

A monthly review of trends in the energy markets compiled by Energy Link Ltd

## October 2011

### ELL Index

# 9.6 c/kWh

(at Haywards)

#### Other Nodes

The index referenced to:

Otahuhu	9.6 c/kWh
Benmore	9.2 c/kWh

#### Change

The index decreased by 9.4% since mid August.

#### Volume

Two contracts (excluding ASX, and short term contracts) traded during the month, totaling 139.4 GWh over the period Jan-12 to Mar-13.

#### Contract Types

0 FPVV (fixed price variable volume)  
 2 CFD (contract for differences)

#### Spread

0.80 c/kWh Jan-12 to Mar-13

#### Location Factors

Expected location factors were updated in the previous edition of Energy Trendz.

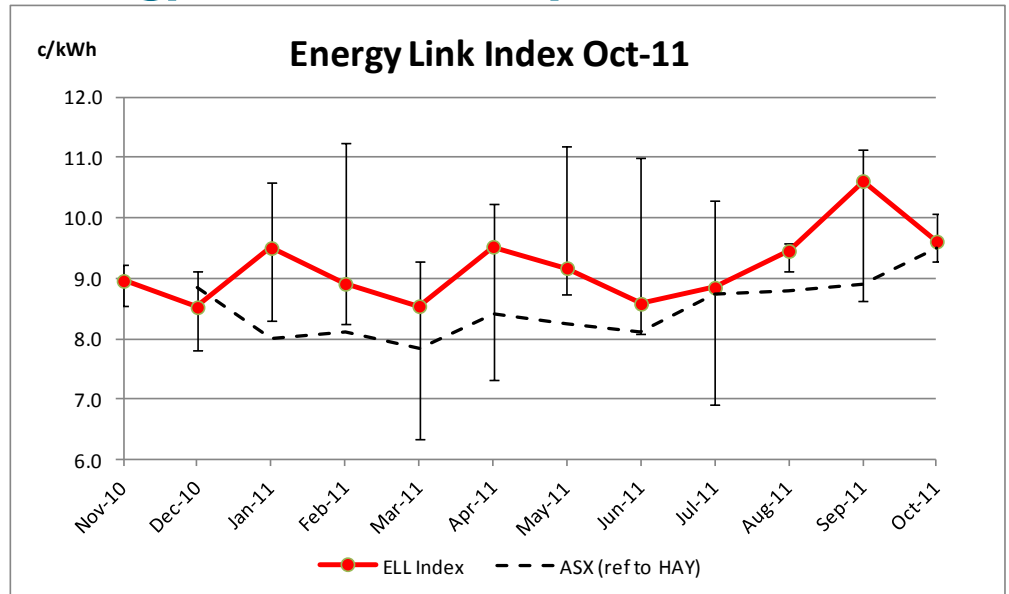
#### ASX Futures

Based on 3 year average 'previous settlement' dates for 2011 - 2014, as of 18th October:

Otahuhu	9.1 c/kWh
Benmore	9.5 c/kWh

**ASX Prices** (referenced to Haywards) are now plotted on the chart.

## Energy Link Electricity Contract Index



### Energy Trendz now has a third page devoted to Future Contracts

The Energy Link Ltd (ELL) index chart shows the values over the 12 months up to the Energy Trendz publication date. All contracts are referenced to the **Haywards** reference node on the grid (lower North Island), and the error bars show the highest and lowest contract value in the 36 month period covered by the index. The index, and how to use it, are described in more detail at [www.energylink.co.nz/energy-trendz](http://www.energylink.co.nz/energy-trendz).

ASX New Zealand electricity futures contracts trading is increasing but the ASX futures contracts are not included in the index.

## Commentary

The **index decreased this month** on a volume of two contracts traded 2 CFD, 0 FPVV. The Energy Link index excludes contracts from ASX, and contracts less than 6 months in duration. As the chart on the back page shows, the total volume traded in late December-10, and to a lesser extent in May/June-11, was very large (this is likely to be generators undertaking government imposed swaps). The intervening months illustrate more typical trading volumes for the period.

The spread of prices making up the index was lower this month. Prices for the quarters varied from 9.29 c/kWh to 10.08 c/kWh when referenced to Haywards.

The volumes traded through **ASX** are generally increasing as it takes over as the key trading platform for electricity hedging. The June edition of Energy Trendz marked the start of tracking contracts traded on the ASX in the Monthly Contract Volumes chart.

