

EnergyTrendz

MONTHLY

July 2019

Issue 124

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

July 2019**ELL Index****8.6 c/kWh**

(at Haywards)

Other Nodes

The index is referenced to:

Otahuhu	9.0 c/kWh
Benmore	8.4 c/kWh

Change

The index decreased by 21.1% since mid June

Volume

18 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 1,329 GWh over the period Apr-19 to Dec-23

Contract Types

5 FPVV (fixed price variable volume)

13 CFD (contract for differences)

ELL CFD & FPVV Index

ELL FPVV 9.9 c/kWh

ELL CFD 8.5 c/kWh

Spread

5.3 c/kWh from Apr-19 to Dec-23

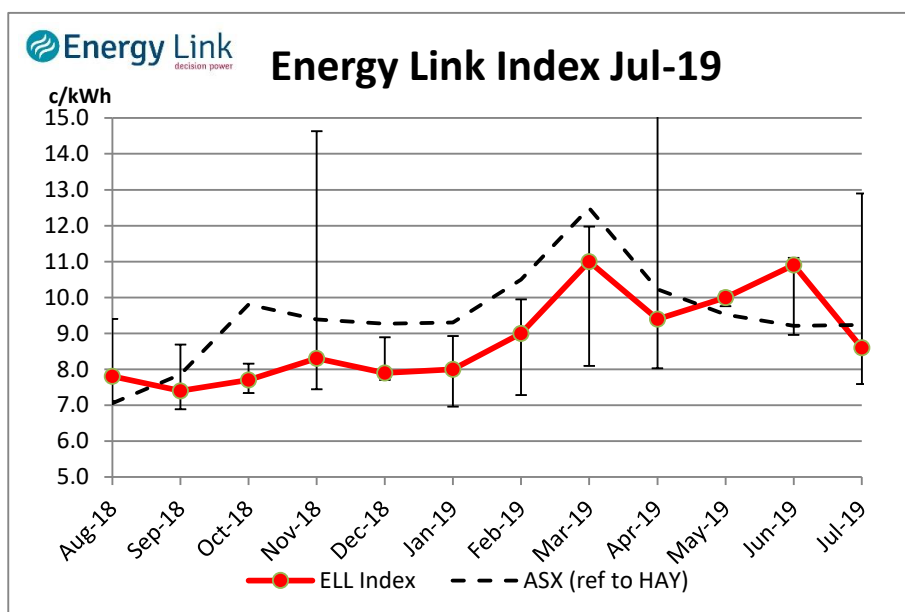
Location Factors

Expected location factors were updated in this edition of Energy Trendz

ASX Futures

Based on the 3 year average 'previous settlement' dates for 2019-2022 as of Wednesday 17 July:

Otahuhu	10.1 c/kWh
Benmore	8.7 c/kWh

Energy Link Electricity Contract Index**For FPVV & CFD specific Indices, see page 2**

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. Details of the index are available from Energy Link.

ASX New Zealand electricity futures contracts are not included in the index.

Commentary

The index decreased this month on a volume of 18 contracts traded 13 CFD, 5 FPVV.

The Energy Link indices exclude contracts from ASX, that are less than 6 months in duration, have volumes significantly less than disclosure rules require, are unverified or in dispute.

The spread of prices making up the index was 5.3 c/kWh this month. Prices for the contracts varied from 7.6 c/kWh to 12.9 c/kWh when referenced to Haywards.

The gap between the ELL Index and the ASX index decreased slightly over the month.

