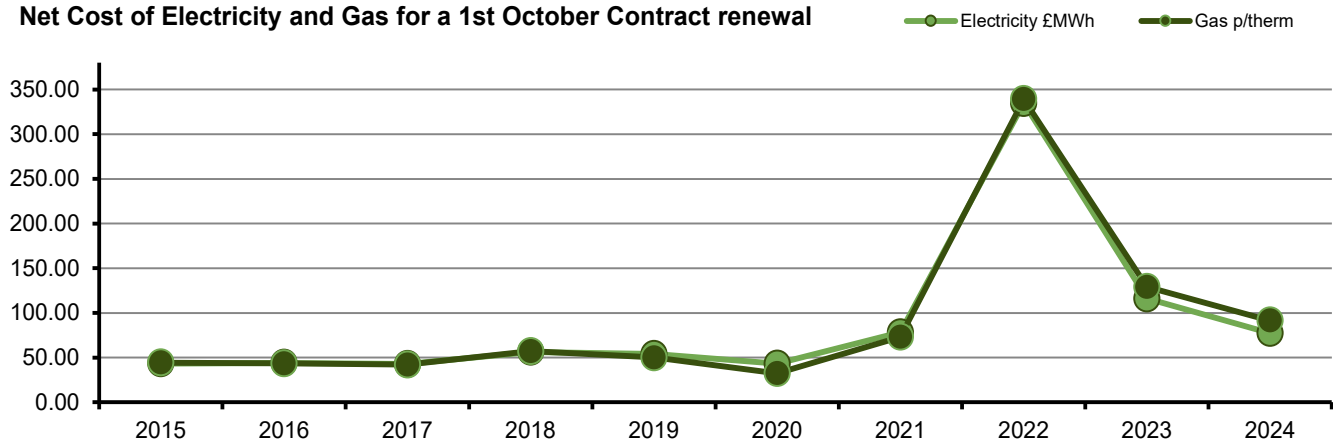


Report issued: 31st July 2024

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



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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
43.36	43.93	42.78	56.33	53.98	43.08	78.23	334.80	115.95	77.39

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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
44.29	43.52	42.12	57.20	50.18	32.44	73.11	339.10	128.92	91.27

Week commencing 22nd July 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$84.42	89.48	£77.08	\$105.20
End	\$80.54	91.36	£78.22	\$106.15

The Market drifted lower at open as liquidity improved day on day after the global IT outage saw a decline in the number of trades during the previous Friday's session. The bearish fundamentals of healthy supplies, weak demand and strong storage levels continued to add downwards pressure. Towards the end of the week bullish pricing took hold as a result of demand creeping up to its highest level of the week, wind generation dropped well below the seasonal norm.

Week commencing 15th July 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$85.72	89.70	£76.94	\$104.30
End	\$84.42	89.48	£77.08	\$105.20

The week opened trading upwards as cooling demand across Europe increased due to heatwaves. Freeport (U.S.) continued to export LNG at reduced rates, as repairs on the facility continued after Hurricane Beryl. Global competition for cargos also increased as parts of Asia and Egypt have stronger fuel needs, adding upward pressure to prices. The week continued to trade sideways as ample EU storage (80% full) and steady Norwegian flows to NW Europe and the UK offset the impact of LNG supply disruptions in the U.S. and recent heatwaves.

Week commencing 8th July 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$87.89	92.90	£81.31	\$106.95
End	\$85.72	89.70	£76.94	\$104.30

The week opened reversing the previous weeks gains after overestimating the damage Hurricane Beryl would cause on US LNG cargoes. Supply-side drivers remained bearish after strong Norwegian production and the continuation of elevated imports from the UK to keep storage injections on track to reach the mandatory 90% level by November. The week ended with bullish movement following an increase in demand for the prompt, due to the cooler weather.

Week commencing 1st July 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$86.45	94.09	£82.87	\$134.69
End	\$87.89	92.90	£81.31	\$106.95

The week began with an undersupplied system due to news of reduced Norwegian flows into Langeled with ongoing maintenance lasting all week, with a further extension to maintenance at Barrow North also. Strong wind generation reduced gas for power demand for the latter half of the week. The general election results had little impact on markets as the result of a Labour victory had been predicted for some time. Storage in Europe continued to climb, with further injections seeing the latest reported figure sit now at 78% 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.