

# week on week marketview

Report issued: 9th October 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
42.03	44.71	44.20	69.65	49.55	46.43	145.57	429.20	104.35	77.29

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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
41.05	41.20	41.90	69.66	46.04	36.24	137.54	461.40	126.39	94.41

### Week commencing 30<sup>th</sup> September 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$71.64	94.41	£77.29	\$118.25
<b>End</b>	\$78.16	100.37	£81.22	\$122.05

UK gas prices traded higher to start the week, ongoing maintenance and colder temperatures supported prices to the upside, prices did retrace the gains on milder weather forecasts mid week but volatility soon took hold following escalations in the Middle East and after Iran launched missile attacks against Israel. The ongoing conflict continued to provide bullish support despite bearish improvements in the fundamentals.

### Week commencing 23<sup>rd</sup> September 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$74.56	89.23	£74.15	\$114.35
<b>End</b>	\$71.64	94.41	£77.29	\$118.25

A bullish start to the week with both gas and power prices opening strongly as the UK system opens short with higher demand compared to the previous week. Colder temperatures ensured that LDZ demand increased and temperatures were forecast to keep short term demand propped up with heating. Langede flows did step up a touch bringing a boost to the supply picture but did little to ease pricing. The week ended trading up further with the continued increased demand and extended Norwegian outages.

### Week commencing 16<sup>th</sup> September 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$72.47	92.69	£77.89	\$114.10
<b>End</b>	\$74.56	89.23	£74.15	\$114.35

Despite supply disruption in Europe and the USA where almost a quarter of natural Gas production in the Gulf was offline due to the wake of storm Francine the market continued to trade down, much of this could be down to poor demand despite some cooler than seasonal temperatures in the UK. The end of summer maintenance in Europe started to ease with flows returning through Langede to the UK. Mid week saw a bounce upward with Middle East tensions escalating increasing supply uncertainty however news of negotiation talks on a temporary gas transportation agreement with Azerbaijan helped drive prices down.

### Week commencing 9<sup>th</sup> September 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$71.65	96.01	£80.38	\$114.75
<b>End</b>	\$72.47	92.69	£77.89	\$114.10

The week opened slightly higher as traders started to assess the approaching cold snap expected to hit Europe and the storms along the Gulf Coast potentially disrupting the LNG shipping channels, the extensive maintenance continued with Norwegian flows to the UK and NW Europe below average however EU storage levels remained above 90% curbing supply threats. As the week progressed Hurricane Francine lessened in strength and was no longer predicted to cross any significant gas export facilities along the Gulf Coast which put downward pressure on prices.

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.