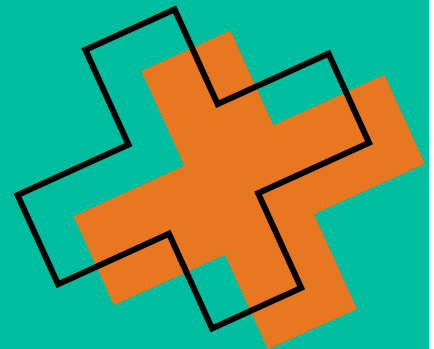




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ENERGY

# Energy Market Review

March 2024



2<sup>nd</sup> April 2024

# Market Context

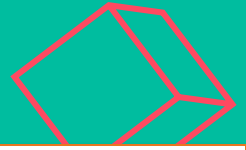
Prices moved up throughout March opposing the trend we have seen for the majority of 2024. A combination of intermittent supply, increasing Asian demand, and geopolitical factors in both the Middle East and Ukraine/Russian caused front season prices to rise around 10%.

- Production cuts at one of the largest gas producers in the US sparked an upward surge in the market.
- A ship was sunk off the coast of Yemen demonstrating increased tensions in the region.
- Attacks in Ukraine damaged gas infrastructure and terrorist attacks in Moscow created further tension.
- North Sea gas flows were impacted by a combination of maintenance and testing.
- Low LNG arrivals during the month as Freeport LNG in the US continues to experience low output.
- Storage ended winter period at c.57% which is higher than last years and significantly higher than the 5-year average of around 40%.

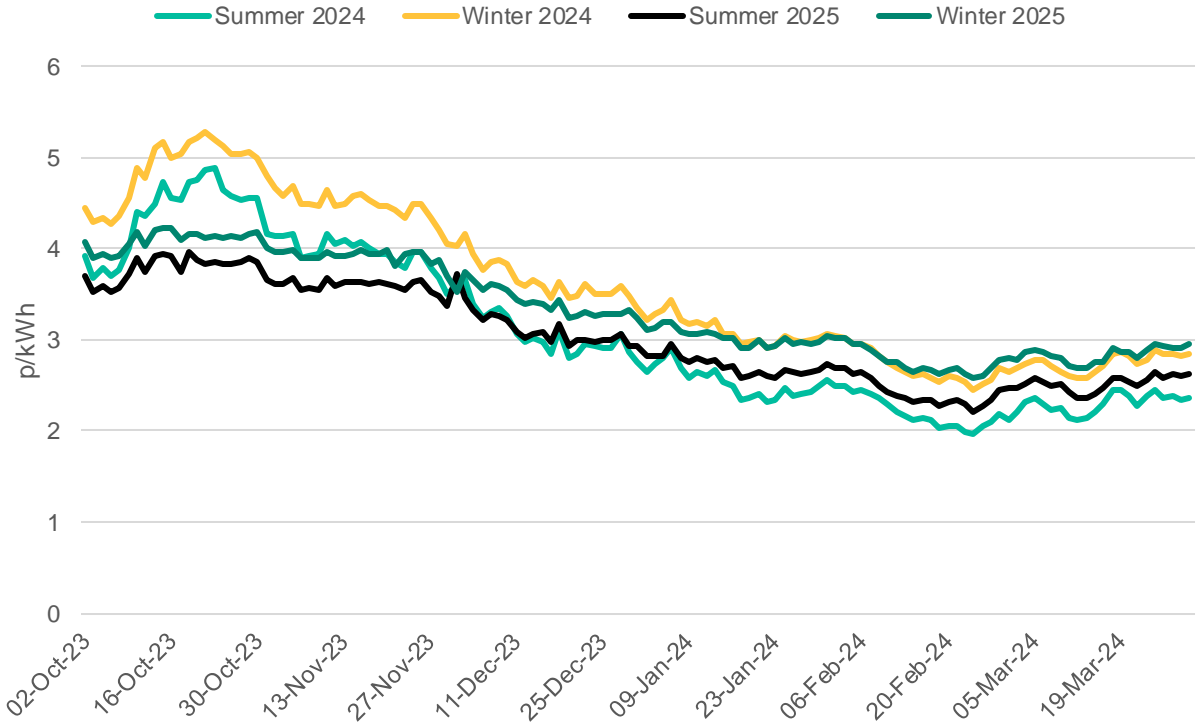
## In other news

In other news, the prime minister has announced that the UK needs to build new, gas-fired power stations to ensure the country's energy security. The new stations would replace existing plants, many of which are aging and will soon be retired. The announcement did not include measures for climate change-limiting carbon capture which means that they could threaten a legally binding commitment to cut carbon emissions to net zero by 2050, critics say.

