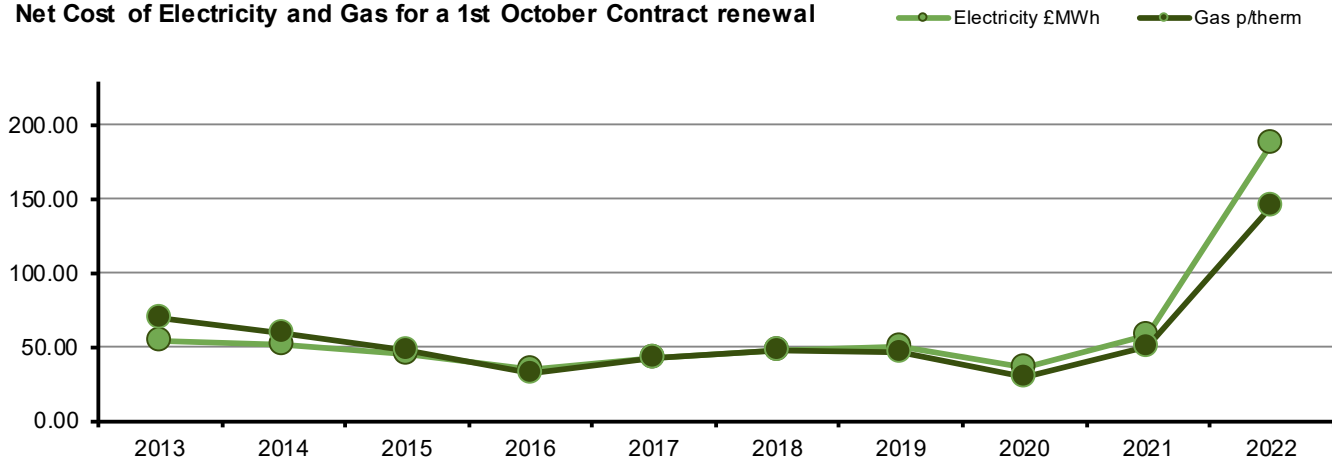


month on month marketview

Review of: April 2022

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



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

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
53.83	52.13	45.48	34.63	42.48	48.13	49.90	36.33	57.70	188.13

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

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
69.56	59.75	48.05	31.73	43.08	47.28	46.15	30.17	50.08	145.72

▲ : Indicates that there was an upward pressure on prices.

▼ : Indicates that there was a downward pressure on prices.

April in summary

Energy prices throughout April were very volatile before generally settling lower towards the end of the month due to warmer temperatures and strong LNG flows.

Market Volatility

Throughout April, we saw high levels of volatility and low liquidity with the driver behind this being the continued uncertainty of the Russian gas pipeline into the EU along with the lockdown of Major cities in China due to COVID.

Weather

The weather during the early part of April was rather unsettled, especially the first 5 or 6 days. It became warmer than average during the middle part of the month, with high pressure in charge for much of the rest of the month. Although it became rather cool towards the end of the month and slightly frosty on nights.

Gas, Storage and LNG News ▼

The first week of April saw weakness at the front of the curve for gas and power markets with strength at the backend. With the uncovering of supposed Russian war crimes that some were struggling to see how sanctions could not be extended to Russian energy products, especially gas. However, traders seem to have discounted the likelihood of an interrupted flow, at least in the short term.

Moving to mid-April, near month contracts once again dropped due to warmer temperatures and a strong LNG flow as we move further into the summer months and injection season gets underway. Although front month contracts dropped, further dated contracts generally ticked higher, finding support from further sanctions being proposed or levied against Russia.

The end of the month saw high volatility over the market before generally settling lower over the summer months. Extended lockdowns in major Chinese cities have helped reduce demand from Asia, leading to Britain experiencing a glut of LNG imports. Commodity markets continued to be driven by headlines amid low liquidity.

Politics and Global Economics ▲

Throughout April saw Europe divided over how to step away from Russian energy. Towards the end of April saw Russia cut off the gas supply to both Bulgaria and Poland after they failed to meet the deadline Russia set to pay them in Roubles. The Russian invasion of Ukraine continued throughout April causing high volatility in the energy market, mainly coming from the sanctions that the UK have put on Russia. Nord Stream 2 still looks like it will be cancelled and the project will not be finished to bring gas into Europe through the new pipeline.

Oil

As with wider commodities, oil prices were very volatile throughout April but price relatively the same at the end of the month as it was at the start. IEA members confirmed the release of 120 million barrels in the next 6 months. Towards the end of the month saw the price was pulled in both directions as a decrease in Russian Oil battled the lockdowns in China.

Coal ▲

Coal prices surged once again through April after falling off at the back end of March. Front month Coal started at \$264/t and ended April at \$320.50/t.

Carbon ▲

Carbon saw gains early on in April before flattening out in mid-April and shedding some of the early gains later on in the month. EUA Dec 22 started at €76.48/tonne before ending at €82.68/tonne at the end of April. UK Dec 22 followed pretty much the same trend ending off at £81.15/tonne towards the end of the month.