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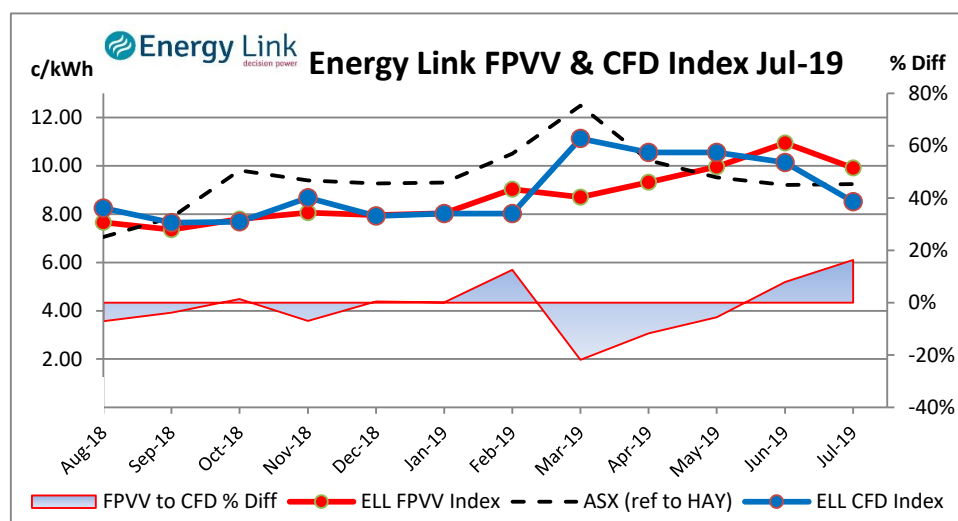
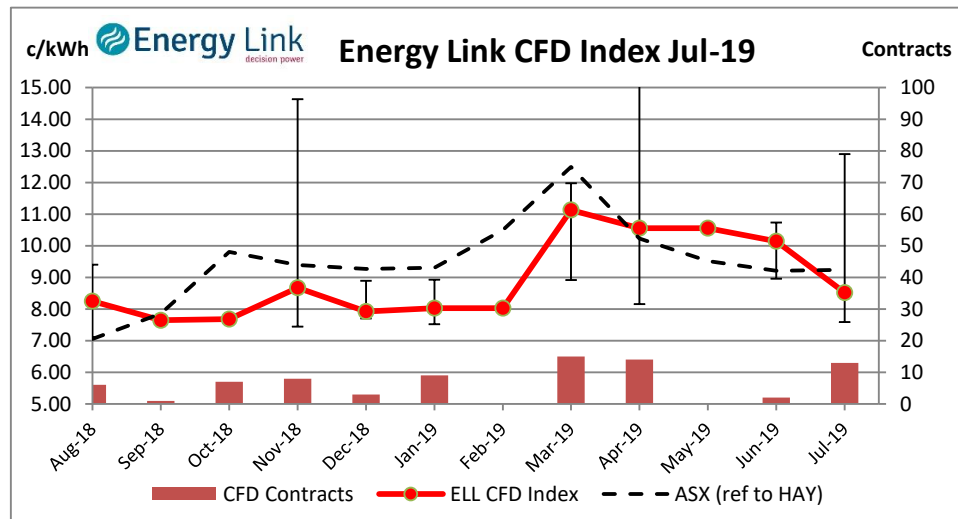
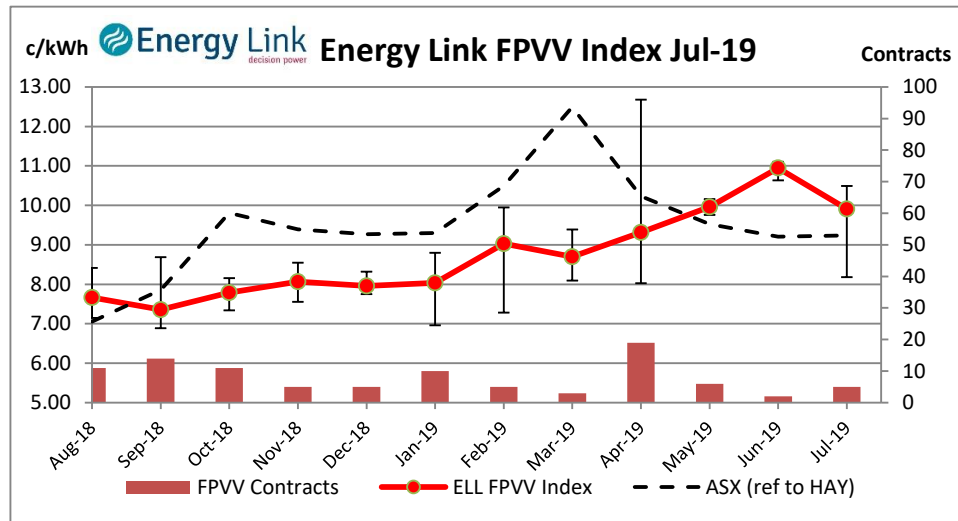


FPVV & CFD Contract

The top two charts at right break the main ELL Index into two indices focusing specifically on either FPVV or CFD contracts. This makes the premium that is priced into the FPVV contracts (for the security of having no spot exposure) more readily apparent. These graphs also show the number of contracts of each type used in the calculation of each Index value. Index values generated from low contract volumes should be used with caution.

