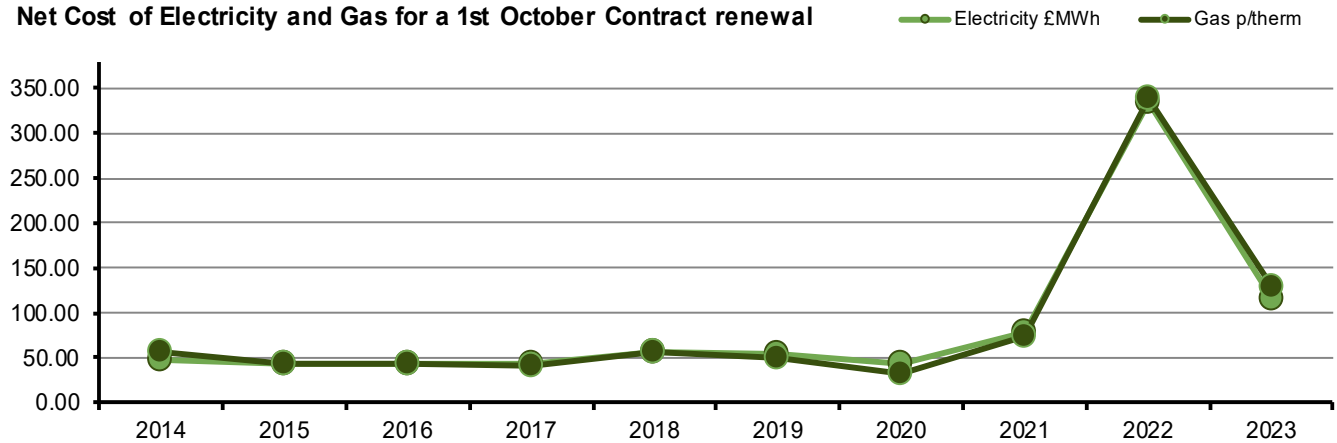


Report issued: 26th July 2023

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
48.24	43.36	43.93	42.78	56.33	53.98	43.08	78.23	334.80	115.95

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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
56.46	44.29	43.52	42.12	57.20	50.18	32.44	73.11	339.10	128.92

Week commencing 17th July 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$80.30	109.44	£104.32	\$95.75
End	\$80.48	119.15	£110.60	\$110.50

The week started positive with news of improved Norwegian flows recovering from some of the previous weeks increases. Mid week saw bullish moves with an unplanned outage and concerns over the EDF announcements of potential lower Nuclear power output due to warmer river temperature. Contracts ended with further gain momentum, buoyed by predictions of UK gas demand rising above seasonal norms. Contracts were also raised to try and attract LNG cargo, with no deliveries currently anticipated in the UK before the end of the month.

Week commencing 10th July 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$77.47	126.46	£115.68	\$118.75
End	\$80.30	109.44	£104.32	\$95.75

Markets opened the week steady as Norwegian flows improved as some maintenance outages neared completion. As reports announced further returns of Norwegian fields, markets dropped to their lowest levels in a month, European storage has neared 80% already combined with the high outputs from renewable sources. Friday saw an uptick in prices driven primarily by the extreme high temperatures in Europe causing an increase cooling demand.

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.

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.