



ginger
ENERGY

Energy Market Review

January 2025



4th February 2025

Market Context

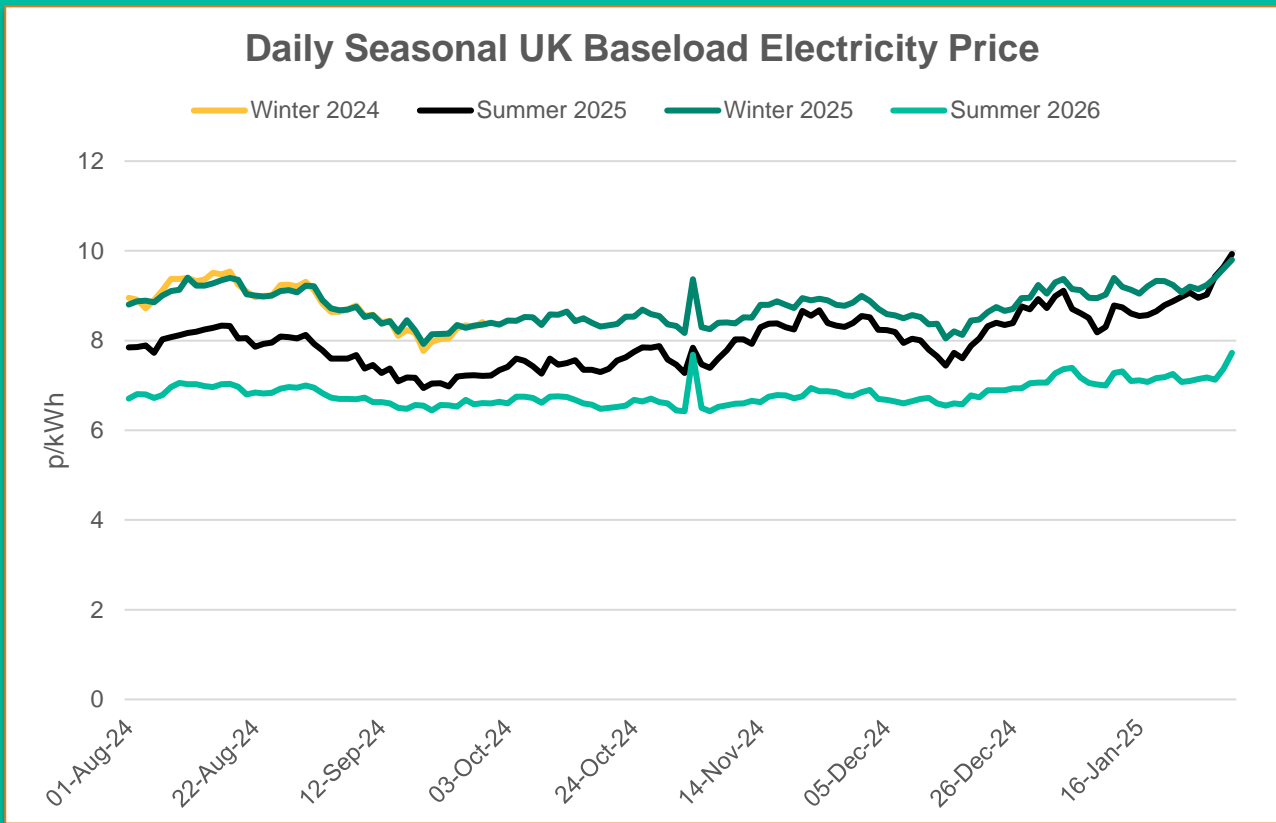
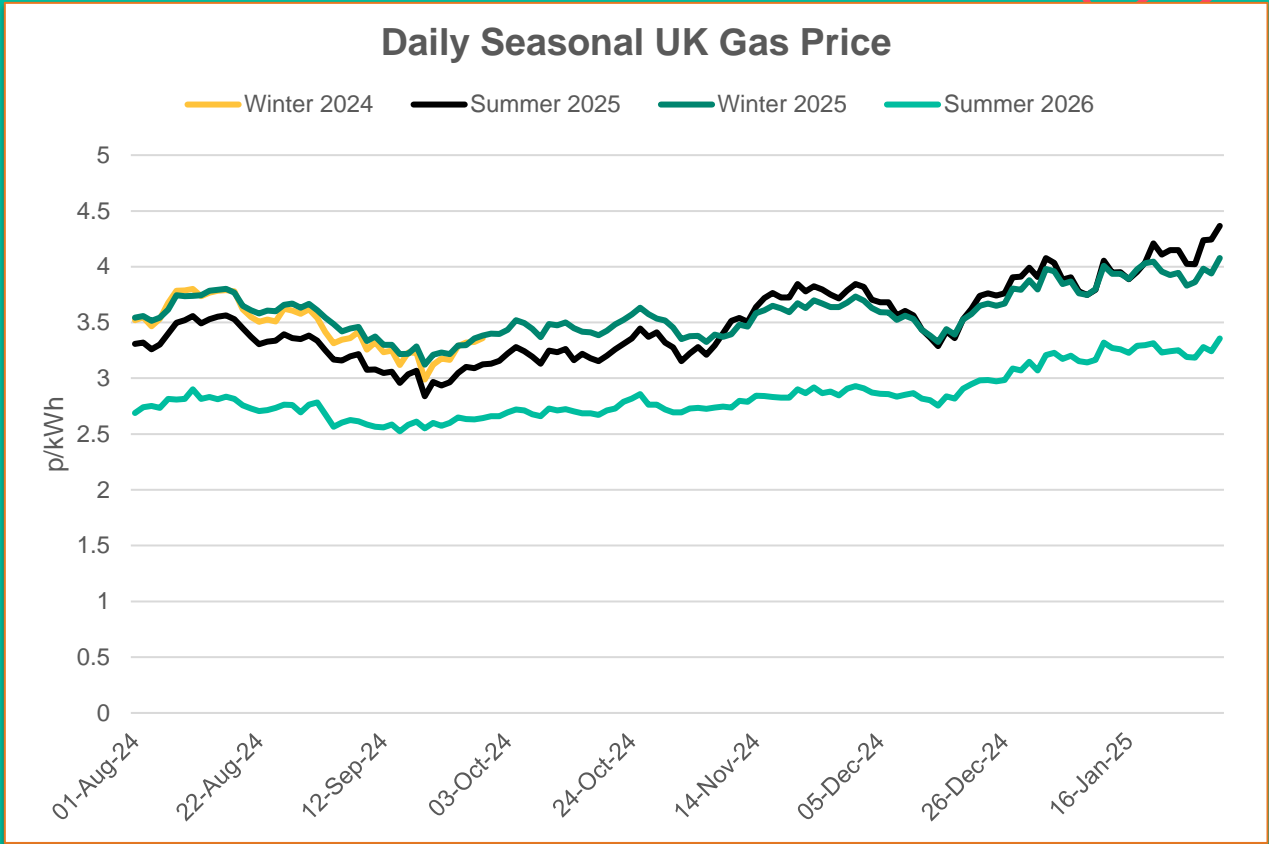
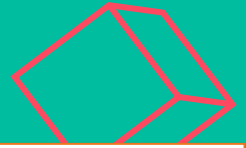
January was a very volatile month which saw the new President inaugurated, a cease fire agreed in Gaza, and further attacks on energy infrastructure in Europe. The cold, calm weather forced UK power prices to extreme levels for short periods. Front season gas prices ended the month 10% higher than the start of January as pressure continues to mount due to diminishing gas storage levels across Northwest Europe.

