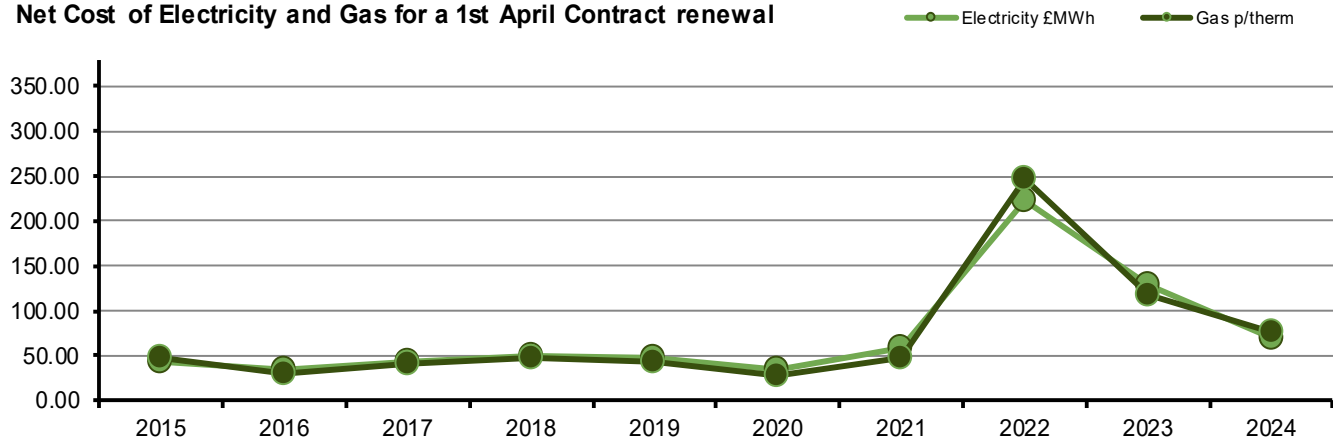


Report issued: 3rd April 2024

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



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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
44.33	34.90	42.62	49.38	48.08	35.00	58.88	223.42	129.31	70.6

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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
47.38	30.53	42.11	48.54	43.72	28.12	47.36	247.88	118.09	75.44

Week commencing 25th March 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$85.60	75.44	£70.60	\$115.50
End	\$87.33	75.74	£69.11	\$124.50

The week began with an oversupplied system and strong flows from Norway. This trend continued throughout the week with the healthy levels of supply remaining and the latest forecasts suggesting temperatures are set to increase, further reducing demand. Wind generation is expected to outturn above average, further adding to the bearish sentiment. European storage levels continue to remain high with the winter season set to end.

Week commencing 18th March 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$82.39	73.50	£66.98	\$112.35
End	\$85.60	75.44	£70.60	\$115.50

The week opened strong off the back of restricted supplies due to ongoing maintenance, UK continental shelf flows were being curtailed due to outages at St. Fergus Shell. Mid week saw prices drop slightly ending a five day rally after a 15% rise in that time, temperatures in the UK were forecast above seasonal norms with wind generation set to be above average also. European storage levels continued to be high.

Week commencing 11th March 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$82.39	73.50	£66.98	\$112.35
End	\$85.26	74.04	£69.28	\$114.00

Following the previous weeks gains, the week opened with 3 days of consecutive losses on higher temperature forecasts and elevated expected wind generation, however mid week saw bullish sentiment despite little change in the fundamentals. Some traders cited the upward movement was due to the drone attacks on a Russian refinery. The bullish sentiment extended to Brent crude oil, as a drop in US stockpiles and higher demand projections from the International Energy Agency pushed prices up

Week commencing 4th March 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$83.80	71.71	£66.90	\$108.00
End	\$82.39	73.50	£66.98	\$112.35

Although fundamentals remained largely unchanged the reforecast in temperatures and unplanned outages caused some volatility and steady increases were seen. The decline in wind forecasts led to the expectations of increased gas demand, however this was dampened due to the rising forecasts. The bullishness did subside mid week with a drop in demand and a sudden surge in wind output. Market fundamentals remain in a good position with Pan European storage at 61.9% full.

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.