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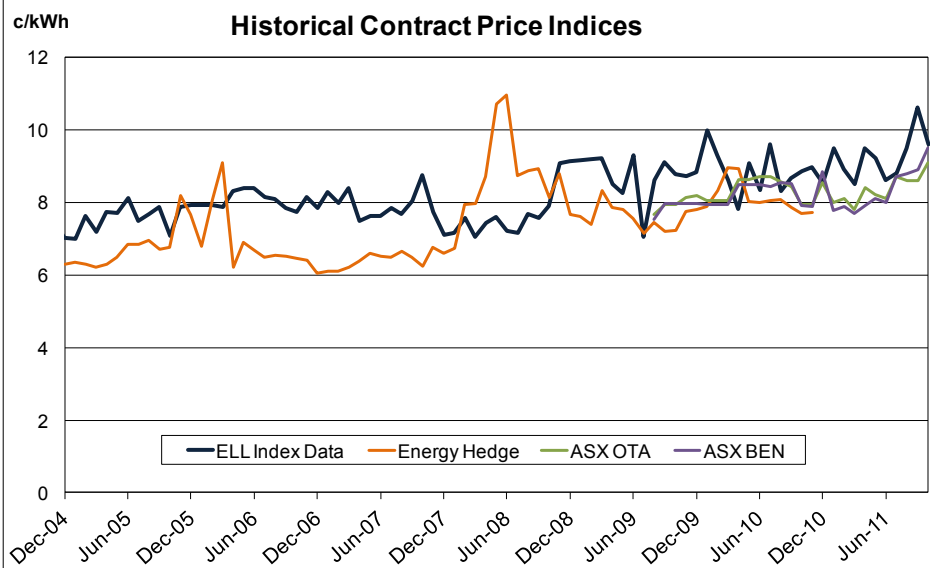
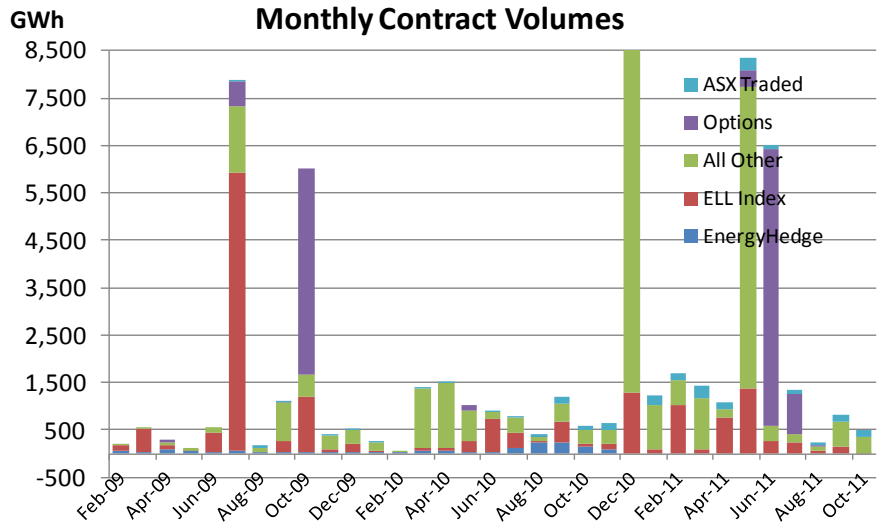
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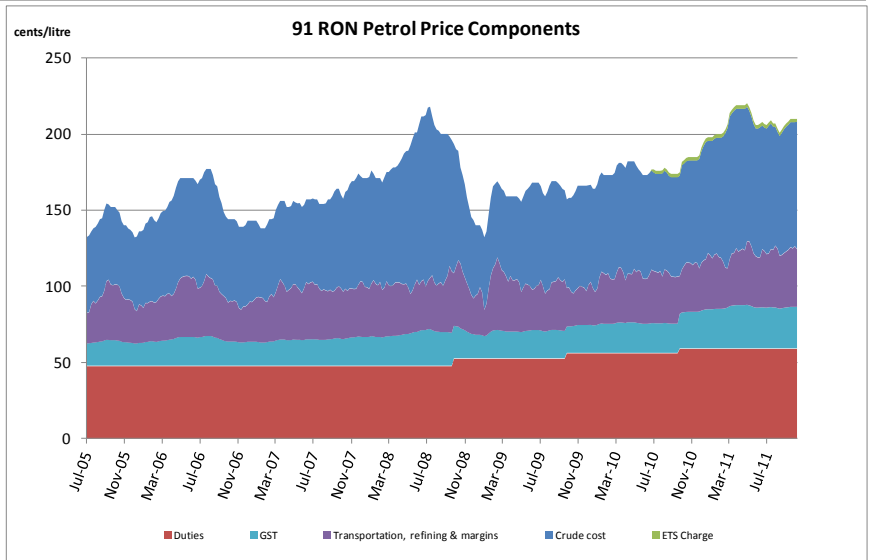


## Petrol Prices

The chart at right shows the price of 91 octane (91 RON = “research octane number”) from July 2005, broken down into its 5 major components: government duties, GST, ETS, the cost of transporting and refining crude oil including the retailer’s margin, and finally the spot price in NZD of crude oil on international markets. Duties, ETS and GST currently comprise 42% of the total at-pump cost (major centres) of 91, with the cost of crude at 40%.

