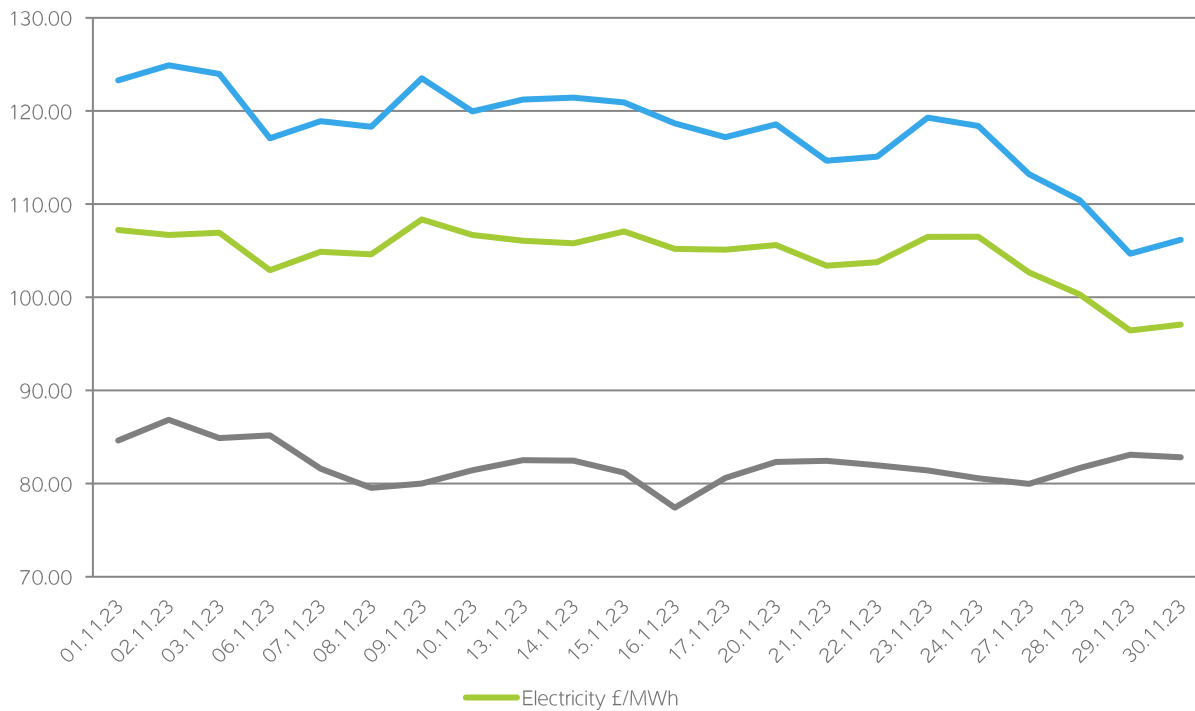


# Monthly Market Update

November 2023

## UK Wholesale Energy Prices



Wholesale electricity and gas prices were relatively flat for the first half of November however we witnessed significant losses towards the back end of the month meaning prices closed at a lower level than the open.

Prices were fairly calm for the first two weeks of the month as bearish fundamentals such as healthy wind generation; high gas storage levels and buoyant imports were counteracted by forecasts for cooler weather on the horizon as well as low LNG imports.

The cold snap did materialise towards the end of November and into the start of December meaning gas demand increased by about 10% compared to the opening half of the month and by about 30% compared to the norm for the time of year. However, both the UK and EU look to have come through the cold spell relatively unscathed and this is very much down to the incredibly high level of gas storage that we have at our disposal. We have now entered the drawdown phase meaning fullness has gone from 99% to 93% in just a couple of weeks but this is still above the average level for the time of year so it will have been one of the main factors for the recent price drop. Another point worth noting in regard to storage is that Centrica has pulled volumes from the UK's Rough storage site – recommissioned following Russia's invasion of Ukraine – for the first time this winter.

As well as particularly healthy storage levels prices have been pressured down by an abundance of LNG coming to the UK with latest shipping signals indicating that nine laden vessels are scheduled to arrive within the next twenty days; this is in addition to two LNG ships which offloaded cargoes at UK terminals over the weekend. Bearish momentum was possibly also influenced by healthy Norwegian imports to the UK as well as forecasts for the return to above average temperatures in the UK.