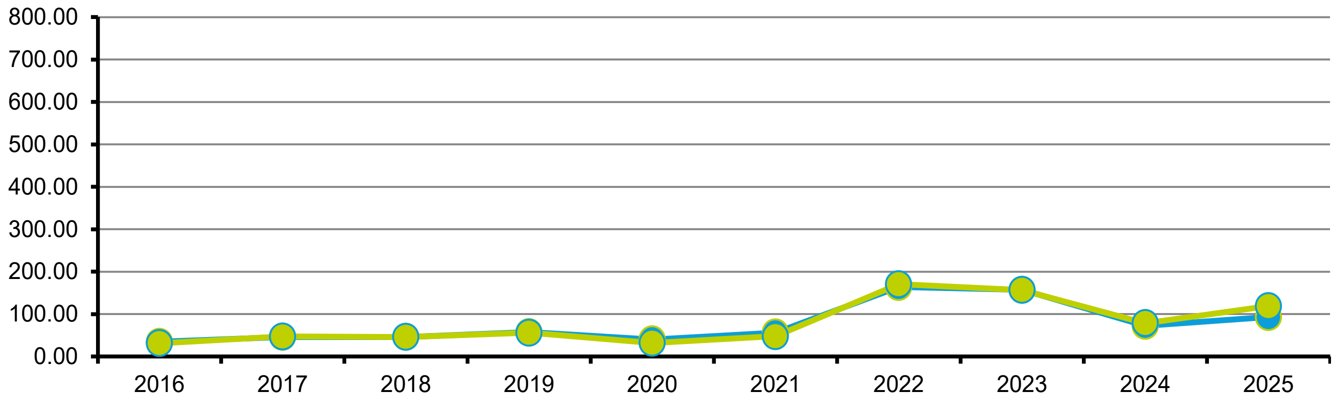
week on week

marketview

Report issued: 5th February 2025

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



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

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
34.83	46.29	46.05	57.6	40.1	56.33	163.66	157.35	72.44	93.18

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

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
31.42	47.17	46.08	56.00	32.13	48.04	170.34	156.99	78.49	119.00

Week commencing 27th January 2025

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	$78.40	120.63	£94.65	$108.00
End	$76.87	126.69	£102.17	$111.20

The week opened bearish with news of claims that Volodymyr Zelenskiy, the president of Ukraine, will build the infrastructure needed to facilitate pipeline gas transit from Azerbaijan through Ukraine, with Europe's inventory levels at 56% full compared to the five year average of 64%, this was positive news. Markets soon turned bullish with a string of unanticipated outages in Norway and colder weather forecasts, this trend continued throughout the week as temperatures were set to remain cool keeping heating demand steady.

Week commencing 20th January 2025

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	$80.64	117.33	£90.28	$108.00
End	$78.40	120.63	£94.65	$108.00

This week saw Europe rapidly depleting its gas stockpiles, making it more difficult for the continent to obtain gas for next winter. Additionally, nations like Turkey are depending more on LNG to meet winter demand due to a recent decline in pipeline gas flows from Azerbaijan to Europe. Mid week saw the threat of Storm Éowyn which brought market volatility and was expected to cause significant disruptions, however, strong Norwegian flows that are in line with the 5-day moving averages partially countered this bullish market trend.

Week commencing 13th January 2025

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	$78.59	112.16	£87.75	$101.25
End	$80.64	117.33	£90.28	$108.00

The week opened bullish, recouping some of the losses from the previous week. The key drivers of this bullish trend were new colder weather forecasts in the EU and UK, with temperatures hanging below seasonal averages, as well as increased storage withdrawals in the UK and EU. EU storage was 66% full, much below the 5-year seasonal average for this time of year which sits around 73%. Market volatility continued as the European Union considered phasing out Russian LNG as part of a new round of sanctions. Although Russia's pipeline gas supplies to Europe have decreased recently, the continent bought record amounts of LNG in 2024; as a result, supply uncertainty is increased by any possible sanctions.

Week commencing 6th January 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	$76.38	118.90	£93.92	$112.75
End	$78.59	112.16	£87.75	$101.25

A week of losses despite EU inventory levels (69% full) being under pressure from a combination of low wind generation and colder temperatures. As new weather models predicted milder weather for the following week, this placed downward pressure on prices. Additionally an abundance of LNG available to the EU and UK eased pressure on inventory levels with two new LNG cargos bound for the UK. The Langeled pipeline started to flow at capacity after maintenance elevating Norwegian gas supplies.

T 01246 386 700 E info@planetfirstenergy.co.uk