The cost of crude decreased by 2.9% over the month and the NZD exchange rate decreased 4.5%. As a result of a lower NZD for the month, the 91 RON price was 0.8% higher . More data is at

[www.med.govt.nz](http://www.med.govt.nz).



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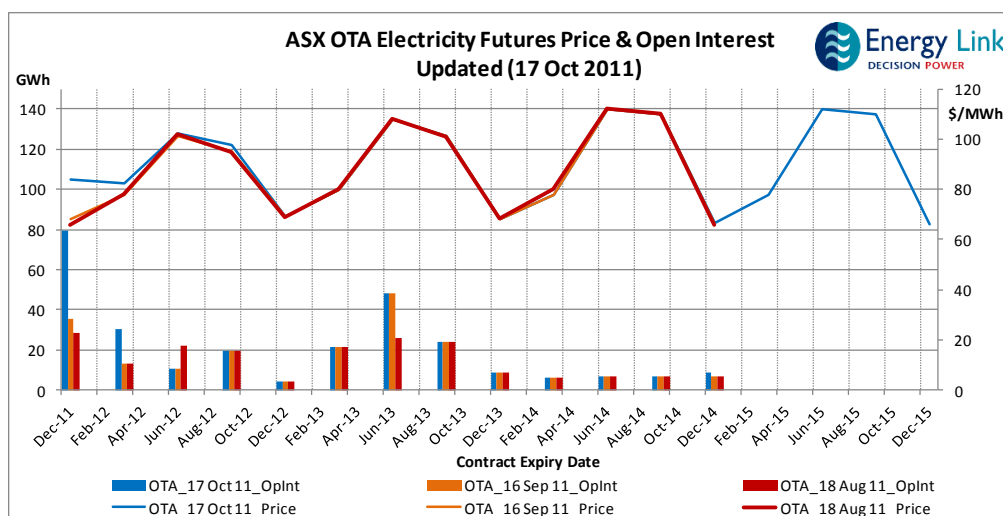
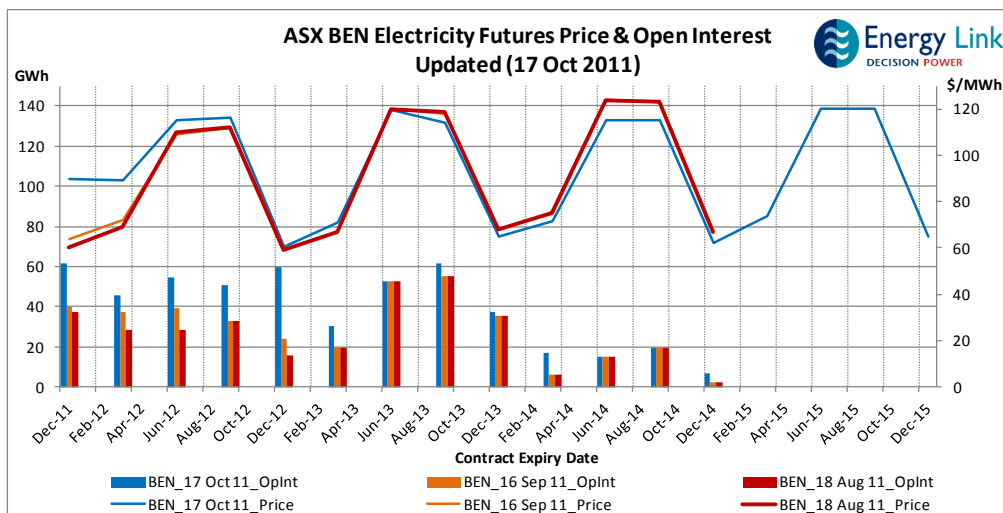
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## ASX Futures Prices & Open Interest



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The charts above show all currently traded ASX NZ Energy Futures with Expiry Dates from Dec 2011 through to Dec 2015.

These prices are broken down to show the traded prices as they stood at the time of publishing, one month and two months prior to the time of publishing. This shows the market's changing valuation of each quarterly contract while the amount of open interest in the various contract periods shows the changing amount of energy under each contract type over the same period.

Currently there is 513.8 GWh contracted at Benmore and 276.5 GWh contracted at Otahuhu for a total of 790.3 GWh Open Interest.

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