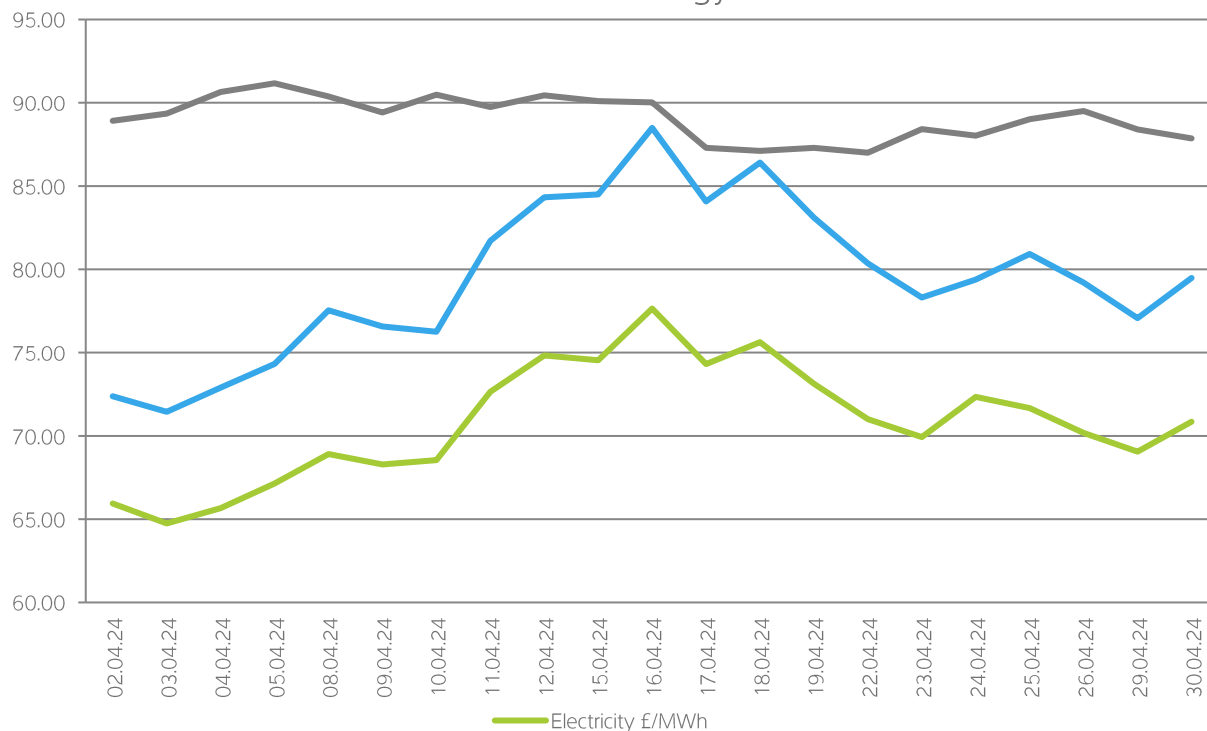


Monthly Market Update

April 2024

UK Wholesale Energy Prices



Gas and electricity prices saw bullish movement over the first half of April, however momentum then shifted from the middle of the month onwards as prices started to decline somewhat. However, the losses we saw were not enough to counteract the upward movement from the start of the month therefore prices closed at higher levels than where they opened for April 2024.

Price movement covering the opening half of April was driven by a number of different factors but predominantly it was a tight gas system that drove prices higher. We saw a steep decline in Norwegian flows due to heavy levels of unplanned maintenance which provided upside to near term contracts. Another bullish driver which added tightness to the system came in the form of forecasts for lower levels of wind generation which then in turn saw an increase in gas for power demand. Escalation of conflicts in the Middle East also provided bullish sentiment to energy prices with Russian attacks on Ukrainian energy facilities posing possible supply disruptions.

However as mentioned above prices then started to fall for the majority of the latter half of April and this was due to factors such as low levels of UK/EU gas demand, forecasts for warmer weather temperatures and news that UK nuclear capacity was at 91%, the highest level it had been at in 2024 following periods of continued outages at certain key reactors.

As ever its worth pointing out that UK/EU gas storage levels continue to look very healthy for the time of year which will have also contributed to the fall in prices that we saw over the latter half of April. UK/EU aggregated storage currently sits at 64.8% which is over 17% above the 5 year average, putting the continent in an incredibly strong position early in the summer injection period as preparation for the upcoming winter gets underway.