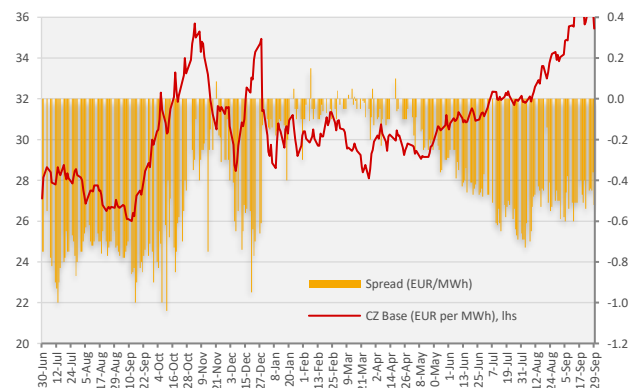
Source: Reuters, PXE

Electricity Prices & Spreads

The Cal18 baseload Czech future increased 4.7% in September and closed the month at EUR 35.45 per MWh at the PXE. That's following a 5.2% increase recorded during August and a 3.2% price increase seen in July.

Since German prices have risen 11.2% during the month (up to EUR 34.93 per MWh), the premium at which Czech prices trade to the German ones amounted to EUR 0.52 per MWh, or 1.47%:

Front Year Electricity Price & Spread to Germany



Source: Reuters, PXE

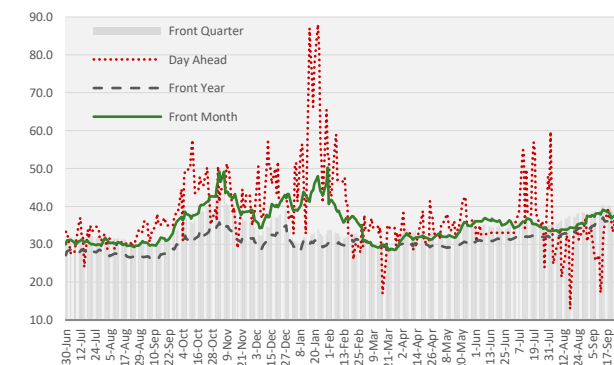
The spread (or premium to the German prices) was moving in a range of EUR 0.36-0.60 per MWh on the front year level during last month.

Altogether, Czech Front Year electricity baseload price has increased 12.7% ytd. When compared to the end of 2015, for example, the price is already some 34% up in EUR terms.

The short end of the price curve moved significantly up as well. The Front Month rose 3.7% mom while Front Quarter increased 4.5% mom in September. At the end of the month, the Front Year was trading with a 3.6-13.1% discount compared to the short maturities.

In absolute terms, the Front Month and Front Quarter traded some EUR 1.26 and 4.65 per MWh higher than the front-year future at the end of September.

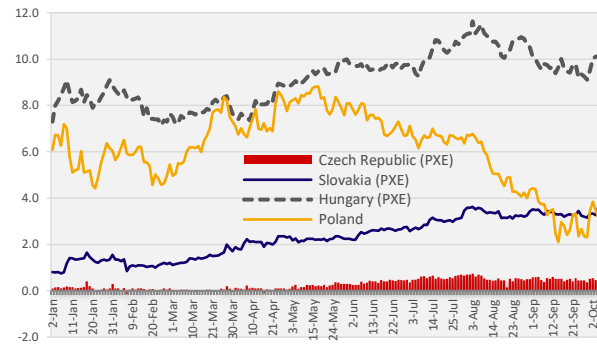
Czech Electricity Price Maturity Breakdown



Source: Reuters, PXE

The comparison within the Central European countries provides a traditional picture. Czech electricity trades with a small premium over the German prices while the rest of the CEE maintains a much bigger difference - Slovakia (with EUR 3.32 per MWh, or 9.5% premium), Poland (EUR 3.47 per MWh, or 9.9%) and Hungary (EUR 9.52 per MWh, or 27.3%):

Front Year Power Spread to Germany (EUR per MWh)

