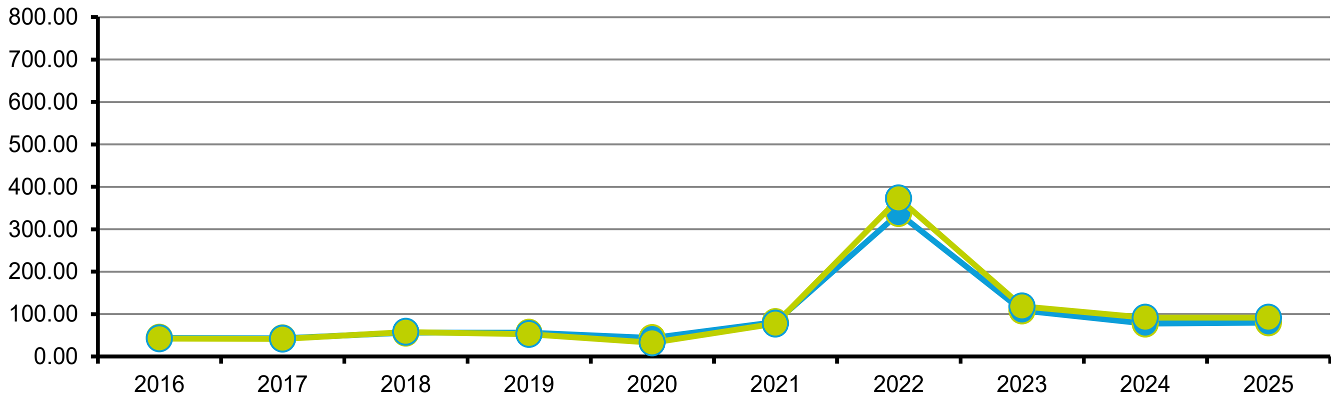
week on week

marketview

Report issued: **23rd** July 2025

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



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

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
43.78	42.65	56.04	56.19	43.63	81.11	337.60	108.45	77.50	79.93

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

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
42.50	41.53	58.04	52.83	32.89	77.47	372.39	118.21	91.70	91.36

Week commencing 14th July 2025

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	$70.19	91.72	£80.86	$110.60
End	$70.45	87.62	£78.81	$102.00

The week opened firm with gas prices close to a two-week high. In Asia, where intense heat was increasing the need for cooling, traders were keeping an eye on demand. Additionally, Europe's stockpiles remained low for the season with subterranean storage facilities only 62% full. Norwegian imports increased flows and improved reforecast for renewables helped soften the market together with reported remarks made by President Trump and his 50-day deadline for Russia, the market originally expected immediate sanctions. However, the market still awaited what further tariffs will be imposed by America on 1 August.

Week commencing 7th July 2025

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	$68.34	87.61	£78.35	$105.25
End	$70.19	91.72	£80.86	$110.60

Last week, UK gas prices strengthened, driven by domestic demand exceeding seasonal norms by 12mcm amid low renewable generation. Curve gas prices rose on forecasts of continued weak wind output, increasing reliance on gas-fired power. Power prices also climbed, supported by expectations of moderate wind (averaging 5.9GWs/day) and above-average solar output (3.4GWs/day), with forward prices following gains in gas and oil. Meanwhile, Brent crude rebounded to $70.36/barrel, buoyed by IEA comments on tighter-than-expected supply and potential new US sanctions on Russia.

Week commencing 30th June 2025

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	$67.59	85.93	£77.35	$107.00
End	$68.34	87.61	£78.35	$105.25

Most of the week saw pricing trading sideways. Traders shifted their emphasis from the Middle East concerns to the fundamentals. Storage sites that were severely depleted at the conclusion of last winter are gradually being replenished across Europe. Meanwhile, the conclusion of seasonal work at several plants has led to an increase in piped-gas shipments to Europe from its largest supplier, Norway. Traders are also keeping a tight eye on weather forecasts, because heat waves in some parts of Asia and Europe may increase the need for energy for cooling.

Week commencing 23rd June 2025

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	$76.50	102.77	£87.63	$107.50
End	$67.59	85.93	£77.35	$107.00

Iran-Israel geopolitical tensions continued to drive the Market, following the US's Sunday airstrikes on Iran's vital nuclear infrastructure. Tuesday saw Israel agree to a ceasefire with Iran, contracts fell to their largest intraday loss in over two years of trade. This alleviated traders' concerns about a wider Middle East conflict and potentially serious disruptions to international oil and gas flows over the Strait of Hormuz. As the ceasefire held markets stabilised and drivers reverted to the fundamentals, because there was less competition for LNG cargoes, the weak demand for LNG from Asia, particularly China, pushed down EU gas prices further.

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