



**ginger**  
ENERGY

# Energy Market Review

February 2025



4<sup>th</sup> March 2025



# Market Context

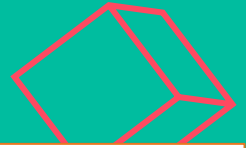
The first ten days of February witnessed front season prices rise around 10% due to cold weather and low storage levels. Prices then began to shed value due to “peace” talks regarding the conflict in Ukraine and rumours of potential changes to storage refilling targets. These stories combined with warmer weather creating looser near-term balance saw seasonal prices end the month 15-20% down on the end of January.

- A cold start to the month created a tight near-term market and the rising prompt prices echoed down the curve.
- Talks with world leaders, spearheaded by the US, about ending the conflict in Ukraine initially drove markets down but a public breakdown in relations between the US and Ukraine put doubts over a potential agreement.
- News came that the EU Commission is considering a relaxation of storage refilling targets but details yet to be released.
- Investors holding long summer positions to gain from the storage refilling requirement exited positions due to uncertainty which helped markets fall.
- A warmer end to the month reduced pressure on supply/demand balance and storage withdrawals.
- However, European storage remains low when compared to last two years.

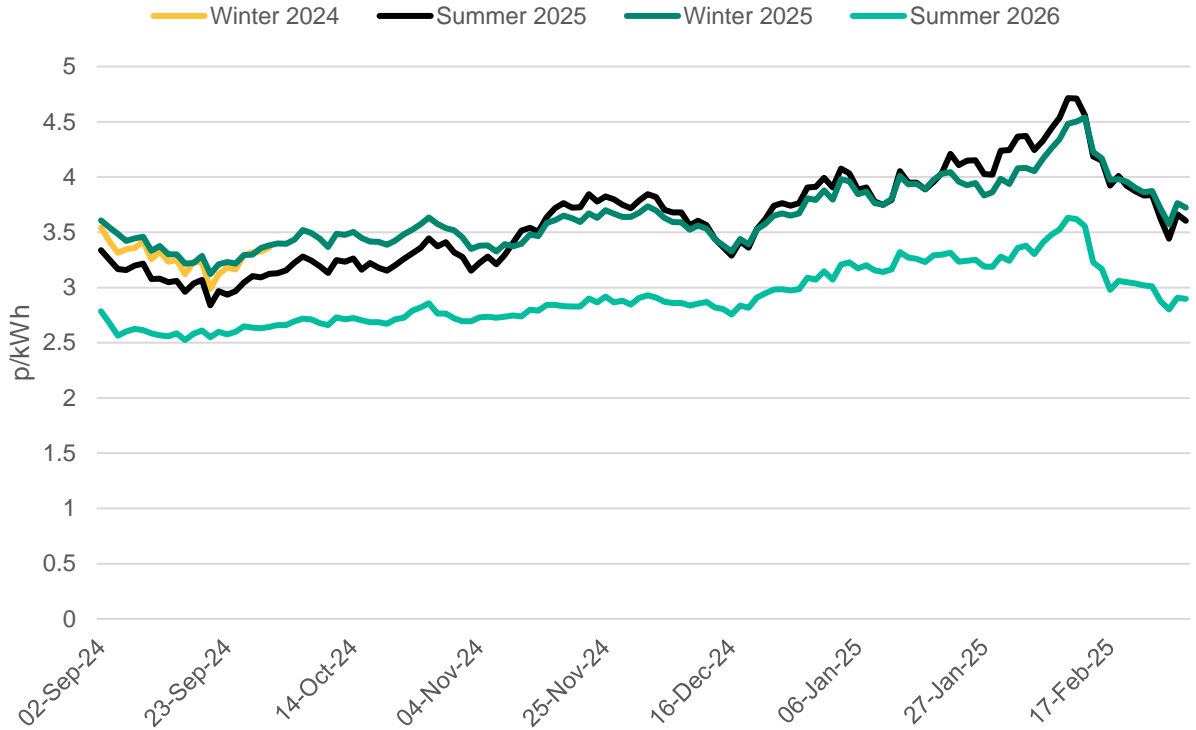
## In other news

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. After meeting with Kier Starmer, there is a possibility that the UK could avoid tariffs.