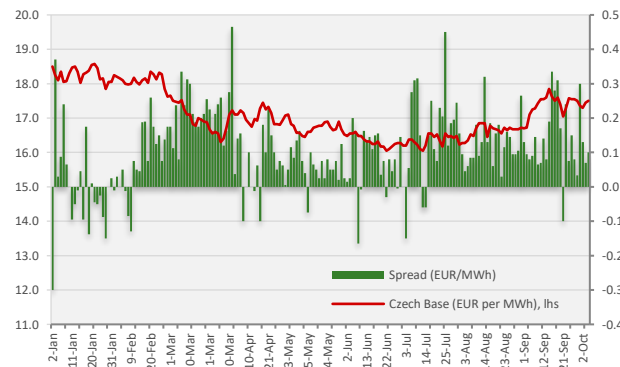


Source: Reuters, PXE

Natural Gas Prices & Spreads

The Czech natural prices added 3.7% and closed at EUR 17.350 per MWh on the Front Year at the end of September. That's following a 1.5% increase seen in August and a 1.7% increase already recorded in July this year:

Front Year Natural Gas Price & Spread to Germany



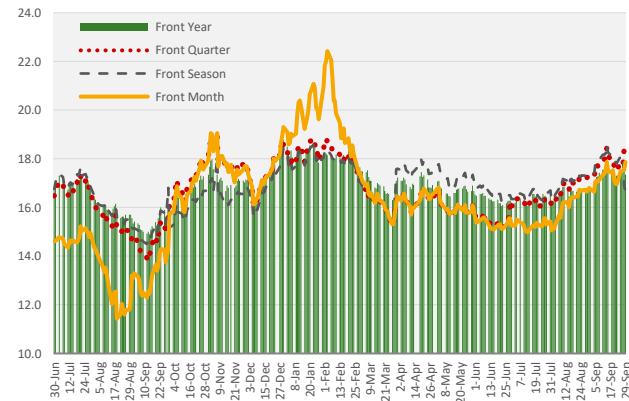
Source: Reuters, PXE

When compared to the end of 2016, the Czech natural gas prices are down 7.6% in EUR terms on the front-year level. When compared to the end of 2015, however, we are still some 7.9% up.

The average Front Month spread to German prices fell to EUR 0.088 from EUR 0.157 per MWh in August (and EUR 0.173 back in July). The spread has been moving in the range of EUR -0.192 - 0.274 per MWh during the month.

The Front Year traded with a 3.2-5.0% premium over the Front Month and Front Quarter futures at the end of September. On the other hand, the Front Season was EUR 0.70, or 4.2% above the year-ahead future at the end of the month:

Czech Natural Gas Price Maturity (EUR per MWh)



Source: Reuters, PXE

Trading Volume at PXE

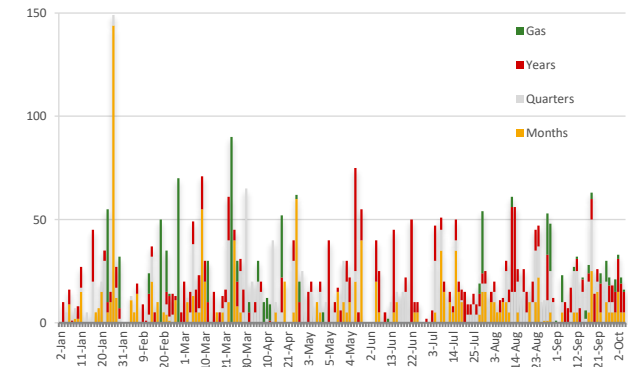
Trading activity was strong again last month. PXE traded 6,830 GWh in September (when gas spot trades are excluded). This is 208% up than the average seen in the previous 12 months.

Some 25.2% of the total trading volume has been made on the Czech power in September while Hungarian power contributed further 38.6% during the month. Some 1,338 GWh (19.6% of total trading made on the PXE) has been traded on Romanian power in September.

Trading with Slovak power generated about 12.2% of the total trading volume while amount of trading on Czech gas futures reached 303 GWh (4.4% of total trading made on the PXE).

Some 60 GWh has been traded on the gas spot market in September. This is almost 62.5% less than the usual level seen in the last 12 months:

Trading Volume (MW)