The bottom graph compares the two indices directly and also tracks the price difference between the FPVV & CFD contracts as a percentage of the CFD price.

FPVV & CFD Electricity Contract Indices

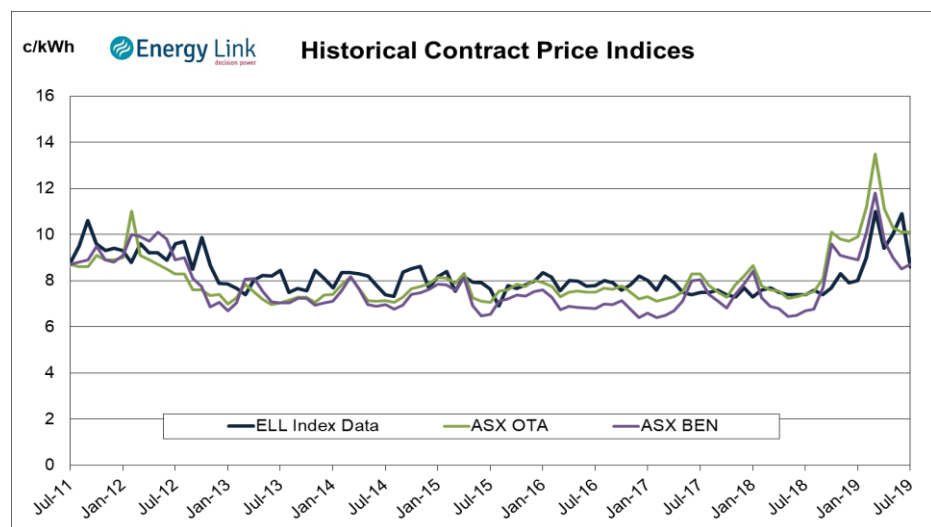
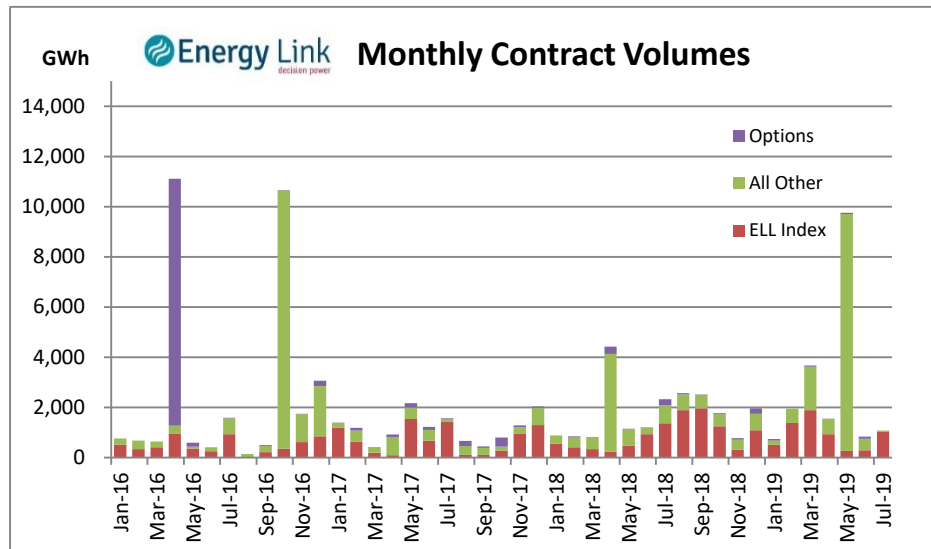


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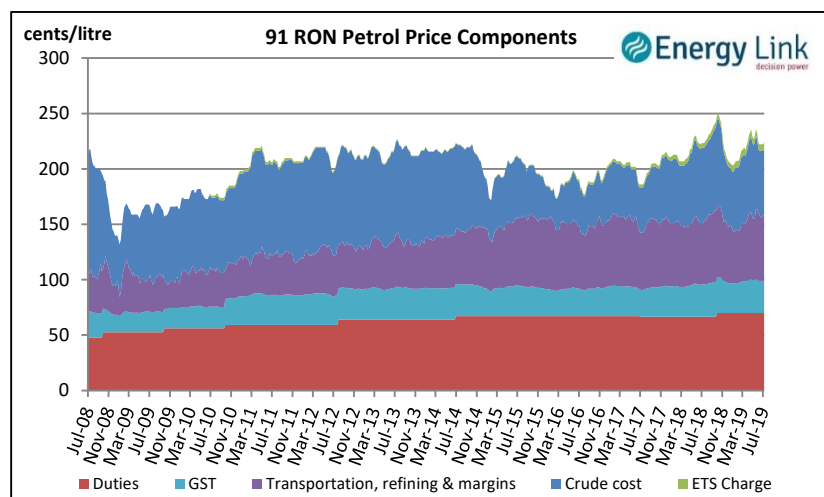


Petrol Prices

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

Duties, ETS and GST currently comprise 47% of the total at-pump cost (major centres) of 91, with the cost of crude at 27%.