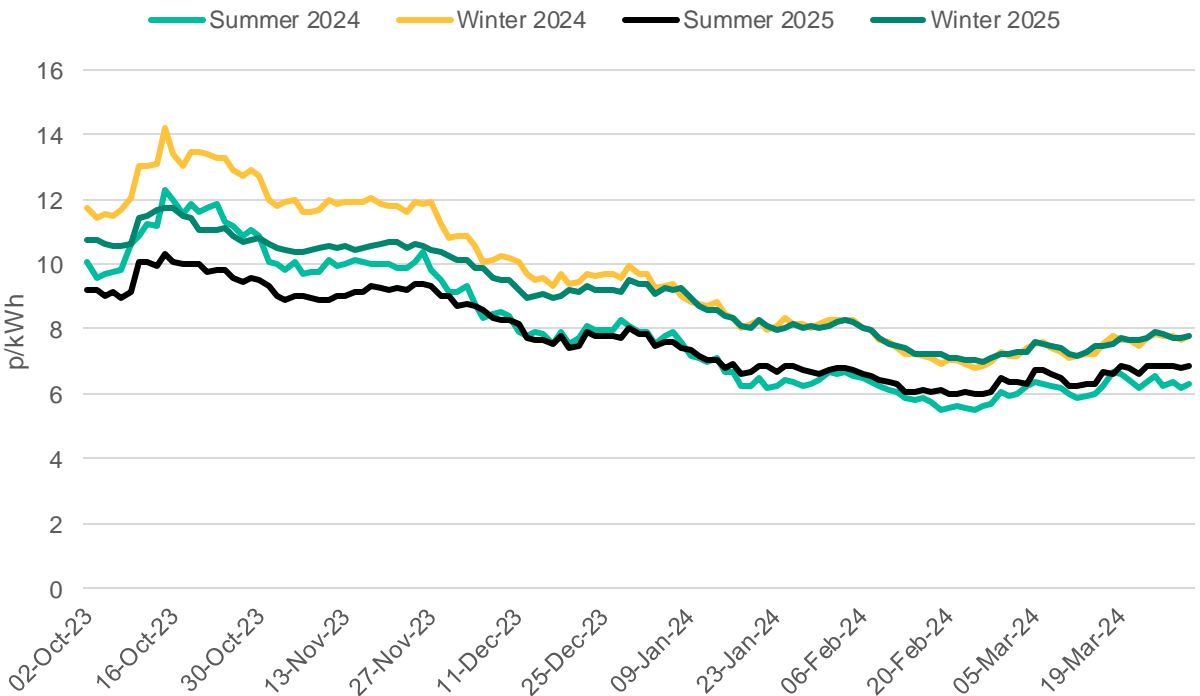
# Seasonal Prices



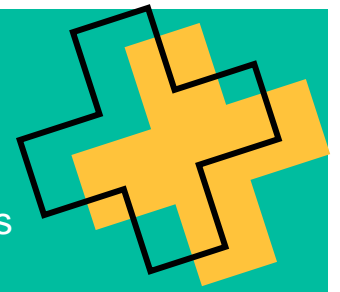
## Daily Seasonal UK Gas Price



## Daily Seasonal UK Baseload Electricity Price



# Price Table



Prices across the curve generally rose throughout March as a combination of geopolitical and fundamental drivers pushed prices up from the low levels witnessed in February.

		Month End Prices				
		Fuel	Mar-24 (p/kWh)	feb-24 (p/kWh)	Month-on-Month Difference	
Spot Prices	Gas (NBP)		2.34	2.15	9%	
	Power (UK Baseload)		5.45	6.33	-14%	
Front Month	Gas (NBP)		2.36	2.13	16%	
	Power (UK Baseload)		6.16	5.95	3%	
Front Season	Gas (NBP)		2.37	2.12	12%	
	Power (UK Baseload)		6.30	5.91	6%	
Annual Price (Oct-23)	Gas (NBP)		2.70	2.49	8%	
	Power (UK Baseload)		7.10	6.61	7%	
Historical Comparison	2019 Average Front Season Price (p/kWh)		% Increase to Mar-24			
	Gas (NBP)	1.64		45%		
	Power (UK Baseload)	5.10		23%		



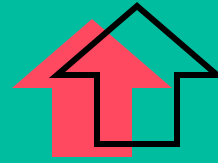
# Outlook

If Geopolitical events generally continue to take a backseat, then the outlook is skewed towards bearish with the strong fundamental outlook set to continue through the summer period. The small bounce prices witnessed through March may be an indication of markets finding a comfortable level post the energy crisis.



## Bearish signals

- Record high storage stocks for the time of year.
- Lighter Norwegian maintenance schedule in the coming months.
- Demand destruction across heating demand and industrial sectors continue in line with EU commissions recommendations.



## Bullish signals

- Continuing geopolitical risk of regional escalation in Middle East and Red Sea.
- LNG supply expected to be lower in the coming months.
- Expiry of Russian transit contract via Ukraine is impending with uncertainty around future transit.



# Focusing our energy on yours

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