Source: Reuters, PXE

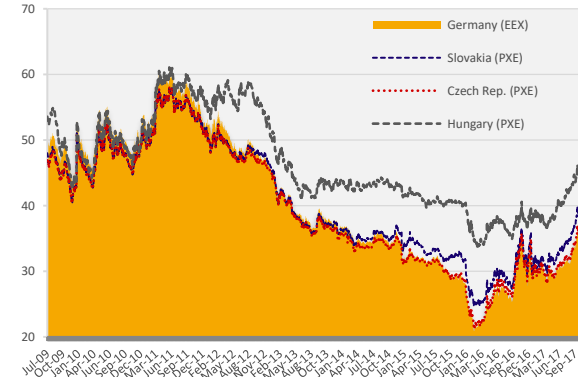
What to Watch in October

Date	Country	Event
27-Oct	SE	Vattenfall - 3Q 2017 results
7-Nov	CZ	ČEZ - 3Q 2017 results
8-Nov	DE	E.ON - 3Q 2017 results
8-Nov	DE	ENEL - 3Q 2017 results
8-Nov	UK	SSE - 2Q 2016 results
10-Nov	DE	EnBW - 3Q 2017 results
14-Nov	DE	RWE - 3Q 2017 results & presentation
24-Nov	AUT	4th Renewable Energy Coordination Group
27-Nov	SRB	9th Oil Forum

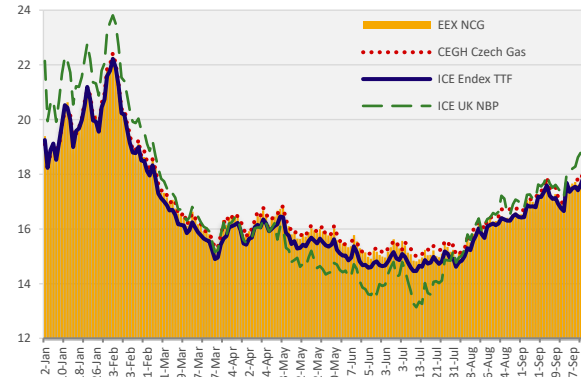
Source: PXE

Power & Gas in Pictures

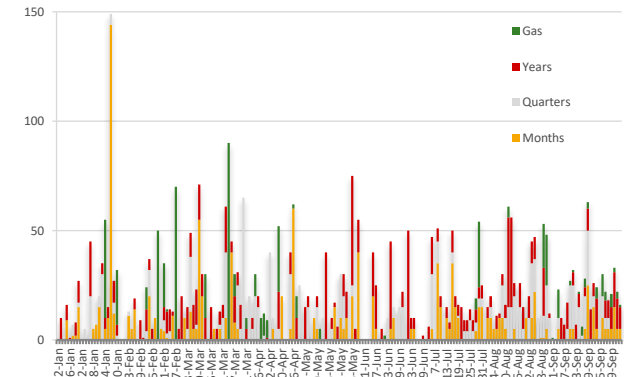
Front Year Electricity Prices (EUR/MWh)



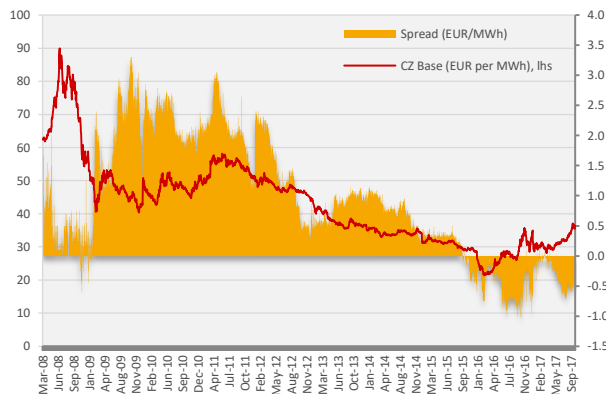
Natural Gas Price (Front Month), EUR/MWh



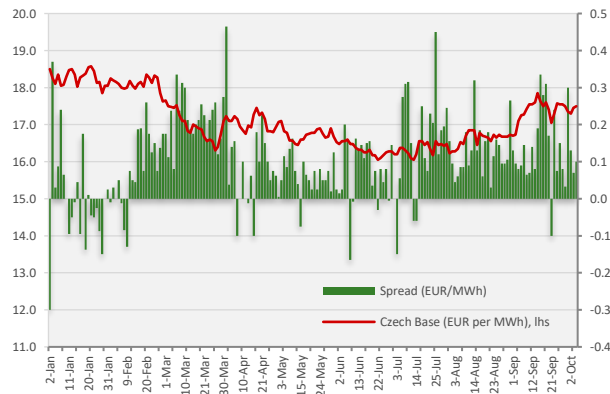
PXE's Trading Volume (MW)



