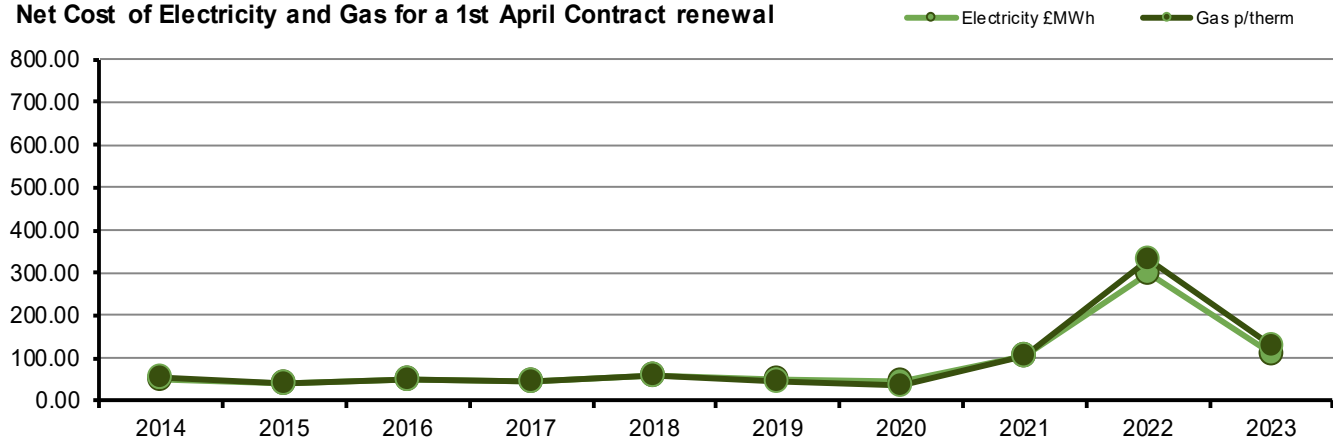


Report issued: 8th November 2023

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



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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
50.15	40.53	48.05	45.78	57.83	49.45	45.08	104.48	300.30	110.13

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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
54.53	38.38	47.33	46.17	60.36	44.33	36.88	104.05	330.46	129.52

Week commencing 30th October 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$88.34	139.20	£115.25	\$140.50
End	\$85.76	127.11	£107.77	\$124.75

An overall bearish week with low demand as temperatures in the UK sat above the seasonal norms. Wind out turns were higher than normal levels and expected to continue for several weeks. The UK was also due to receive 9 LNG cargoes over the following 12 days continuing the healthy supply. The week did end on a bullish note as the US declared sanctions against Project Arctic, an LNG facility, reigniting political tensions between the US and Russia

Week commencing 23rd October 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$93.28	143.62	£122.22	\$148.00
End	\$88.34	139.20	£115.25	\$140.50

A bearish week with weather forecasts in the UK again being revised with a warmer end to October and expecting to breach seasonal norms for a few days, windspeeds were also set to climb to be above normal levels. Maintenance on Norwegian assets is for the most part over although a number of sites still experienced ongoing maintenance but set to end by early November where there are expectations of exit flows at the strongest they have been in months. Some risk in pricing remained as a result of the Israel-Hamas war.

Week commencing 16th October 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$89.62	145.33	£127.13	\$145.50
End	\$93.28	143.62	£122.22	\$148.00

The week saw losses throughout as the geopolitical waves calmed and temperature forecasts gradually became warmer. The nervousness in the market from the previous week over the sabotage in the Baltic Sea also subsided. The threat of Australian strikes still loomed which could see markets swing either way pending progress. The drop in UK temperatures did tighten demand however several storages were reporting to have reached or to even work above technical capacity.

Week commencing 9th October 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$84.09	112.61	£101.48	\$122.85
End	\$89.62	145.33	£127.13	\$145.50

The week opened bullish with strong IUK exports and high levels of injections into storage. The upward pressure continued with the strike uncertainty in Australia, the unrest in the Middle East as well as the slightly colder than average spell of weather that was forecast to arrive the following week. Additional pressure came from the Balti connection pipeline leak which was under investigated as a possible sabotage. The upward trend persisted to close the week at nearly 40% higher than previous.

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.