The cost of crude increased by 5.3% over the month while the NZD exchange rate increased by 0.7%. The 91 RON price increased by 1% over the month.



More data is at www.med.govt.nz.

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Futures Prices

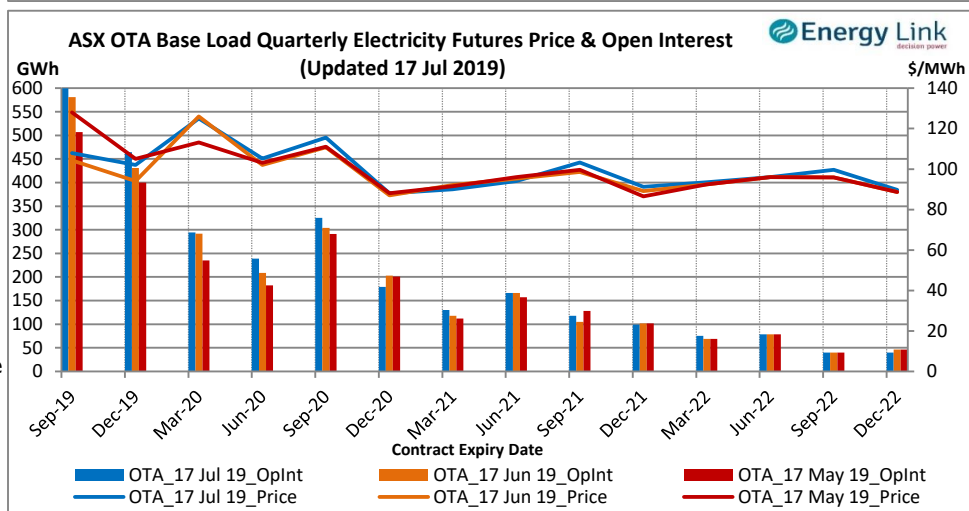
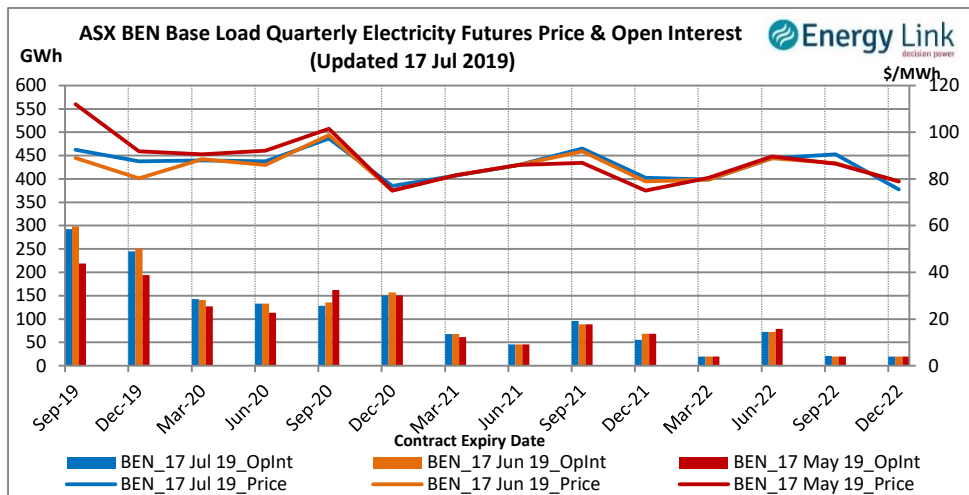
These prices are broken down to show the traded prices as they stood at the time of publishing, one month and two months prior to the time of publishing.

These two charts show 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.

The charts in the following two pages show all currently traded ASX NZ Energy Futures with Expiry Dates from Sep 19 through to Dec 22.