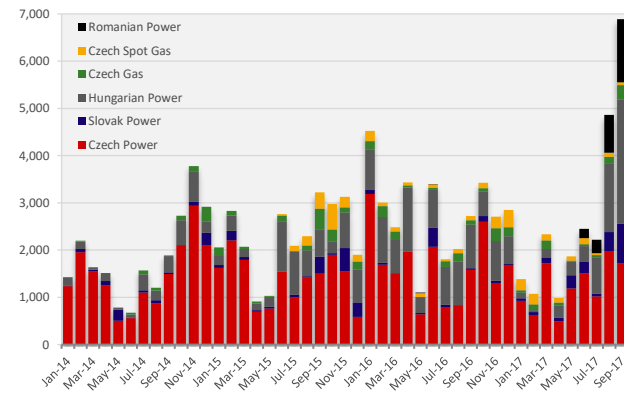
Front Year Electricity Price & Spread to Germany



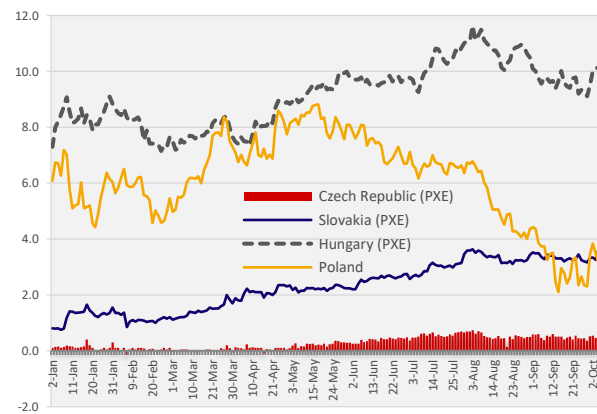
Front Year Natural Gas Price & Spread Germany



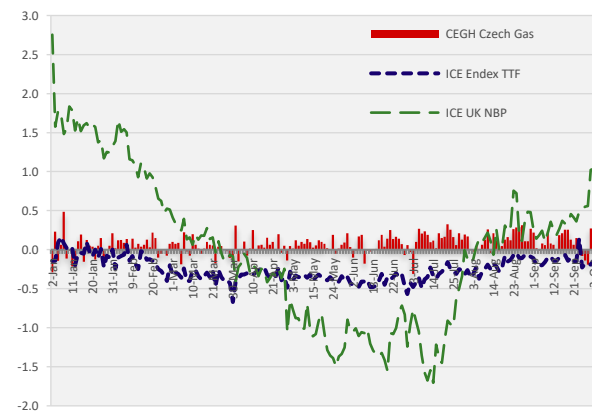
PXE's Monthly Trading Volume (GWh)



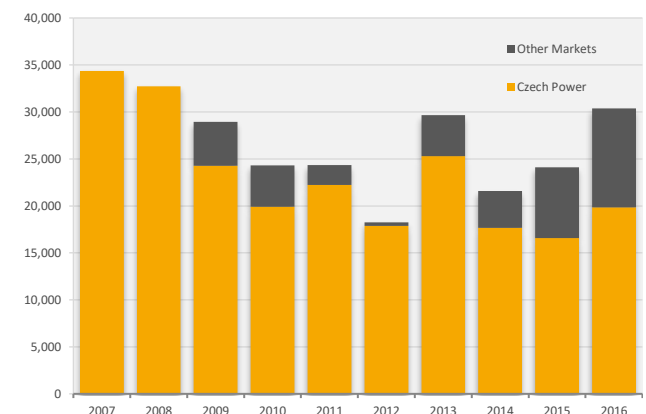
Electricity Spread Towards Germany (Front Year), EUR/MWh



Natural Gas Spreads Towards Germany (Front Month), EUR/MWh



PXE's Annual Trading Volume (GWh)



ABOUT POWER EXCHANGE CENTRAL EUROPE

POWER EXCHANGE CENTRAL EUROPE (PXE) was founded in July 2007 and facilitates the trading of electricity, with the place of delivery in the Czech Republic, Slovakia and Hungary, Poland and Romania. It is the largest market in futures contracts for electricity with physical and financial settlement in Central and Eastern Europe. PXE is a subsidiary of the Prague Stock Exchange, and is also part of the CEE Stock Exchange Group, which operates stock exchange platforms in Prague, Vienna, Budapest and Ljubljana. CEE Stock Exchange Group is the largest group of exchanges in Central and Eastern Europe.

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