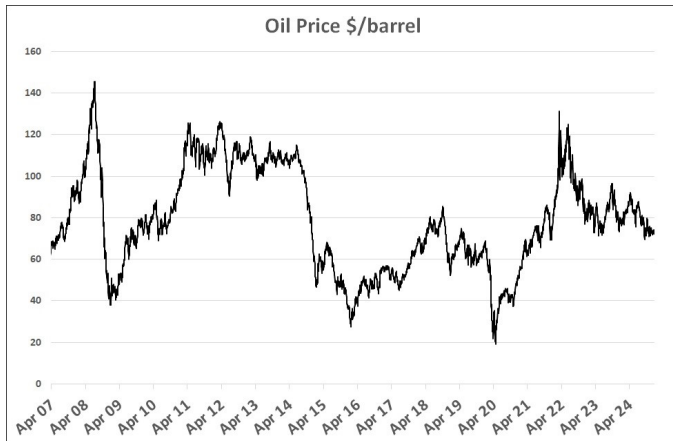


Energy Market Snapshot

10th January 2025

Oil:



Prices were volatile throughout Monday's session. The bulls took charge and the front month contract closed the session \$0.35/barrel higher.

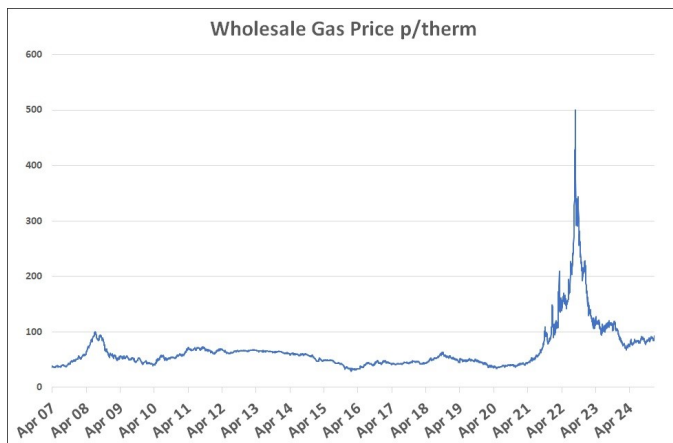
Prices rose on Tuesday on the announcement that the US was likely to increase sanctions on Russian and Iranian exports. This would also tighten the US' own supplies.

Front-month Brent closed flat on Wednesday as the market attempted to evaluate the direction of the USD as the Trump administration prepares to enter the White House.

Oil was little changed on Thursday as markets weighed up demand forecasts against inventories.

Last night, front month Brent closed at \$77.07/barrel, up \$0.69/barrel compared to last Friday.

Gas:



All curve contracts shed value on Monday as temperature forecasts were revised upwards for the latter half of January. In addition, UK supplies were healthy and according to some traders there may have been technical corrections at play.

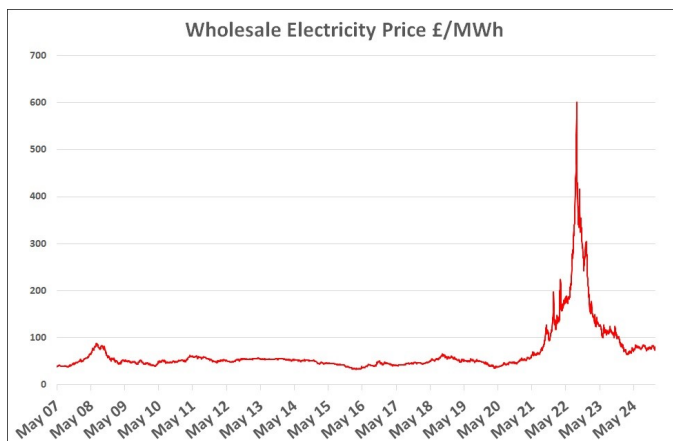
Most contracts reversed Monday's losses on Tuesday with a weak LNG supply outlook forecast. Increased demand from Gas-fired generation also put upward pressure on prices.

Despite a tight system on Wednesday, prices eased as temperature forecasts for the rest of Winter were revised upwards. Temperatures for the remainder of Winter will be a significant factor in the storage position ahead of Summer.

Contracts were mixed on Thursday with near-term contracts posting gains whilst longer dated contracts fell.

Last night, all curve contracts closed lower compared to last Friday. Front month February lost 10p/therm whilst Winter 25 lost 5.15p/therm.

Electricity:



Wind generation forecasts were revised lower on Monday – increasing demand for Gas. Nonetheless, all curve contracts followed Gas downwards.

Most contracts tracked Gas upwards on Tuesday, although contracts from Winter 26 onwards lost value, taking direction from Carbon.

Prices tracked Gas lower overall on Wednesday, despite the NESO issuing a "capacity market notice" as supply margins were below target thresholds. The announcement was later cancelled.

As with Gas, curve contracts were mixed on Thursday. Notably, the Day Ahead contract settled at £172.86/MWh due to system tightness from low Wind generation. This compares with £106.75/MWh from the previous settlement.

Last night, all curve contracts closed lower compared to last Friday. February 25 lost £10.9/MWh and Winter 25 lost £4.4/MWh.