

Electricity Prices Rally in SE Europe Amid Heat Wave: Stratega

By Gordana Filipovic

(Bloomberg) -- Day-ahead electricity prices in Balkans rise "significantly above" levels in Hungary amid heat wave, Aleksandar Katancevic, head of trading at Stratega East, says Wednesday by phone.

- Balkan next-day power for delivery Wednesday jumps 51% to EU84.08/MWh

- Prices in Serbia, Greece at least "10% higher" than in Hungary; govts in Balkans may opt against buying expensive electricity, favor power cuts

- NOTE: Aggregated temperature in central, eastern Europe seen at 30.5C for balance of Wednesday vs 10-yr avg 22.1C: WSI data on Bloomberg using GFS model

- Prices climbing amid "very dry period and low hydro levels hampering the cooling of thermal power generation and reducing availability"; no improvement expected because of "serious danger of outages due to high prices"

- Power prices for 2016 delivery seen rising at least 4.3% through mid-Sept. from EU41.46/MWh Tuesday "due to the overall bullish sentiment of the spot market combined with purchasing seasonality for industrial buyers"

- Hungarian prices used for reference because of transparent pricing system: Katancevic

- NOTE: Power Prices in Southeast Europe May Extend 1Q Decline: Stratega

- NOTE: Stratega East is based in Belgrade, has Serbian licenses to trade, supply natgas and electricity: co. website