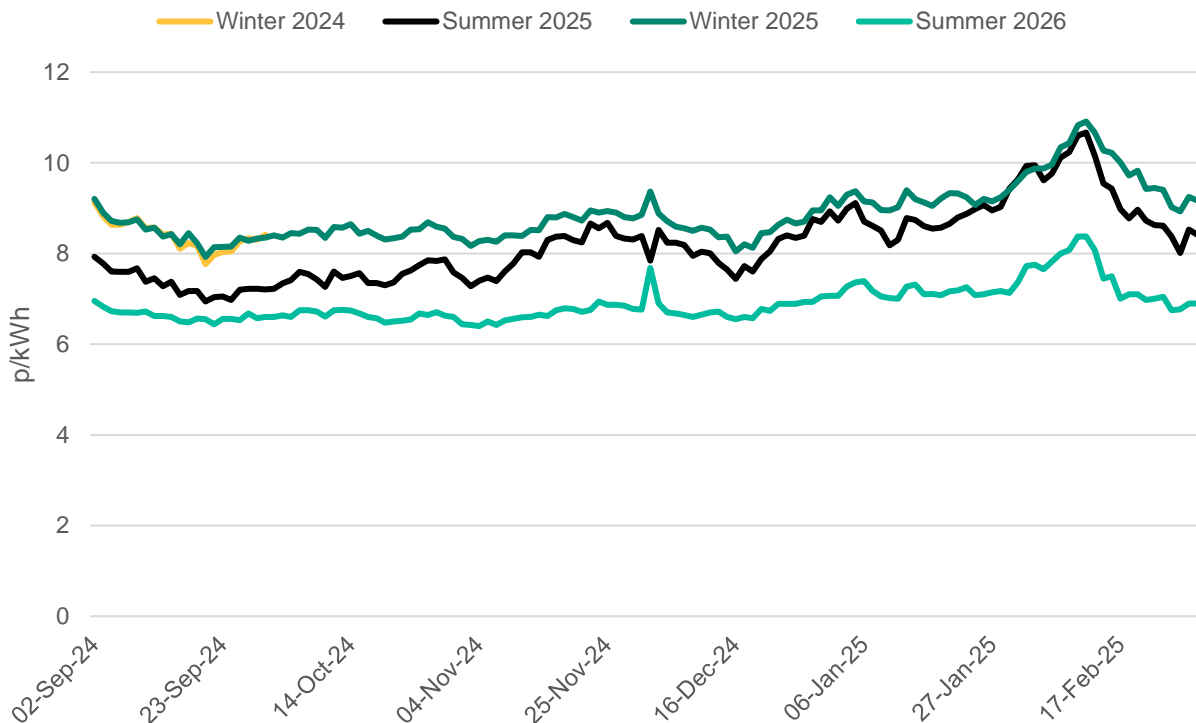
# Seasonal Prices



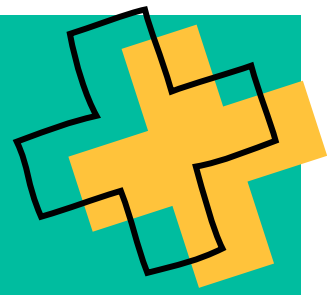
### Daily Seasonal UK Gas Price



### Daily Seasonal UK Baseload Electricity Price



# Price Table



Prices across the curve fell in February but not before hitting highs not seen for some time. Front season prices rose over 10% in the first week of the month then dropped almost 30% from 10<sup>th</sup> to the 25<sup>th</sup> of the month ending the February 15-20% down on the end of January.

Month End <u>Energy Only</u> Prices				
	Fuel	Feb-25 (p/kWh)	Jan-25 (p/kWh)	Month-on- Month Difference
Spot Prices	Gas (NBP)	3.65	4.58	-20%
	Power (UK Baseload)	9.75	11.27	-13%
Front Month	Gas (NBP)	3.59	4.53	-14%
	Power (UK Baseload)	9.35	12.30	-24%
Front Season	Gas (NBP)	3.60	4.37	-17%
	Power (UK Baseload)	8.41	9.93	-15%
Annual Price (Apr-25)	Gas (NBP)	3.69	4.16	-11%
	Power (UK Baseload)	8.83	9.86	-10%
Historical Comparison	2019 Average Front Season Price (p/kWh)		% Increase to Feb-25	
	Gas (NBP)	1.64		120%
	Power (UK Baseload)	5.10		65%



# Outlook

The outlook is currently mixed with both bullish and bearish potential. Whether the strong bearish trend witnessed through the second half of February continues or not is largely dependent on two ongoing stories. Positive developments in “peace” talks are likely to have a bearish impact but any further breakdowns are likely to see the market rise once more. Further news on the EU Commissions storage target changes also have the potential to move the market in either direction.



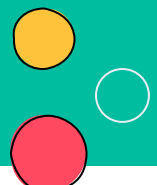
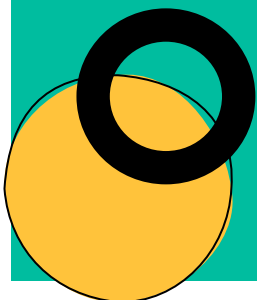
## Bearish signals

- Continued strong LNG supply as Europe remains the premium market.
- Any confirmation of loosening of storage refilling targets.
- Any positive developments in ending the conflict in Ukraine.



## Bullish signals

- Storage levels forecast to end the heating season at lowest level for many years.
- A potential breakdown in “peace” talks.
- Potential for cold snaps late in the winter season, although none are currently showing in the forecasts.





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