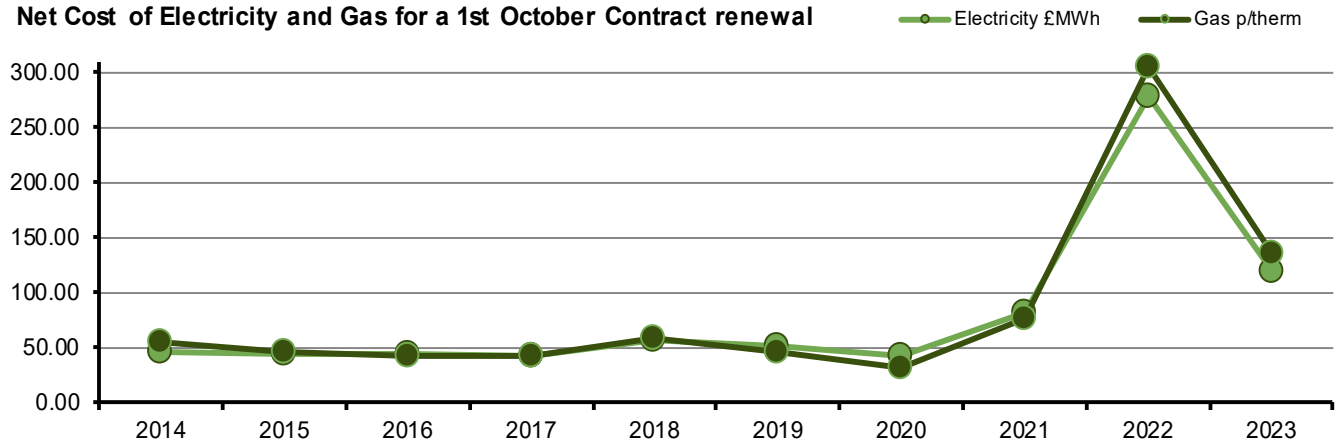


week on week

marketview

Report issued: 12th July 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
46.74	44.11	43.42	42.95	56.35	50.95	43.10	81.18	279.10	119.6

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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
54.28	45.81	42.10	41.98	58.13	46.13	32.14	75.65	306.02	134.55

Week commencing 3rd July 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$74.87	127.50	£119.69	\$125.00
End	\$77.47	126.46	£115.68	\$118.75

The week opened with stronger prices as a heat wave was expected to hit parts of the EU, increasing cooling demand and putting further strain on supplies at a time when Norway is still experiencing outages and is not working at full capacity. Prices remained supported by strong global LNG demand as a result of the extremely warm weather in Asia. Markets then improved on Storage levels in the UK and the EU remaining strong, with both presently above 5-year averages.

Week commencing 26th June 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$73.50	118.25	£116.14	\$118.50
End	\$74.87	127.50	£119.69	\$125.00

The week started trading slightly higher on an undersupplied system and the news of political and military instability in Russia raising fears of supply disruption. Markets then dropped on weather forecasts and expectations to be cooler compared to previous week which will ease cooling demand around Europe. EU and UK gas storage remain at healthy levels. The week ended with prices elevated on upward pressure from news of outages being prolonged.

Week commencing 19th June 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$75.97	115.98	£118.53	\$117.75
End	\$73.50	118.25	£116.14	\$118.50

Gas & Power opened the week trading lower to the previous weeks close, temperatures in Europe were predicated to be above normal for the remainder of the month and maintenance disruptions did not interrupt Norwegian flows to the UK. Mid week saw extended outages in Norway announced which cast uncertainty of supply levels causing markets to firm. By the week close the oversupplied Gas system, increasing wind output and a weakening in Asian LNG pricing saw prices retreat once more.

Week commencing 12th June 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$76.27	110.46	£110.31	\$116.75
End	\$75.97	115.98	£118.53	\$117.75

A week of volatility as markets try to assess whether current supply disruption caused by gas and LNG plant outages would be offset by high inventory levels and hot weather. Mid week saw a spike of more than 15% on the news of gas plant maintenance work being extended until July only to be clawed back the next day. Contracts continued to see gains supported by below seasonal wind output and lower LNG cargoes to the UK. Friday saw some correction however week on week gains could be seen on both Gas & Power.

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.