

# ESOS Energy - WEEKLY MARKET INSIGHT

22 April 2024



## Wholesale Market Prices and Trends

Wholesale Gas Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-24 12m	3.04	↑ 8%	↓ -32%	↓ -34%
Oct-24 24m	2.94	↑ 6%	↓ -28%	↓ -30%
Oct-24 36m	2.80	↑ 5%	↓ -25%	↓ -28%
Apr-25 12m	3.03	↑ 8%	↓ -25%	↓ -28%
Apr-25 24m	2.79	↑ 5%	↓ -22%	↓ -25%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-24 12m	7.81	↑ 3%	↓ -30%	↓ -38%
Oct-24 24m	7.58	↔ 0%	↓ -28%	↓ -37%
Oct-24 36m	7.39	↓ -2%	↓ -26%	↓ -36%
Apr-25 12m	7.78	↑ 3%	↓ -24%	↓ -35%
Apr-25 24m	7.45	↔ 1%	↓ -22%	↓ -33%

Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent (\$/bbl.)	87.29	↑ 15%	↓ -3%	↑ 6%
Coal (\$/t)	120.75	↑ 18%	↓ -7%	#DIV/0!
UK Carbon (£/t)	37.13	↑ 2%	↓ -35%	↓ -50%
EU Carbon (€/t)	68.81	↓ -5%	↓ -21%	↓ -29%
€/£	0.86	↔ 0%	↔ 0%	↓ -2%

## UK NBP Gas

### Wholesale Market Drivers

<b>Bearish (Falling)</b>	<p>Day-ahead gas contracts are seeing downside this morning as Norwegian flows to the UK are up by 10, totalling at 90mcm, despite maintenance at Emden metering station causing flows to reroute.</p> <p>The Freeport LNG facility saw the first LNG tanker to dock in 11 days, potentially suggesting a restart to one of the three trains in the coming days.</p>
<b>Bullish (Rising)</b>	<p>The EU is unlikely to ban Russian gas by 2027 due to resistance from Russian-dependant EU members.</p> <p>The UK only has one LNG cargo confirmed for May, hindering our ability to replenish storage before the summer colling period.</p>

### Wholesale Price Graphs



## UK Baseload Power

### Market Drivers

<b>Bearish (Falling)</b>	<p>Online nuclear capacity is currently sat at 91% with only one nuclear reactor offline, also helping to provide downside to UK carbon permits on using less carbon emitting generation types.</p> <p>Interconnector flows from France continue to remain strong helping to diversify the UK power stack.</p>
<b>Bullish (Rising)</b>	<p>Temperatures are currently sitting below seasonal norms, potentially driving up demand for power for heating.</p> <p>Ongoing tensions in the Middle East continue to provide volatility within the market, with risk premiums being added to contracts.</p>

### Wholesale Price Graphs



## Energy Market News:

**The EU is unlikely to ban Russian gas by 2027.** Energy experts predict that the EU's plan to phase out Russian gas by 2027 may falter due to resistance from Russia-dependent EU members. Despite the European Commission's RePower EU initiative aiming to end the bloc's dependence on Russian fossil fuels, no sanctions on gas imports have been proposed. Hungary, Slovakia, and possibly Austria is expected to continue importing Russian gas post-2027 due to their ties and dependency. The unanimity required for EU-level sanctions seems implausible, according to Sergey Makogon, Ukraine's former gas system operator head. However, the EU might not face gas shortages by 2027, with projections suggesting a surplus of 30-40bcm in long-term contracted LNG imports if gas demand reduction goals are met.

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