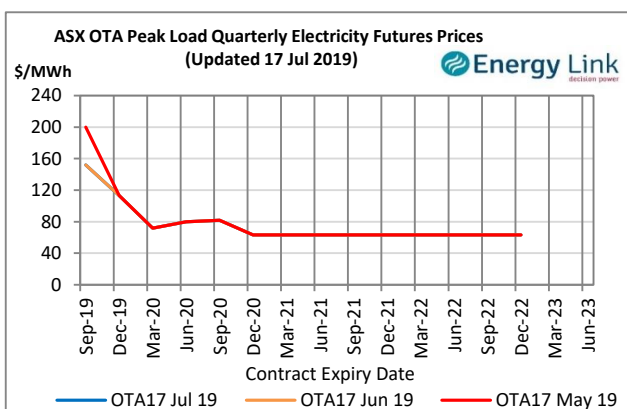
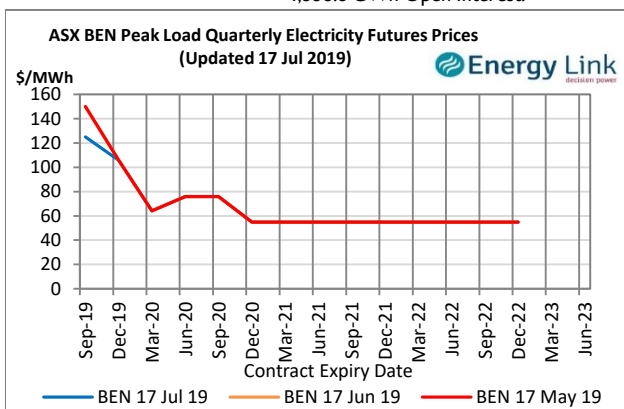
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The charts below show the traded prices for the peak load quarterly contracts for the next four years as they stood at the time of publishing, one month and two months prior to the time of publishing.

Currently there is 1,489.7 GWh contracted at Benmore and 2,849.1 GWh contracted at Otahuhu for a total of 4,338.8 GWh Open Interest.



