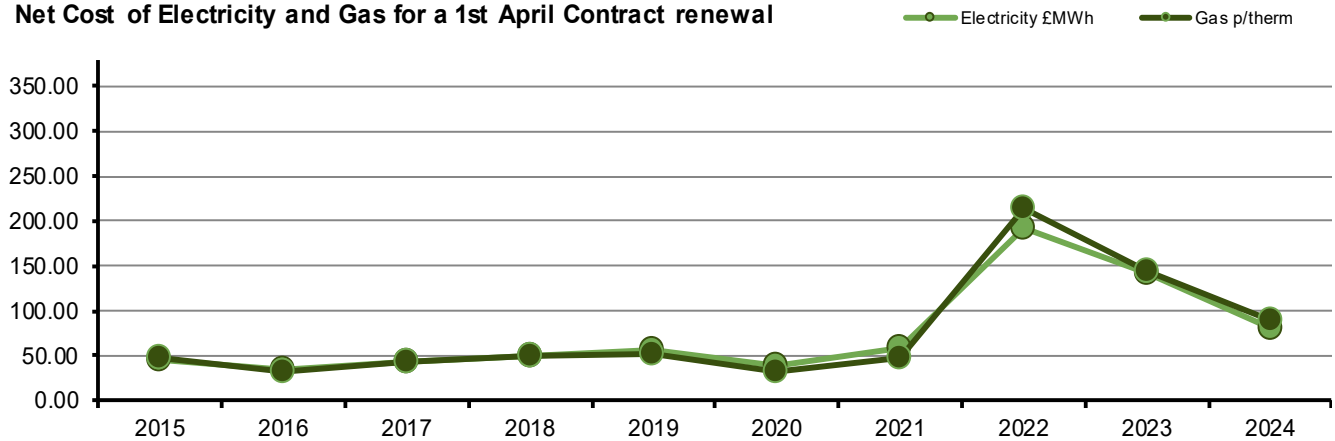


Report issued: 24th April 2024

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
45.10	34.21	42.68	49.60	56.15	39.80	58.40	192.60	142.10	80.35

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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
47.91	31.23	43.27	49.11	52.62	31.99	48.35	214.81	143.06	90.21

Week commencing 15th April 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$91.98	85.59	£79.18	\$123.25
End	\$87.58	85.55	£78.00	\$119.25

The first half of the week saw contracts trading higher, increasing Middle East tensions resulted in some market uncertainty, with analysts fearing that the conflict could extend outside of the region. The previous week's Russian attacks on Ukrainian energy infrastructure also kept markets on edge. Contracts then recovered as Market fundamentals supported the bearish movement in prices as storage levels were at above average levels and industrial demand remained weak in the EU.

Week commencing 8th April 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$91.20	75.57	£70.65	\$117.50
End	\$91.98	85.59	£79.18	\$123.25

The week opened flat to the previous week on high wind generation limiting demand for gas in the prompt, high storage levels and limited need for gas injections. New outages at Norway's Asgard gas field resulting in reduced flows did little to pressure the market. Towards the end of the week prices rose following reports of Russian attacks on Ukrainian energy assets. Rising tensions between Israel and Iran also impacted prices, with traders left unsettled as Iran highlighted their ability to close the strait of Hormuz.

Week commencing 1st April 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$87.33	75.74	£69.11	\$124.50
End	\$91.20	75.57	£70.65	\$117.50

The UK system remained long throughout the week, UK temperatures rose and peaked above seasonal norms with strong wind generation suppressing gas-fired power generation. Norwegian flows to the UK remained unchanged, as did LNG send out. Oil prices continued the upward trend hitting a new five month high, as geopolitical tensions remain and continued OPEC+ cuts drive bullishness. Prices remained stable across the week.

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.

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.