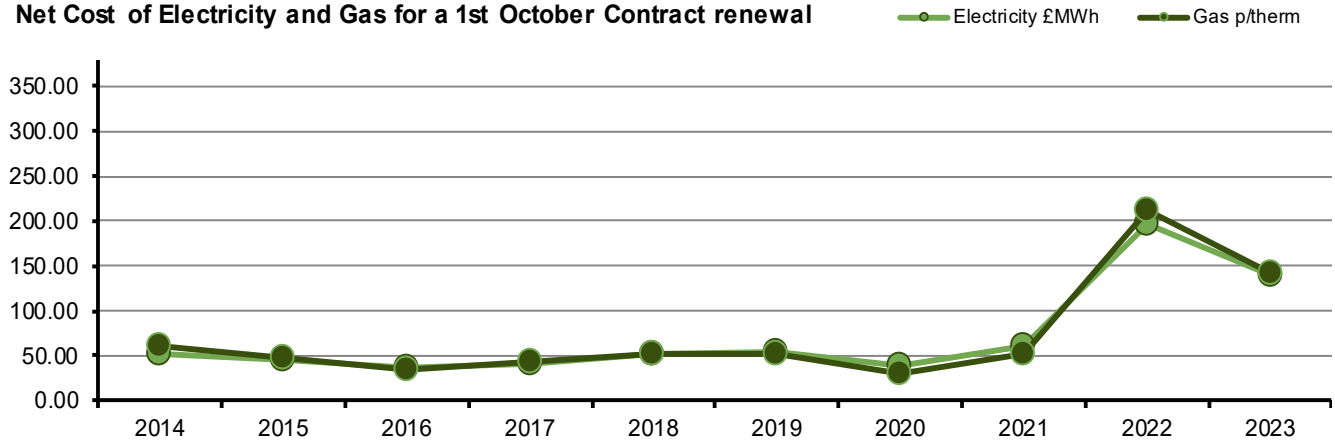


week on week

marketview

Report issued: 3rd May 2023

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



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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
51.14	44.61	36.85	42.05	51.30	55.25	38.93	61.40	196.60	139.00

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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
61.33	47.00	34.67	42.55	51.74	51.18	29.98	51.29	211.90	142.38

Week commencing 24th April 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$81.46	125.21	£136.57	\$143.50
End	\$79.47	121.14	£135.27	\$145.25

The UK system remained comfortable throughout the week despite the higher demand during the lower temperatures, however the anticipation of higher temperatures from the 29th helped stabilise the Market. The UK continued to expect good levels of LNG Cargos berthing at UK shores with an estimated ten shipments expected over the following three weeks, as well as 31 further cargos expected in North West Europe. There was ongoing maintenance at multiple gas facilities in Norway however during the course of the week imports were stronger. An overall Bearish week.

Week commencing 17th April 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$85.93	127.32	£142.06	\$127.50
End	\$81.46	125.21	£136.57	\$143.50

The UK Gas system was consistently oversupplied for the week despite the numerous planned and unplanned maintenance effecting Norwegian flows. Temperatures across the UK saw below seasonal Norms forecast up to 25th and thereafter a rise in temperatures for a week or so, wind speeds were also strong reducing the need for gas for power generation. There is an abundance of LNG received and en route to the UK shores with similar levels to inbound to NWE. EU and UK storage levels are healthy, currently 57% and 60% full, respectively.

Week commencing 10th April 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$84.82	126.85	£136.78	\$133.50
End	\$85.93	127.32	£142.06	\$127.50

The markets opened stable following the Bank Holiday with settled fundamentals followed by some volatility, likely on the back of lower liquidity after the Bank Holiday. Weather forecasts suggested above seasonal norms across Europe with increased wind speeds in the UK causing increase in generation and reduction in gas for power. Markets largely ignored the reduced flows from Norway as maintenance season gets underway. EU storages are strong at 56% full and UK storage has increased to 65% - both currently above the 5 year average. This week saw two of the four French LNG terminals begin operations following strike action and the French Nuclear availability was increased, although one to monitor in the coming weeks.

Week commencing 3rd April 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.

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.