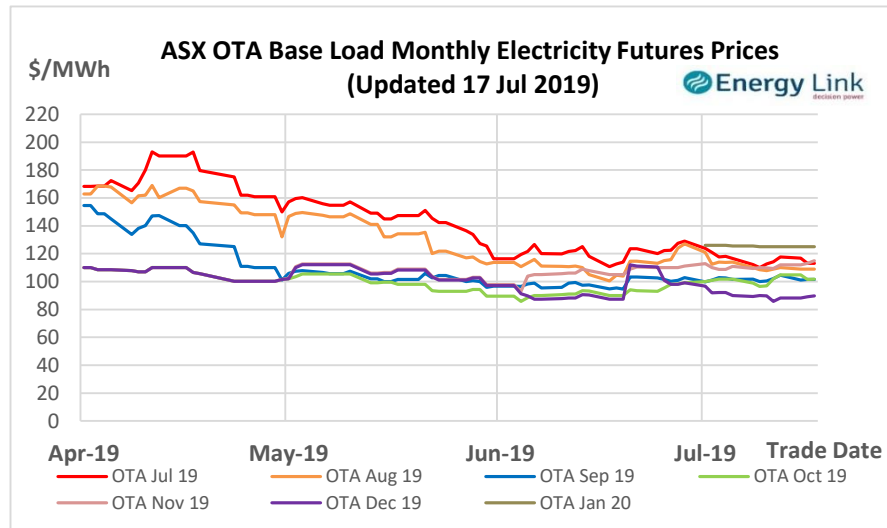
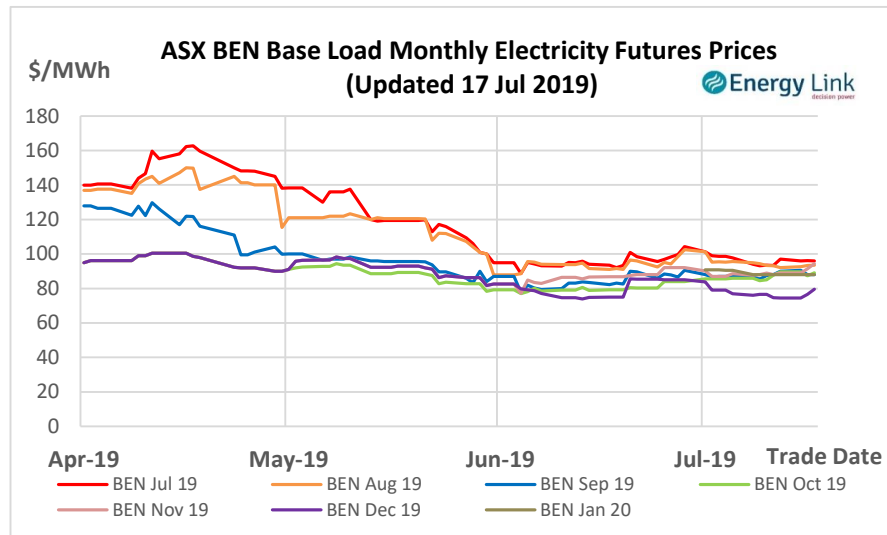
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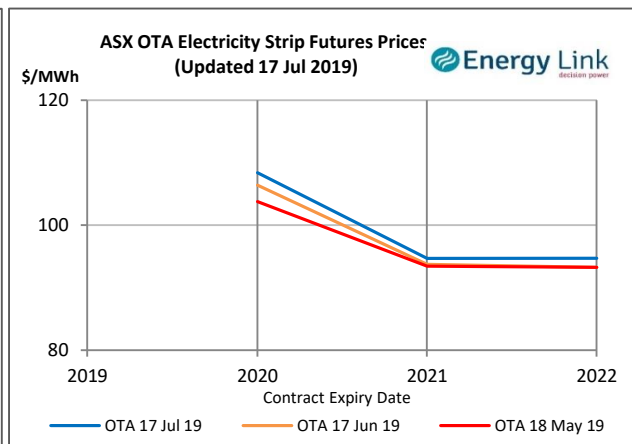
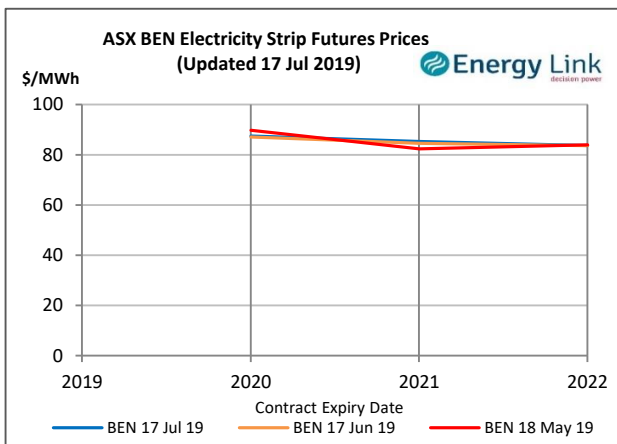
The charts to the right show the traded price of the monthly base load contracts for every trading date for the last three months prior to the time of publishing.

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The charts below show the price of the annual contracts for four calendar years as they stood at the time of publishing, one month and two months prior to the time of publishing.



