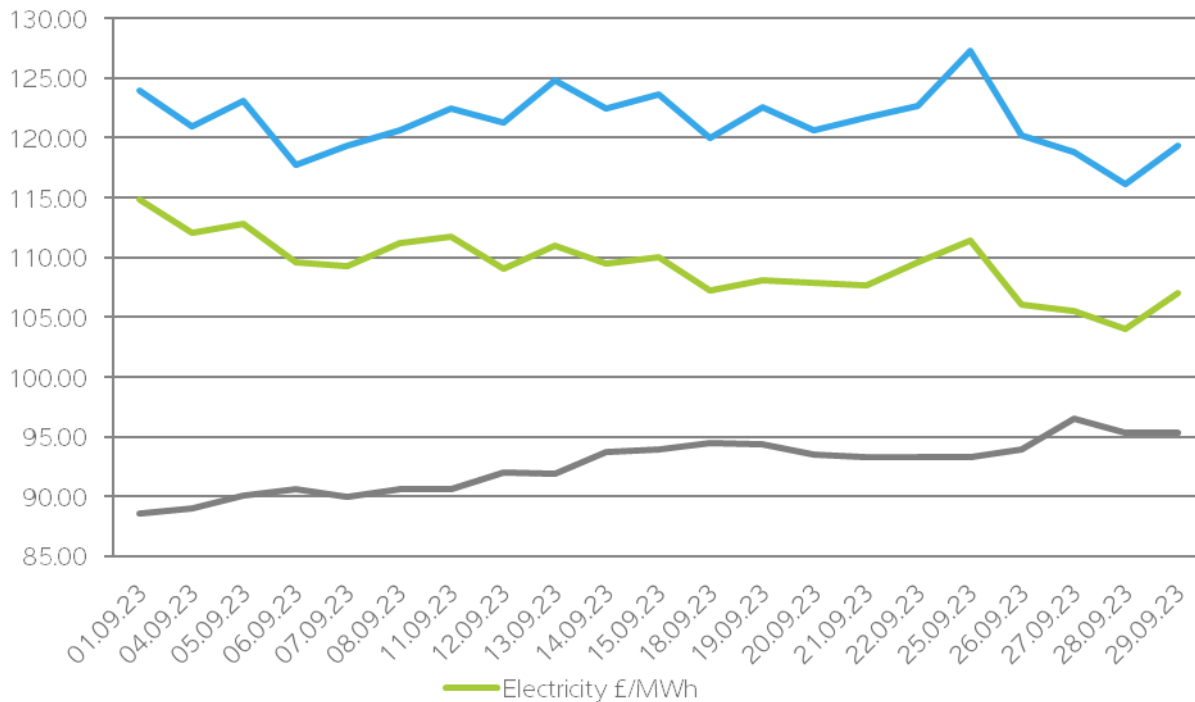


# Monthly Market Update

September 2023

## UK Wholesale Energy Prices



Gas and electricity prices were fairly flat during the first half of September, however after a brief spike on 25.09.23 markets then saw a few consecutive days of losses which ensured that prices closed the month lower than where they started.

For the first two/three weeks of the month markets were trying to find some real direction by weighing up bearish drivers such as almost full gas storage levels and less intense temperatures on the continent with bullish drivers such as strikes at Australian LNG plants as well as ongoing Norwegian outages due to annual maintenance. The spike we saw on 25th September came on the back of intensifying Norwegian supply disruptions where further outages at 3 key plants combined to remove 13.4mcm/d which restricted flows to the UK.

However, the bears then took control to see prices move lower as we headed towards the end of the month. Fundamentals such as forecasts for above average temperatures, returning Norwegian capacity from annual maintenance and a much busier LNG schedule helped to pull prices lower.

It's also noteworthy that downward momentum may have also been influenced by the fact that Equinor has been given the green light by the UK's regulator to proceed with development of the Rosebank field off the coast of Scotland. The untapped field is thought to contain up to 500 million barrels of oil equivalent which could supply the UK and the continent with up to 44 million ft3 of gas per day over the first 10 years of production, offering a massive boost to European supply security.