Looking Ahead

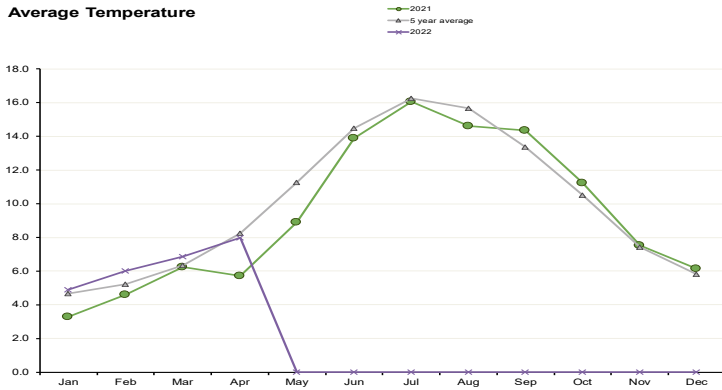
Gas storage seems to be rising at a good rate, which could help the markets drop a little further as we move further into summer along with large LNG arrivals due to China's lockdown. Wind generation does not look like it will pick up to seasonal norms in the near future, which will increase the demand for gas generation. Taking the above into consideration, the market will most likely continue to be volatile with traders being wary of big spikes. The next Russian gas payment date comes on 20th May 22. Towards the end of May, we will either be seeing EU countries paying for the gas in Roubles as requested by Russia and thus making the current sanctions less credible, or not paying at all and this could lead to Russia cutting them off from their gas supply.

Disclaimer: The above information is based on current market data available at the time of producing this document and is subject to change. ECA cannot be held responsible for movement in the commodity market.

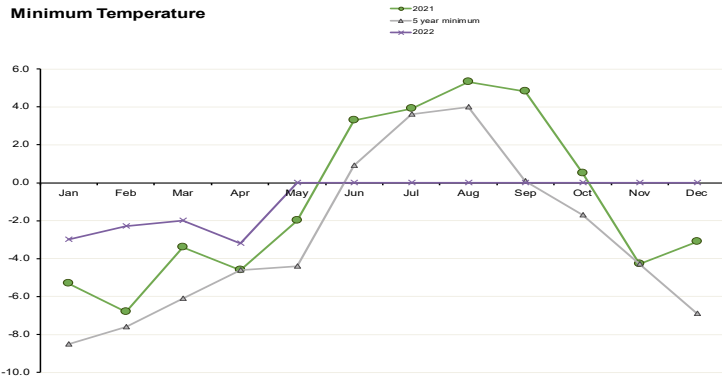
month on month marketview

Review of: April 2022

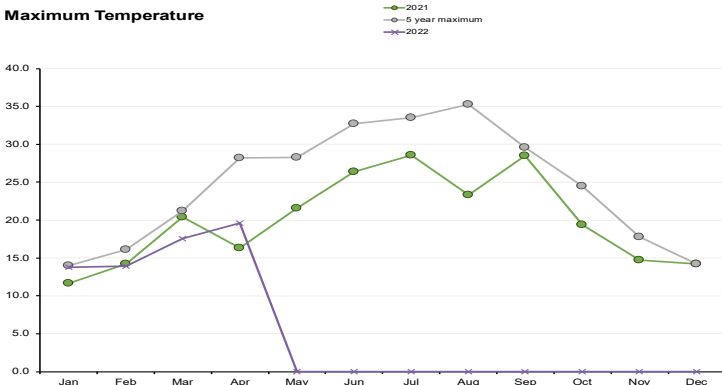
Average Temperature



Minimum Temperature



Maximum Temperature



Met Office UK summary

The weather during the early part of April was rather unsettled, especially during the 3rd-6th. The first ten days were also rather cold, although it became warmer than average through the middle part of the month. Towards mid-month it became more settled generally, with high pressure in charge for much of the rest of the month, though much of the final week was rather cooler. Clear skies ensured that sunshine totals were above average in many areas, but there were more air frosts than average.

Average temp: 2021/22: Summary

2021/2022 Summary v 5 Year Average

(* Positive numbers = warmer, negative = colder than 5 year average)

2021/2022	Mar	Apr	Year total
°C	0.5	-0.2	0.3
%	8.00%	-3.0%	0.1%

2021 v 2022 Summary

(* Positive numbers = warmer, negative = colder than 2021)

2021/2022	Mar	Apr	Year total
°C	0.6	2.3	1.5
%	9.8%	39.3%	0.3%

Min temp: 2021: Summary

2021/2022 Summary v 5 Year Average

(* Positive numbers = warmer, negative = colder than 5 year average)

2021/2022	Mar	Apr	Year total
°C	4.1	1.4	4.1
%	-67.2%	-30.4%	-58.0%

2021 v 2022 Summary

(* Positive numbers = warmer, negative = colder than 2021)

2021/2022	Mar	Apr	Year total
°C	1.4	1.4	2.4
%	-41.2%	-30.4%	-45.3%

Max temp: 2021: Summary

2021/2022 Summary v 5 Year Average

(* Positive numbers = warmer, negative = colder than 5 year average)

2021/2022	Mar	Apr	Year total
°C	-3.6	-8.6	-3.7
%	-17.0%	-30.5%	-15.6%

2021 v 2022 Summary

(* Positive numbers = warmer, negative = colder than 2021)

2021/2022	Mar	Apr	Year total
°C	-2.8	3.3	0.6
%	-13.7%	20.2%	5.6%

Utility Impact Summary

When you switch your heating on make sure:

-It is on a timer, don't leave it running when there is no-one in the building

-On a temperature set point, usually around 22 degrees is enough, heating to a higher temperature does not make it warm up faster, it will only use more energy try to reach an unachievable temperature.

As the evenings begin to grow darker, adjust any automatic lighting timers to ensure lights are not switching on needlessly.