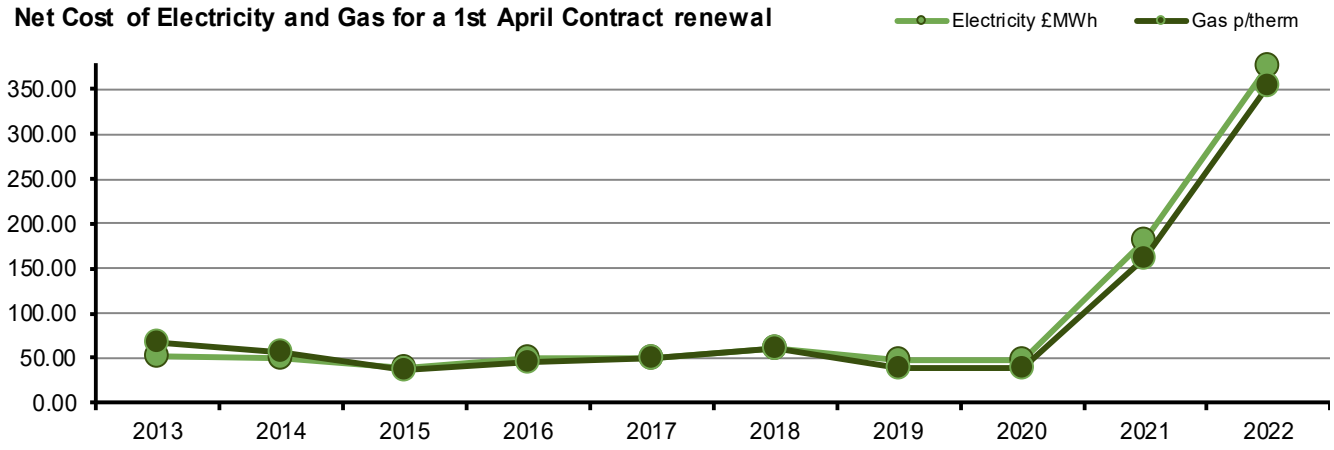
month on month

marketview

Review of: November 2022

eca business energy
buy better, use less



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

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
52.33	49.44	38.84	50.89	48.74	60.12	46.96	48.45	180.45	375.70

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

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
67.40	55.61	37.31	45.38	49.37	60.47	39.74	38.14	162.02	354.68

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

November in summary

Energy prices through November were less volatile than previous months but still not on a stable footing yet. In general, we saw increases from start to end of the month, with an increase of £16/mw up on Summer 23 electricity and 31p/therm up on Summer 23 gas. We did see prices come off during the middle of the month, but cold forecast for December was the leading factor for price increases.

Market Volatility

Throughout November, we saw a slightly less volatile month with more liquidity than most months this year. November was another month where Nord Stream 1 was shut down, getting more and more likely to never return. At the end of the month, we saw gas storage levels near full capacity across Europe. But there are fears that it will not be enough to get the Continent through forecasted very cold winter.

Weather

Most of November was warmer than average, with fewer frosts than average, though it became colder at times towards the end. The month was predominantly unsettled in most regions, with no dry spells longer than three or four days. Sunshine was broadly close to average across the country, albeit with regional variations.

Gas, Storage and LNG News ▲

November prices opened lower across the board than they finished in October, markets slightly falling off carries on throughout the start of November. This comes from higher than expected temperatures leading to lower gas for power demand and lower consumption in general. Europe gas storage continued to be strong and well into the mid to high 90% in most cases, this led to a potential start of demand destruction. Although it wouldn't last long before the market began to rise once again.

Moving to mid-November, we saw prices start to rise across the board. Mainly coming from slightly lower temperatures against the start of the month and the rise of gas for power demand along with low wind-speeds. A stable income of LNG tried to keep prices low during a time where main headlines were fears of blackouts towards the end of the year.

Towards the end of the month, we saw markets rally and we saw prices not seen since mid-October. Main reason for this was the weather forecast for December, hitting below seasonal normals regular and gas demand rising significantly. Summer-23 gas ending the month at 351.69p/therm, up 50p/therm from start of the month.

Politics and Global Economics ▲

November saw countries looking at long term energy plans like LNG and nuclear. This came from Europe trying to edge closer and closer to living without Russian gas imports. Political tension remained high between Europe and Russia as the war looked like it was going to end before more missile strikes, with one missile hitting Poland. Although no action were taken on the back of this. Potential blackouts talks continued in the UK, although most distributors and supplies stating it will be highly unlikely to happen.

Oil ▲

November started as October ended, stable and not moving away from the $96/barrel mark until the back end of the month where we saw large drops down to $82.1/barrel before settling at $85/barrel and the end of November. Constant talks of price capping Russian Oil at $65 was the main headline throughout the month, this resulting in the stable pricing we saw for the majority of the month.

