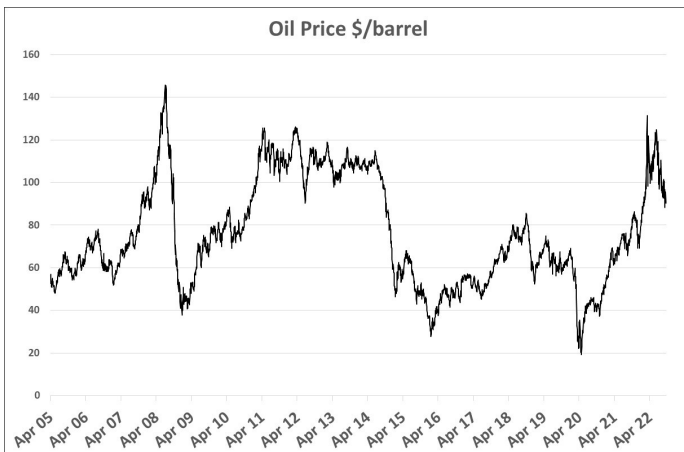


# Energy Market Snapshot

23rd September 2022

## Oil:



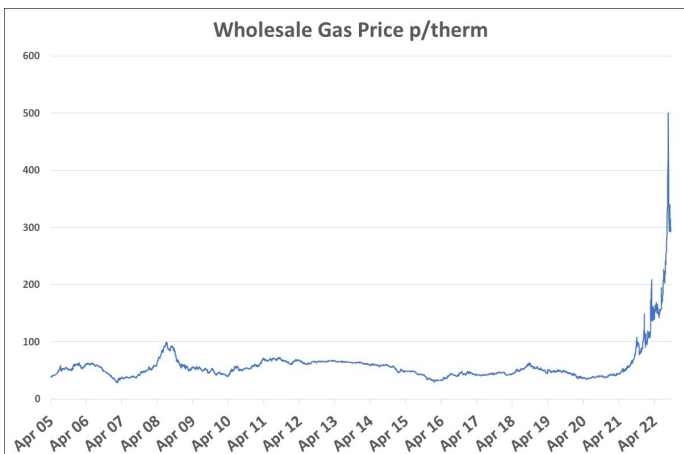
Brent softened throughout Tuesday to close at \$90.83/barrel.

Oil prices continued to fall on Wednesday. The US Federal Reserve increased interest rates in a bid to slow inflation, although this caused concerns amongst market participants that demand for Oil would fall due to reduced economic activity.

Wednesday's weekly inventory report showed an increase in US Commercial stocks of 1.1M barrels. This news, along with continued demand destruction pressured prices lower.

Last night, front month Brent closed at \$90.5/barrel, down just over \$5/barrel compared to last Friday.

## Gas:



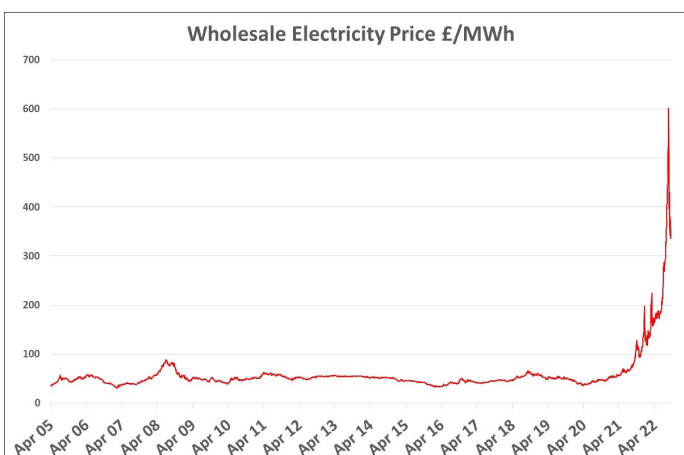
Most Gas contracts were bullish on Tuesday as forecasts for the coming weeks indicate that temperatures are likely to be below the seasonal norm. This was compounded by President Putin's declared intention to mobilise 300,000 army reserves for deployment in Ukraine.

Prices weakened on Wednesday as the supply outlook eased. 10 LNG cargoes are expected to arrive in the UK with a further three are currently under negotiation. The LNG supply has been healthy not only in the UK but also across Europe which has eased supply pressures.

Contracts out to Winter 24 eased on Thursday despite a high level of volatility seen within-day, however curve contracts found support.

Most near-term contracts closed down last night compared to last Friday whilst Winter 23 contracts and beyond rose. Winter 22 closed at 480p/therm whilst Winter 23 closed at 438p/therm.

## Electricity:



Most Power contracts eased on Tuesday, ignoring the bullish sentiment of Gas.

Winter 22 contracts rose on Wednesday although longer-dated contracts took direction from their bearish Gas counterparts.

All Power contracts rose strongly on Thursday – increased tension between Russia and Ukraine pressured prices higher.

Last night, most contracts closed higher than last Friday with Winter 22 gaining £61.6/MWh, however Summer 24 closed down by £13/MWh.