

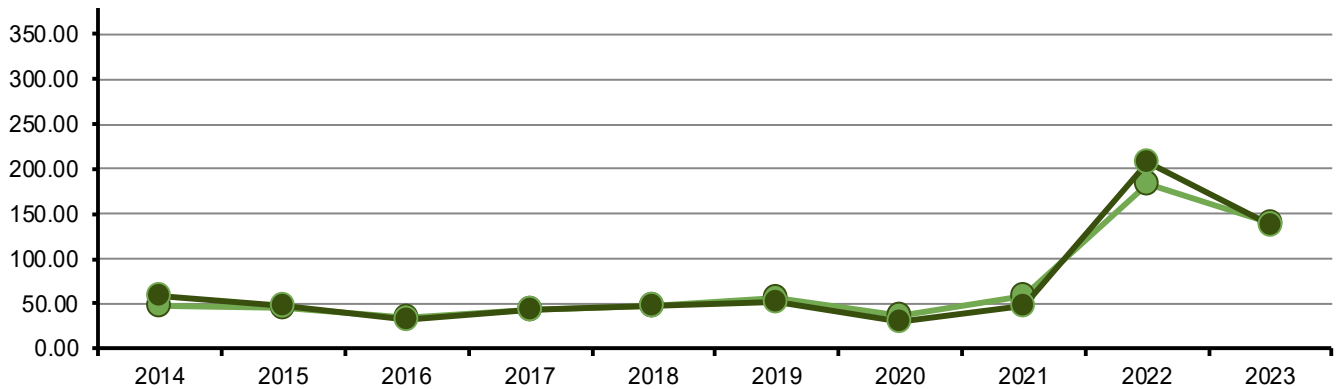
# week on week

## marketview

Report issued: 12th April 2023

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

Electricity £MWh Gas p/therm



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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
48.47	45.64	34.39	42.75	47.55	55.33	37.33	57.73	184.20	140.23

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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
57.63	48.36	31.41	43.16	46.71	52.03	30.84	48.25	207.38	138.06

### Week commencing 3<sup>rd</sup> March 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$79.54	135.61	£140.30	\$149.00
End	\$84.82	126.85	£136.78	\$133.50

Last week was a bullish one for markets generally with volatility coming from revised weather forecasts and the ongoing French strikes on multiple LNG terminals. Total consumption in NWE was notably higher last week. Heating demand accounted for the bulk of the increase with German LDZ showing the strongest increase, while slower wind-speeds lifted gas for power demand. LNG send out was slightly higher mainly due to increased send out from Belgium and Germany, French send out from Montoir and FOS remain at zero after strike action was extended once while Dunkerque continues to send out an average 450GWh/d. Supply from Norway remains robust in the absence of any major maintenance and unplanned outages but flat week on week. The winter season ended with Northwest European storages at around 295TWh, or 55% full, versus 22% observed at the same juncture last year.

### Week commencing 27<sup>th</sup> March 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$75.22	118.09	£129.31	\$134.50
End	\$79.54	135.61	£140.30	\$149.00

The week started stable despite the arrival of cooler weather across the UK and Europe, as forecasts emerged of colder temperatures in Europe for April. Gas prices firmed and continued on this theme for the remainder of the week. Power prices followed Gas. Also contributing to these increases was the news of the Strikes at three French LNG terminals restricting send out resulting in an increase in exports from the UK to Europe. Further extensions to French nuclear reactors and other power capacity curtailment due to industrial action across the country pressured Power prices. Europe's storage is currently 56% full, forecasts suggest that this could reach 95% by the end of the Summer.

### Week commencing 20<sup>th</sup> March 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$73.00	119.79	£130.23	\$131.50
End	\$75.22	118.09	£129.31	\$134.50

Spot contracts across most European natural gas hubs and the NBP rose over the previous week with a cold spell forecasted for the end of March resulting in prices buoying. Robust storage levels for this time in the year, and some countries showing net injections could be attributed to why futures prices continued to move lower across the curve. Ofgem, the UK energy regulator approved the new interconnection agreement relating to the BBL on 24 March, which will see increased export capacity to the Netherlands draw nearer. UK baseload prices on the prompt rose, with prices for the rest of the curve seeing bearish sentiment tracking losses of gas

### Week commencing 13<sup>th</sup> March 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$81.86	147.03	£152.38	\$135.00
End	\$73.00	119.79	£130.23	\$131.50

EDF have stated that there will be extensions to the industrial action which is taking place over Macron's pension reform plans in France by another week, to March 23. The current strike action has delayed further reactor returns from various nuclear reactors across the fleet, and has led to an average output of around 35 GW, which is below the expected output for March. The current strikes have been estimated to have affected more than 20 GW of various energy generation facilities, across the period of demonstrations which began at the start of this month. Via the IUK interconnector, Belgium are receiving maximum quantities of imports from the UK, with high downstream flows from Belgium toward France in the wake of reduced current capacity. LNG is also being diverted from French terminals to others such as UK and Germany at this time. Despite all of this, prices across the NBP and European hubs dropped by the close of the week. Power followed the same sentiment, with other commodities all falling.

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.