Coal ▲

To start November we saw a large increase from 214.5$/MT to finish October to 224.5$/MT. Throughout the month we saw large volatility in pricing, going as low as 174$/MT on the 9th November and a high of 275$/MT to finish the month.

Carbon ▲

Throughout most of November, we saw drops day on day from the £76.9/Tonne at the start of the month to the lows of £72.14/Tonne on 21st November. Although the drops were quickly wiped out with an increase to £84.83/Tonne by the end of the month. Another month where we saw losses throughout the month but ending on higher than the month started.

Looking Ahead

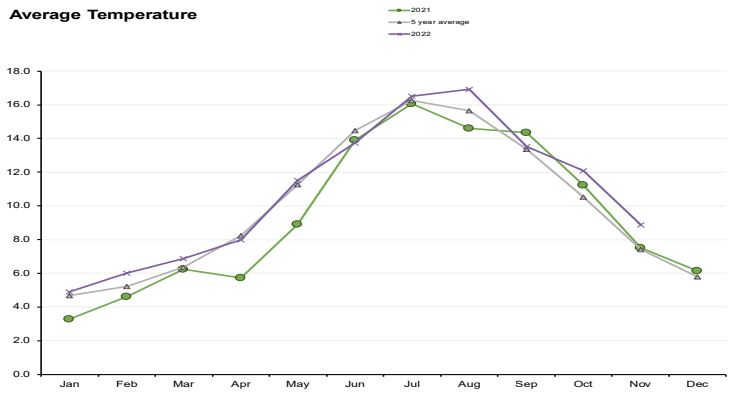
Looking forwards, there is likely to be high volatility going into the end of the year. Main movements will come down to temperatures across the UK and Europe, if we see below seasonal normals then we could markets rise once again to near the £400/mw mark. However if we see temperatures around or above seasonal normals, there is the possibility of steady losses throughout December and into 2023. Winter blackouts is still the big talker in energy, although many experts are stating blackouts will happen, just as many experts are saying there is no need for them due to the gas storages of UK and Europe.

month on month

marketview

Review of: November 2022

eca business energy
buy better, use less



Average temp: 2021/22: Summary

2021/2022 Summary v 5 Year Average

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

2021/2022	October	November	Year total
°C	1.6	1.5	0.5
%	15.1%	19.8%	0.1%

2021 v 2022 Summary

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

2021/2022	October	November	Year total
°C	0.9	1.4	1.1
%	7.8%	18.3%	0.2%

Min temp: 2021: Summary

2021/2022 Summary v 5 Year Average

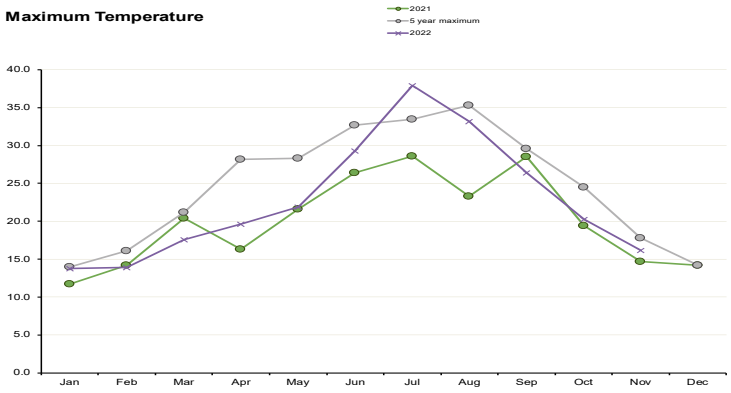
(* Positive numbers = warmer, negative = colder than 5 year average)

2021/2022	October	November	Year total
°C	4.5	3.8	3.5
%	-264.7%	-88.4%	220.6%

2021 v 2022 Summary

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

2021/2022	October	November	Year total
°C	2.3	3.8	1.6
%	460%	-88.4%	-5.5%



Max temp: 2021: Summary

2021/2022 Summary v 5 Year Average

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

2021/2022	October	November	Year total
°C	-4.2	-1.6	-2.8
%	-17.1%	-9.0%	-11.4%

2021 v 2022 Summary

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

2021/2022	October	November	Year total
°C	0.9	1.5	2.3
%	4.6%	10.2%	10.7%

Met Office UK summary

Most of November was warmer than average, with fewer frosts than average, though it became colder at times towards the end. The month was predominantly unsettled in most regions, with no dry spells longer than three or four days. Sunshine was broadly close to average across the country, albeit with regional variations.

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 are now lighter, make sure to adjust any automatic lighting timers to ensure lights are not switching on needlessly.

T 01246 290 490 E Sales@ecaBusinessEnergy.com