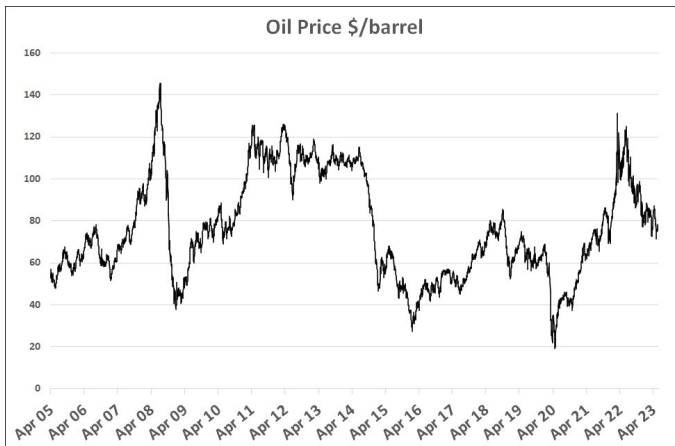


# Energy Market Snapshot

**26th May 2023**

## Oil:



Oil was choppy within day on Monday as forecasts suggesting an increase in global demand pressured prices higher, however despite this the front month contract closed the session marginally lower day on day.

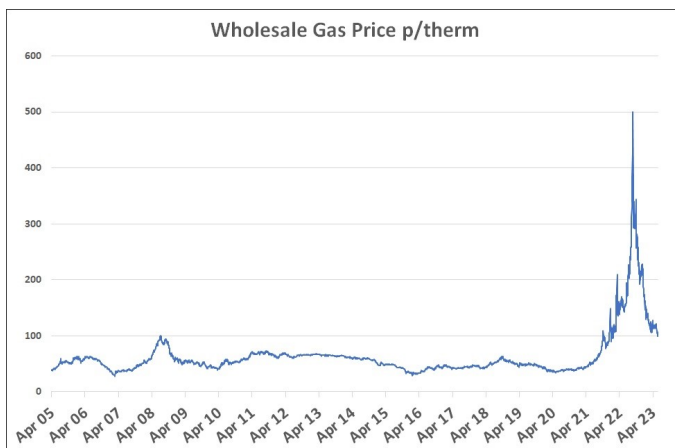
Brent rose on Tuesday supported by higher demand forecasts and an indication from OPEC+ that there may be further production cuts after their next meeting on 4th June.

Prices rose again on Wednesday. The weekly EIA report showed a 12.5M barrel draw on stocks which was greater than expected. This was coupled with a warning from Saudi Arabia's Oil Minister that "short-sellers betting oil prices will fall should "watch out" for pain" – which market participants took to mean further production cuts to come.

Brent lost \$1.75/barrel on Thursday after the Russian Oil Minister suggested "he did not think additional OPEC+ cuts were likely."

Last night, front month Brent closed at \$76.61/barrel, up \$0.61/barrel compared to last Friday.

## Gas:



Prices were mixed at their close on Monday with conflicting pressures at play. Near-term contracts eased as demand was well below the seasonal norm and the system was over-supplied. Summer 24 closed up 0.2p/therm, whilst all other longer-dated contracts lost value.

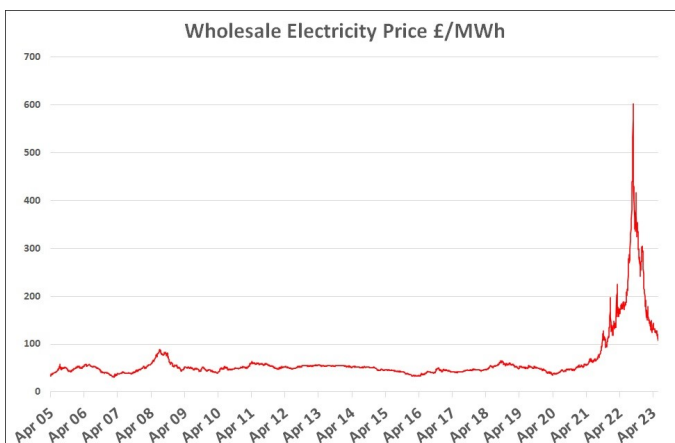
All contracts rose on Tuesday largely due to a revision in Wind generation forecasts to 20% below the seasonal norm – the impact of which is greater demand for Gas. Most contracts gained around 1.5p/therm.

Contracts started to soften on Wednesday ignoring bullish Oil. This was due to reduced demand with warmer weather, additional LNG cargoes arriving in the UK and falling Carbon.

Losses were seen across the board on Thursday after support levels for TTF were broken. Winter 23 and Summer 24 both lost 8% day on day.

Last night, all contracts closed lower than last Friday losing between 7-14%.

## Electricity:



All prices fell on Monday taking direction from bearish Oil and Carbon.

Contracts ignored their bullish Gas counterparts on Tuesday and followed Carbon downwards.

Lower Carbon continued to pressure the market lower on Wednesday. Near-term contracts shed almost £4/MWh day on day.

Thursday was another bearish day for Power and all contracts eased.

Last night, all contracts closed lower compared to last Friday. Near-term contracts lost around 12% whilst longer dated contracts lost around 10%.