

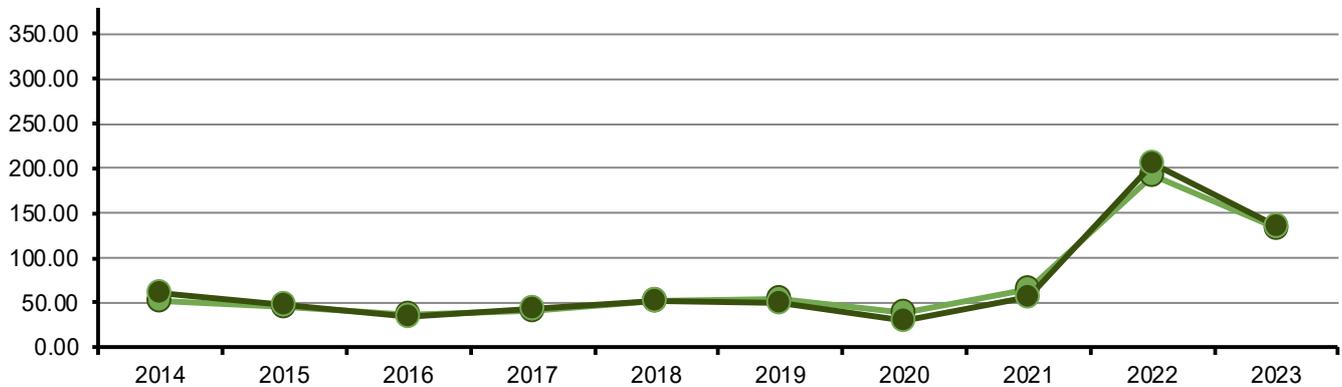
# week on week

## marketview

Report issued: 10th May 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
51.04	44.49	36.90	42.08	51.70	53.20	38.00	66.08	192.75	133.4

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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
60.65	46.64	33.73	42.37	52.45	49.65	29.72	57.28	205.97	135.69

### Week commencing 1<sup>st</sup> May 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$79.47	121.14	£135.27	\$145.25
<b>End</b>	\$75.39	120.43	£129.97	\$125.00

Heavy yearly maintenance continues across Norwegian infrastructure resulting in low total exit nominations to the continent, with the capacity set to decrease as we move through May. The receipt of LNG cargoes expected into UK shores and North West Europe remains strong, aiding a healthy supply picture and storage levels start to improve across Europe with the US supplying about half of Europe's current demand. Temperatures in the UK are expected to be higher above SNT to see out this week and next, before falling slightly below norms in week. Trading is at the lowest level since July 2021 even after four consecutive weeks of decline.

### Week commencing 24<sup>th</sup> April 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$81.46	125.21	£136.57	\$143.50
<b>End</b>	\$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 cargoes 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 17<sup>th</sup> April 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$85.93	127.32	£142.06	\$127.50
<b>End</b>	\$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 affecting 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 10<sup>th</sup> April 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$84.82	126.85	£136.78	\$133.50
<b>End</b>	\$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.

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.