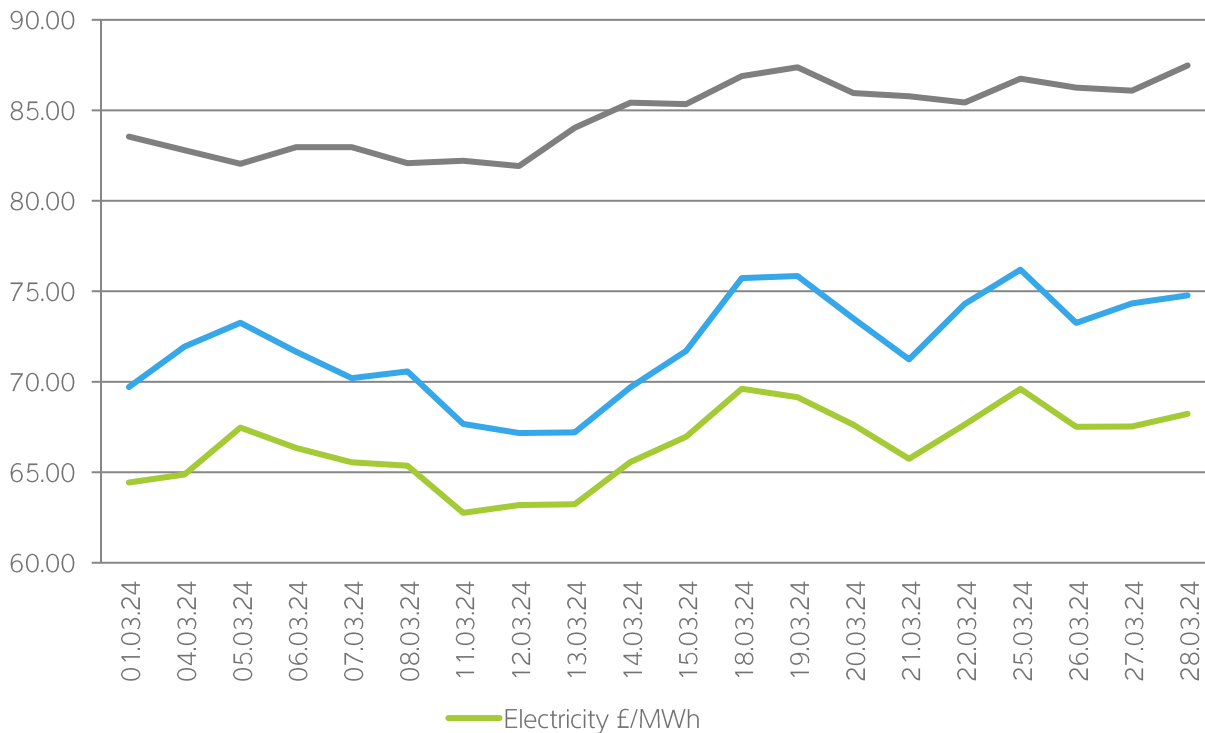


# Monthly Market Update

March 2024

## UK Wholesale Energy Prices



The bullish momentum we saw at the back end of February continued into March however prices then fell for 4 consecutive days before picking up again as the month progressed. Overall electricity, gas and oil prices increased in value over the month of March.

Electricity and gas prices will have been pushed upwards by the ever-increasing price for Brent Crude Oil. The value increased by almost \$4/barrel (4.7%) from the start of the month to the end and has increased since to \$91.17/barrel as of 05.04.24, its highest value since Oct-23. Oil prices have been increasing due to growing conflicts in both the Middle East and Ukraine/Russia as well as reports of an unexpected decline in oil inventories at a time when there was an expectation for a 13,000 barrel gain.

The short-term dip in prices that we saw was mainly due to weather forecasts indicating the continuation of warm and windy conditions compared to seasonal normal levels as well as confirmation that extra LNG cargoes were on route to the UK, adding a degree of comfort to the supply/demand situation at a time when European/UK gas storage levels were very high.

Prices then started to increase for the majority of the second half of March and this was in part due to the bullish moves with oil as mentioned above but prices were also driven up by the fact that only 2 LNG cargoes were confirmed for delivery to the UK in April, halting our ability to inject into storage in preparation for next Winter.

There is a growing focus on LNG all around the world at the moment as countries look to fill the void left by the lack of Russian gas imports. With this in mind further premium was added to gas prices due to reports that Freeport (The largest LNG export facility in the US) had taken two of its trains offline for maintenance until May, reducing output capacity to a third.