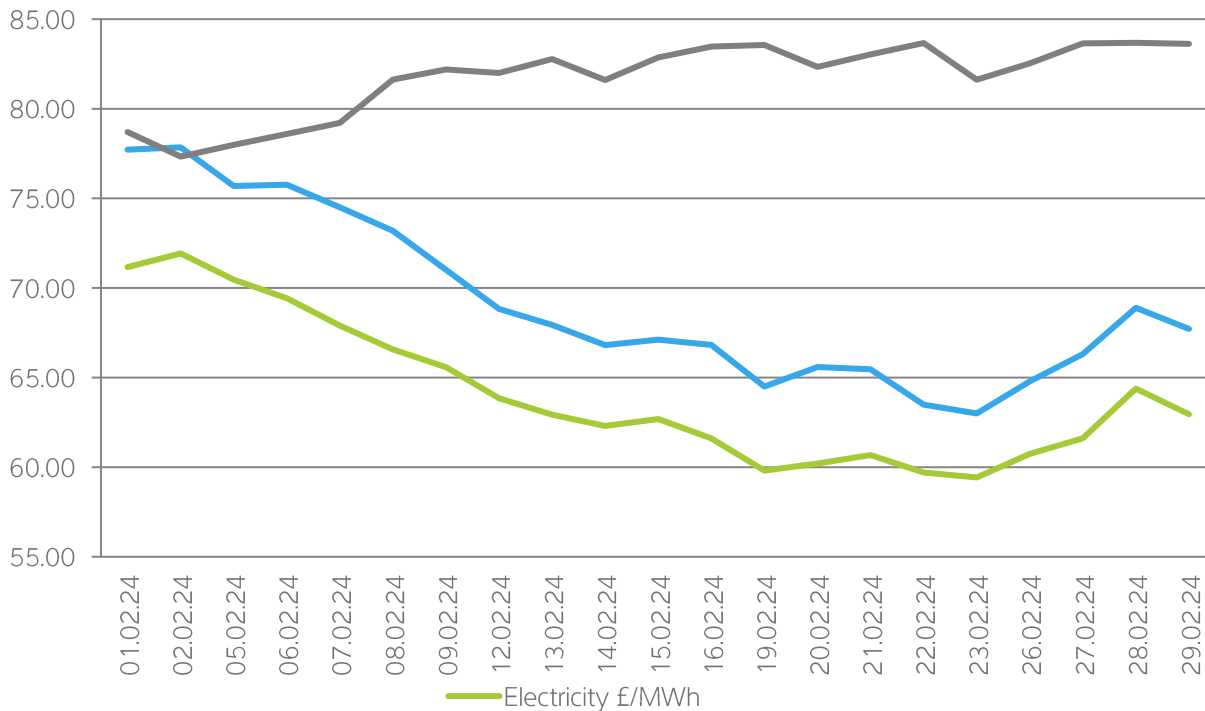


Monthly Market Update

February 2024

UK Wholesale Energy Prices



Electricity and gas prices tumbled throughout the majority of February however momentum shifted towards the end of the month when the bulls started to get a firmer grip on energy markets.

Risk premium was stripped from electricity and gas prices for a number of different reasons however some of the key drivers worth mentioning were mild weather conditions, relatively full UK/EU gas storage, high levels of wind generation and robust LNG supplies.

UK/EU storage in particular continues to look very healthy for the time of year and compared to the levels from the last 5 years. Fullness currently sits at around 62% which is well above the 5-year average of 45% meaning we are in a relatively good place going into Summer 2024 where the levels of injections into storage will not need to be as intense as we prepare for next Winter.

As mentioned above prices did start to swing the other way over the last few days of February and this was due to cooler weather forecasts, a slowdown in LNG arrivals, lower levels of wind generation and unplanned Norwegian maintenance at key gas facilities.

It's also worth pointing out that oil prices have held steady in recent weeks and not seen any sort of decline compared to electricity and gas prices. The price per barrel for Brent crude oil opened the month at \$78.70 and closed at \$83.62 and this bullish momentum will have been driven by the ongoing tensions in the Red Sea however gains will have been capped by weak economic sentiment and a reported drop in global oil demand.