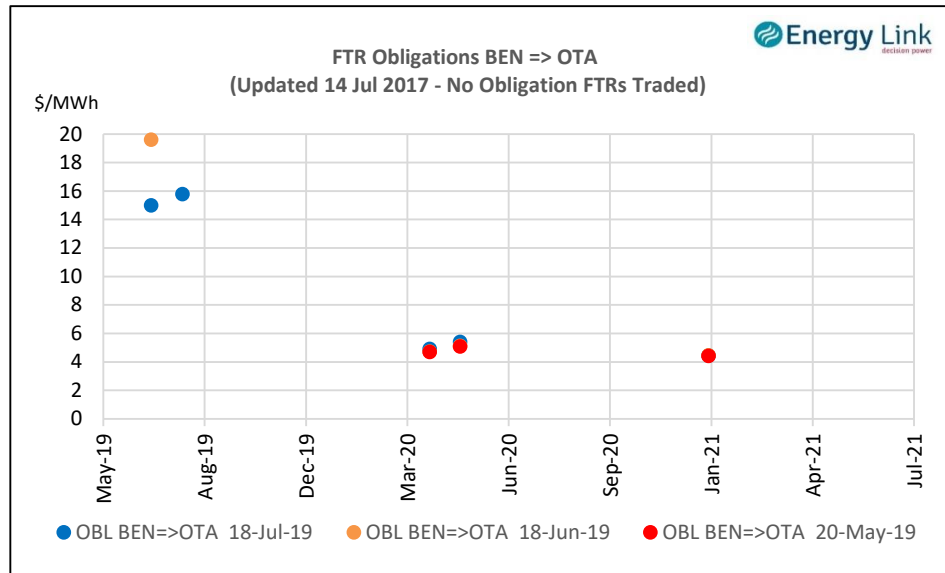
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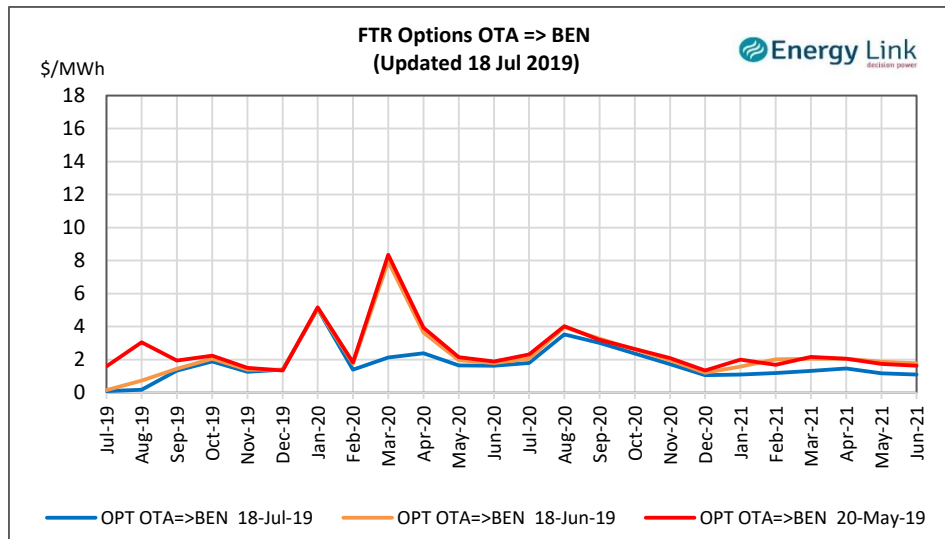
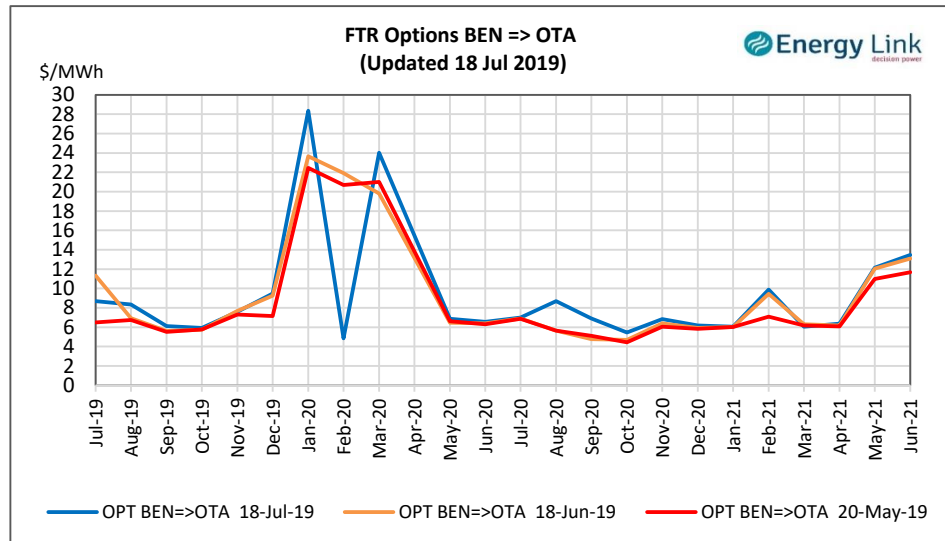
FTR Prices

The charts to the right show the daily settlement prices for each Financial Transmission Right (FTR) product and period. Note that FTR Obligations are shown as BEN (source) to OTA (sink).



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Appendix: Electricity Contract Listing

The tables below list the new Electricity Contracts that were eligible for inclusion in the ELL Indices this month.

The first table lists those contracts used to generate the indices while the second table lists those contracts that would have been eligible but were excluded as they were not entered into the Hedge Disclosure System in a timely manner.

This month 4 FPVW contracts were excluded due to the size of the contract falling below 1 MW or contract effective date being longer than 120 days limit in the Electricity Industry Participation Code.

