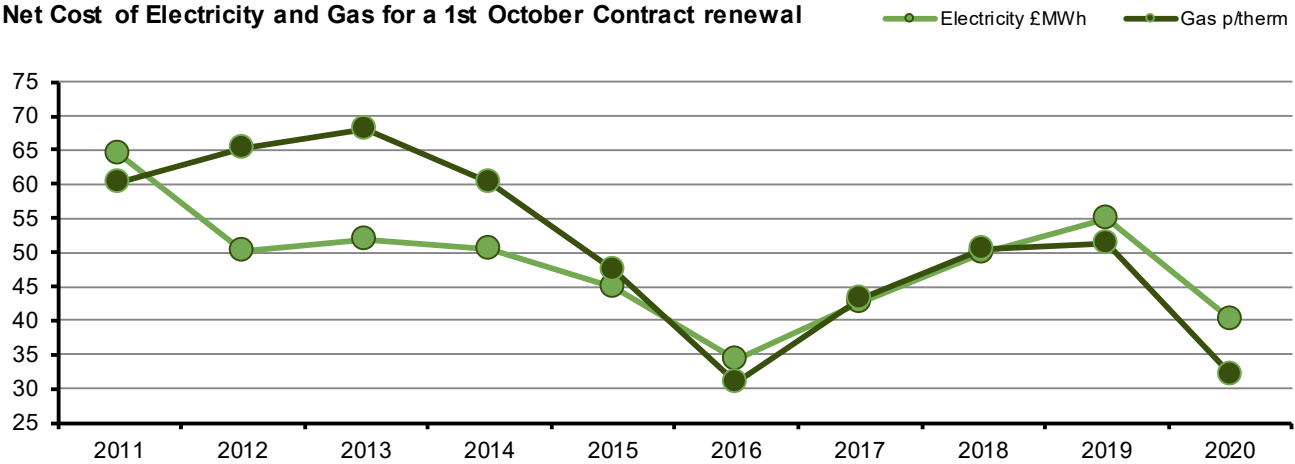


Report issued: 28th April 2021

Net Cost of Electricity and Gas for a 1st October Contract renewal



Electricity: base load cost - excludes distribution, taxation and supplier margin and costs

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
51.05	52.41	50.43	45.10	34.21	42.68	49.60	56.15	39.80	58.40

Gas: core gas cost - excludes distribution, taxation and supplier margin and costs

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
66.87	68.10	60.45	47.91	31.23	43.27	49.11	52.62	31.99	48.35

Week commencing 19th April 2021

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	\$66.68	54.10	£66.62	\$73.95	1.3
End	\$65.93	54.00	£67.43	\$72.25	0.9

UK gas prices ticked up over the first 4 trading days amid bullish weather fundamentals with low wind output and below seasonal normal temperatures for April requiring further storage withdrawals. Support also stemmed from Asia, as demand for LNG has increased with an expectation of a hot summer, whilst restocking demand is also high after storage levels were left depleted. Early week gains were erased on Friday however, with the potential of oversupply in Europe originating from Russia. Prompt power prices tracked gas last week, bolstered by bullish weather fundamentals. IFA 2 is experiencing continued maintenance and BritNed unplanned outage was extended, with it now expected to come back online by 19th May. Curve contracts increased amid strong gains in gas and carbon for the first half of the week, however a strong sell-off in gas on Friday did limit weekly movements.

Week commencing 5th April 2021

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	\$62.73	50.24	£62.61	\$70.25	-2.8
End	\$63.30	50.38	£63.40	\$66.60	-0.9

Gas prices began the week with strength after a long weekend, however this was eroded over the week as front month dropped. Volatility remaining high and intraday ranges of 1.50p/therm on three of the four trading days. Fundamentals looked relatively bullish with cooler temperatures and low wind although the system managed these bullish drivers relatively comfortably. Power traded up strongly on Tuesday, settling some £1.51/MWh above Friday's settlement, however over the week tracked losses in gas. Losses were somewhat less pronounced however, due to support from carbon.

Week commencing 12th April 2021

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	\$63.30	50.38	£63.40	\$66.60	-0.9
End	\$66.68	54.10	£66.62	\$73.95	1.3

Cold weather and low wind generation gave NBP gas contracts a boost last week. Strong LNG send-out and storage withdrawals were needed through the week to meet the elevated demand. Some outages impacting Norwegian production and curtailment on the Mallnow entry point for Russian gas flows also added to the bullish momentum. Curve contracts followed up with the prompt. Curve Power contracts followed up with NBP gas, as unseasonably cold weather is sparking concerns over supply tightness this summer amid lower pipeline flows and low storage levels.

Week commencing 29th March 2021

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	\$64.45	49.68	£60.53	\$75.10	-2.5
End	\$62.73	50.24	£62.61	\$70.25	-2.8

UK gas opened on a bearish note to start last week amid the reopening of the Suez canal whilst warm weather pressured demand. The market turned bullish after a colder weather forecast for the first half of April, combined with a series of Norwegian supply outages and increased concerns around market tightness this summer with storage at low levels. Strong LNG imports will need to continue to fill storage levels ready for next winter. UK power drew strength from both gas and carbon last week amid colder weather at the start of April and the potential for a tighter gas market this summer due to low storage levels. Low liquidity was seen at times however in the run up to the bank holiday weekend, with a lack of buyers contributing to spark spreads narrowing.