- Cold weather with little wind created a tight supply demand balance across the UK which pushed intra day power prices to extremely high levels.
- There was news of a thwarted attack on the Turkstream pipeline which takes gas from Russia towards Turkey which pushed prices up in the middle of the month. This was followed by two drone attacks on Russian Oil refineries, both claimed by Ukraine.
- Conversations continued regarding restarting gas transit from Russia through Ukraine with pressure being exerted by Hungarian Prime Minister to get gas flowing again.
- President Trump signed Executive Orders that include releasing more fossil fuels for global export and removing America from the Paris Agreement within hours of his inauguration.
- A ceasefire was agreed in Gaza, hostages from both sides were released but the violence did not completely stop as Israel continued with targeted attacks.
- Storage withdrawals continued through January with Northwest European inventories now less than half full. They are now significantly lower than the last two years, which were the first without large amounts of Russian piped gas being available to refill storage during the summer months.
- Colder weather forecasts also drove prices up with fears of further diminishing storage. Ending winter with low storage is putting pressure on summer 25 prices. They are currently higher than winter 25 prices which would make filling storage economically hard to justify.

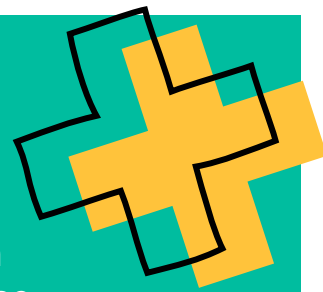
In other news

In other news President Trump has announced trade tariffs on Canada, Mexico, and China and has said the EU will “definitely” be next. This is negatively impacting the share price of many companies with European car manufacturers expected to be hardest hit.

Seasonal Prices



Price Table



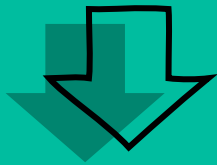
Prices across the board rose through January with the cold weather and low renewable output driving a large increase in power spot prices. Front season prices for gas and power rose about 10% as pressure rises on the summer 25 contract as storage levels continue to diminish.

Month End <u>Energy Only</u> Prices				
	Fuel	Jan-25 (p/kWh)	Dec-24 (p/kWh)	Month-on- Month Difference
Spot Prices	Gas (NBP)	4.58	4.23	8%
	Power (UK Baseload)	11.27	4.83	133%
Front Month	Gas (NBP)	4.53	3.54	28%
	Power (UK Baseload)	12.30	10.36	19%
Front Season	Gas (NBP)	4.37	3.99	9%
	Power (UK Baseload)	9.93	8.93	11%
Annual Price (Apr-25)	Gas (NBP)	4.16	3.91	6%
	Power (UK Baseload)	9.86	9.10	8%
Historical Comparison	2019 Average Front Season Price (p/kWh)		% Increase to Jan-25	
	Gas (NBP)	1.64	167%	
	Power (UK Baseload)	5.10	95%	



Outlook

The cold weather currently shows little sign of abating which will continue to put pressure on supply and necessitate storage withdrawals. Prices are likely to remain under bullish pressure until milder temperatures arrive to ease supply concerns.



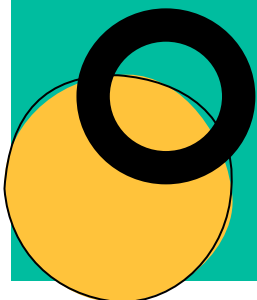
Bearish signals

- Stable LNG supply as Europe remains the premium market.
- Limited planned maintenance in Norway means we should see a small rise in flows in February.
- Potential milder weather.



Bullish signals

- February heating demand set to be lower than January but up when compared to recent years.
- Storage levels forecast to remain below recent years.
- Potential continuing cold weather.





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