The data source for these contracts is the Electricity Authority's "Electricity Hedge Disclosure" website (www.electricitycontract.co.nz)

Eligible

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration
437404	FPVW	12-Jun-19	1-Jul-19	30-Jun-20	55,593	Haywards	104.91	Not disputed	18-Jun-19	366
438486	FPVW	14-Jun-19	1-Jul-19	30-Jun-22	33,804	Benmore	98.03	Not disputed	19-Jun-19	1096
438487	CFD	4-Jun-19	1-Jul-21	30-Jun-22	43,800	Whakamaru	81.31	Verified	17-Jun-19	365
438488	CFD	4-Jun-19	1-Jul-22	30-Jun-23	43,800	Whakamaru	82.12	Verified	17-Jun-19	365
438818	CFD	17-Jun-19	1-Apr-19	31-Mar-20	5,929	Benmore	124	Not disputed	21-Jun-19	366
438821	CFD	17-Jun-19	1-Apr-20	31-Mar-21	4,292	Benmore	88.7	Not disputed	21-Jun-19	365
439908	CFD	21-Jun-19	1-Jul-20	30-Jun-21	17,520	Otahuhu	98	Verified	27-Jun-19	365
439957	FPVW	25-Jun-19	1-Oct-19	31-Dec-22	47,520	Otahuhu	101.6	Not disputed	27-Jun-19	1188
440835	CFD	20-Jun-19	1-Jul-20	30-Jun-21	17,520	Otahuhu	98.7	Not disputed	29-Jun-19	365
441662	CFD	26-Jun-19	1-Oct-19	30-Sep-20	17,568	Otahuhu	108	Verified	28-Jun-19	366
442125	CFD	1-Jul-19	1-Jul-19	30-Jun-20	598,600	Otahuhu	79.37	Verified	2-Jul-19	366
442126	CFD	1-Jul-19	1-Jul-19	30-Jun-20	277,000	Benmore	75.51	Verified	2-Jul-19	366
442996	CFD	4-Jul-19	1-Jan-21	31-Dec-21	43,800	Otahuhu	92.9	Verified	9-Jul-19	365
442997	CFD	4-Jul-19	1-Jan-22	31-Dec-22	43,800	Otahuhu	91	Verified	9-Jul-19	365
442998	CFD	4-Jul-19	1-Jan-23	31-Dec-23	43,800	Otahuhu	89.1	Verified	9-Jul-19	365
443005	FPVW	9-Jul-19	1-Apr-20	30-Sep-20	14,692	Benmore	93.78	Verified	10-Jul-19	183
443006	FPVW	9-Jul-19	1-Oct-19	31-Mar-20	15,776	Benmore	81.82	Verified	10-Jul-19	183
443675	CFD	5-Jul-19	1-Aug-19	31-Dec-20	3,883	Whakamaru	104.72	Verified	16-Jul-19	519

Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
324737	FPVW	16-Jul-18	1-Aug-18	31-Jul-21	55,062	Otahuhu	77.02	Not disputed	21-Jul-18	1096	Traded>2 mths ago
430664	CFD	16-May-19	1-Oct-21	30-Sep-41	9,120,000			Verified	27-May-19	7305	No Price
438816	CFD	17-Jun-19	1-Apr-19	31-Mar-20	1,713	Whakamaru	136	Not disputed	21-Jun-19	366	< 0.25 MW
438817	CFD	17-Jun-19	1-Apr-19	31-Mar-20	659	Islington	132.5	Not disputed	21-Jun-19	366	< 0.25 MW
438819	CFD	17-Jun-19	1-Apr-20	31-Mar-21	1,270	Whakamaru	95.2	Not disputed	21-Jun-19	365	< 0.25 MW
438820	CFD	17-Jun-19	1-Apr-20	31-Mar-21	482	Islington	94.9	Not disputed	21-Jun-19	365	< 0.25 MW
438975	CFD	1-Apr-19	1-Oct-19	31-Mar-20	11,206	Otahuhu	98.62	Verified	20-Jun-19	183	Traded>2 mths ago
439952	FPVW	21-Jun-19	1-Jul-19	31-Aug-22	13,075	Islington	98.96	Not disputed	26-Jun-19	1158	< 1 MW
439953	FPVW	21-Jun-19	1-Jul-19	31-Aug-22	6,598	Whakamaru	105.55	Not disputed	26-Jun-19	1158	< 1 MW
439954	FPVW	21-Jun-19	1-Jun-19	31-Aug-22	6,709	Islington	98.77	Not disputed	26-Jun-19	1188	< 1 MW
439955	FPVW	21-Jun-19	1-Sep-19	31-Aug-22	18,349	Islington	100.75	Not disputed	26-Jun-19	1096	< 1 MW

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