

Week Ending: 14 July 2023

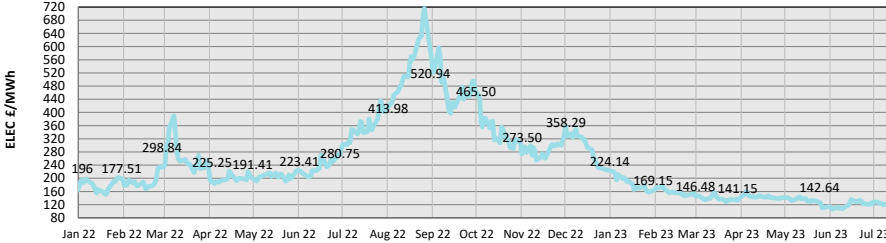
UK Baseload Electricity Prices

	Today	Last W/D	Last Week	Last Month	Last Year
Mth Ahead	£73.91	£75.54	£84.14	£110.91	£240.15
Qtr Ahead	£106.30	£108.42	£117.07	£111.19	£456.78
Season Ahead	£113.88	£116.07	£125.20	£145.39	£436.75
Year Ahead	£109.20	£111.39	£119.09	£133.90	£339.00



Electricity

Electricity Year Ahead Pricing Information



Electricity Cost Movement (£/MWh)

	Last W/D	Last Week	Last Month	Last Year
M	-£1.63	-£10.23	-£37.00	-£166.24
Q	-£2.12	-£10.77	-£4.89	-£350.48
S	-£2.19	-£11.32	-£31.51	-£322.87
Y	-£2.19	-£9.89	-£24.70	-£229.80

Insight

At the start of the week, power prices fell as wind generation exceeded expectations, reaching 10GWs, 20% above normal levels. Solar production remained steady at 2.1GWs. The gas market decline influenced the further out curve, causing all power contracts to decrease. Wind generation averaging 10.1GWs per day over the next two weeks reduced the need for fuel-fired demand. Mid-week, an outage at the UK/France interconnector resisted falling prices. The near curve experienced bearish pressure from renewable output. Towards the end of the week, wind generation forecasted at 12GWs further decreased the need for fuel-fired generation. Power prices were mixed as the UK maintained a net power import position in July, with a slight increase in gas-fired generation demand of 9mcm contributing to price gains.

Electricity Real Movement (%)

	Last W/D	Last Week	Last Month	Last Year
M	-2.2%	-12.2%	-33.4%	-69.2%
Q	-2.0%	-9.2%	-4.4%	-76.7%
S	-1.9%	-9.0%	-21.7%	-73.9%
Y	-2.0%	-8.3%	-18.4%	-67.8%

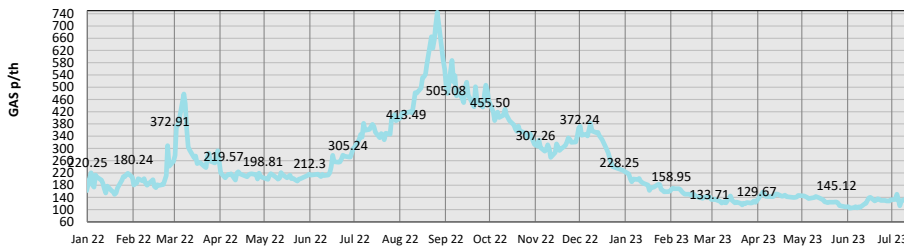
UK NBP Gas Prices

	Today	Last W/D	Last Week	Last Month	Last Year
Mth Ahead	64.30p	65.78p	79.53p	103.44p	223.00p
Qtr Ahead	103.81p	96.34p	119.54p	105.35p	417.00p
Season Ahead	114.30p	115.48p	130.35p	146.10p	421.50p
Year Ahead	115.30p	116.13p	129.15p	140.00p	353.25p



Gas

Gas Year Ahead Pricing Information



Gas Cost Movement (p/therm)

	Last W/D	Last Week	Last Month	Last Year
M	-1.48p	-15.23p	-39.14p	-158.70p
Q	7.47p	-15.73p	-1.54p	-313.19p
S	-1.18p	-16.05p	-31.80p	-307.20p
Y	-0.83p	-13.85p	-24.70p	-237.95p

Insight

At the start of the week, Gas prices fell as Norwegian supplies were expected to re-enter the market, ending the maintenance period and creating an abundance of supply. The decline in demand for Gas-fired generation, coupled with upward revisions in renewable forecasts to 10GW/s/day, further contributed to the price decrease at the start of the week. Mid-week, gas prices contributed to soften due to renewable output, a predicted drop in gas demand, and the potential arrival of three LNG cargoes in the UK. In the near term, gas prices continued fall as European storage levels approached 80% and Norwegian maintenance eased, adding to the surplus supply in the market. Towards the end of the week, prompt gas prices declined as Norwegian maintenance neared its end, while European storage levels surpassed the target of 90% fullness by 1st November.

Gas Real Movement (%)

	Last W/D	Last Week	Last Month	Last Year
M	-2.25%	-19.14%	-37.84%	-71.17%
Q	7.76%	-13.16%	-1.46%	-75.11%
S	-1.02%	-12.31%	-21.76%	-72.88%
Y	-0.71%	-10.72%	-17.64%	-67.36%

Insight

At the beginning of the week, oil prices were mixed as investors remained cautious ahead of the US economic data and OPEC+ production cuts. Mid-week, prices rose due to a weaker US dollar and positive demand outlook, as reflected in increased oil demand forecasts for 2023 and 2024, primarily driven by non-OECD countries. Towards the end of the week, prices continued to rise, breaching \$80/bbl for the first time since April, supported by a weaker US dollar and a slowdown in US inflation. However, there were conflicting reports, with the IEA reducing global oil demand forecasts while OPEC+ increased theirs. Chinese export data also showed a decline in June.

Energy Commodities

Carbon €/t CO2	Coal \$/t	Oil \$/bbl	
€91.89	\$128.00	\$81.21	Present
€90.87	\$139.65	\$76.51	Last Week
1.12%	-8.34%	6.14%	Movement

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