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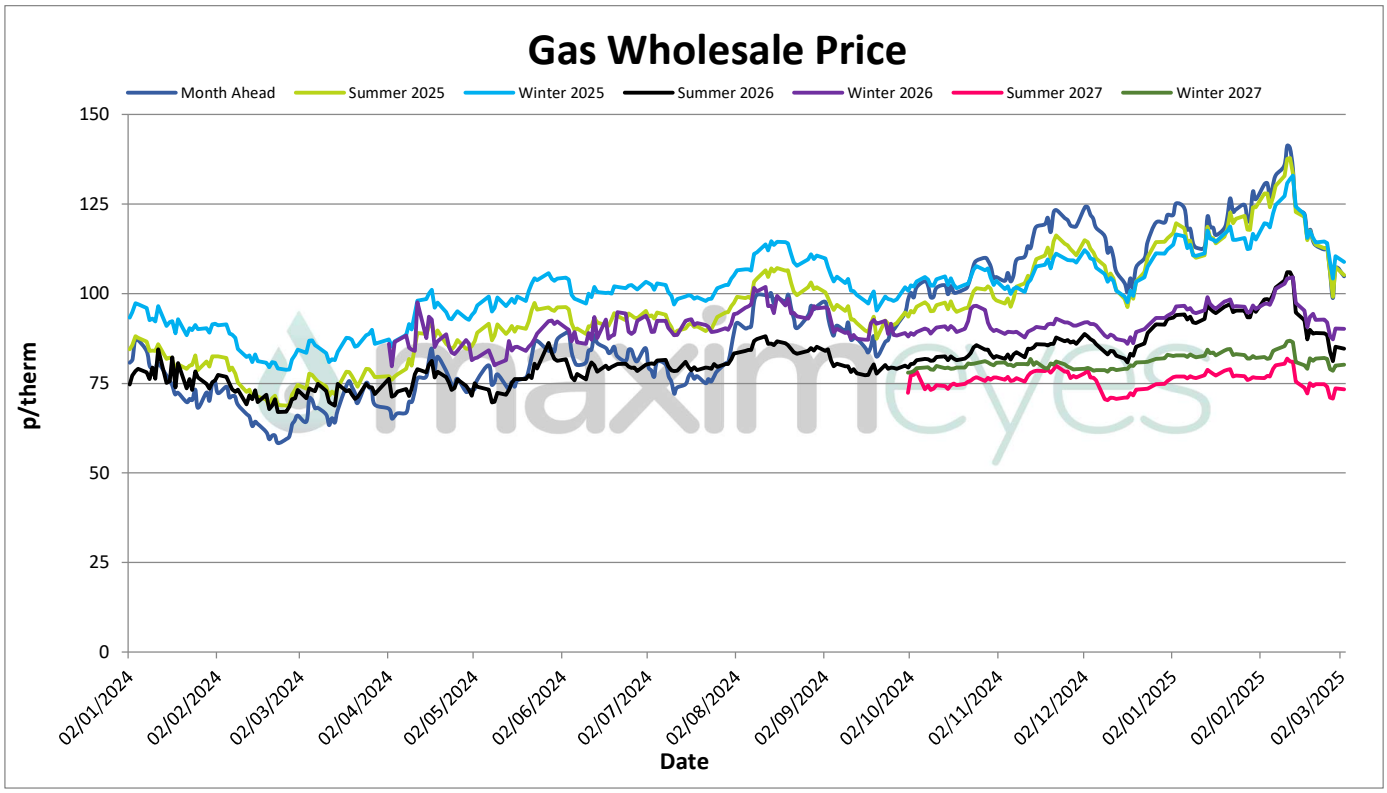
February 2025 Wholesale Market Update

Please see below this month's detailed market report:

Monthly Movement since last report:

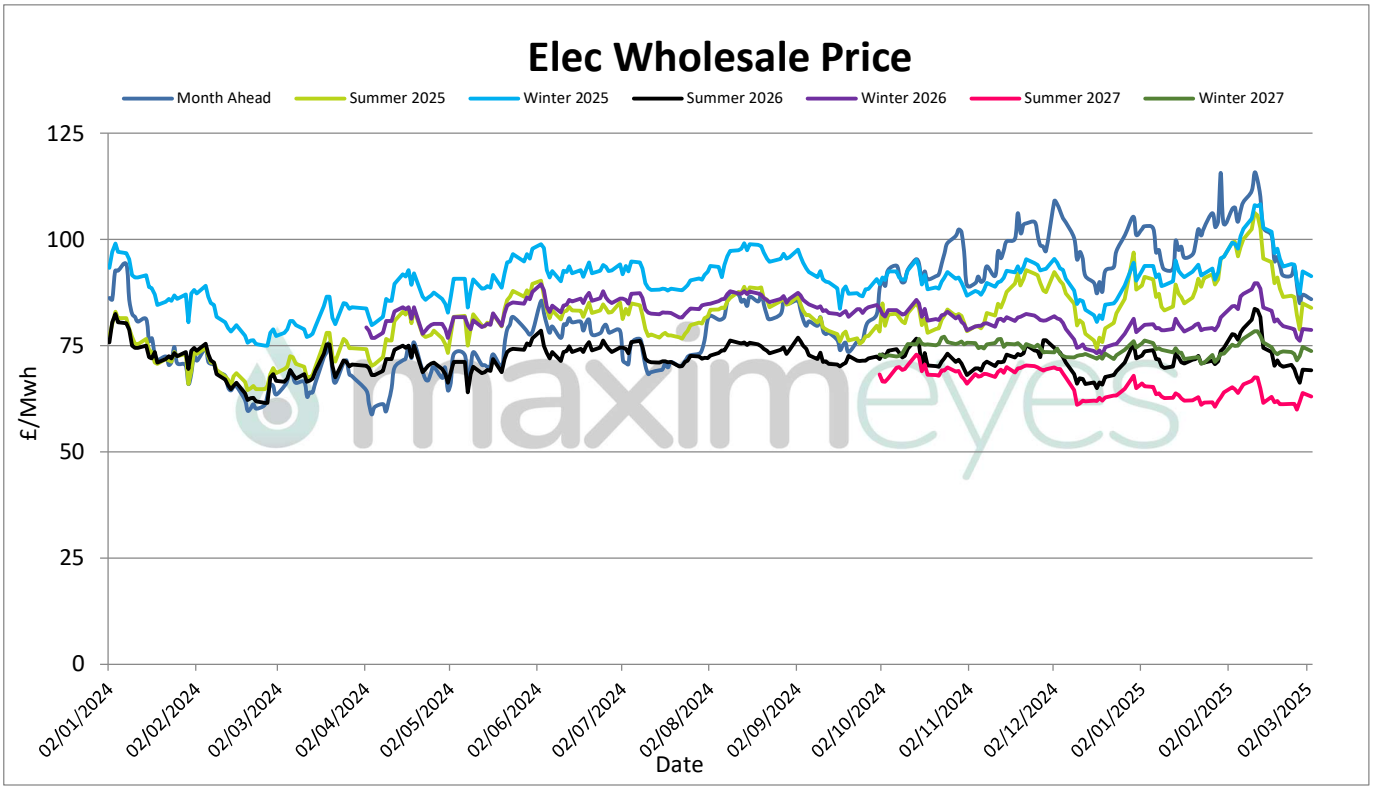
Gas over the past month:

Winter 2024:	**DOWNWARDS**
Summer 2025:	**DOWNWARDS**
Winter 2025:	**DOWNWARDS**
Summer 2026:	**DOWNWARDS**



Elec over the past month:

Winter 2024:	**DOWNWARDS**
Summer 2025:	**DOWNWARDS**
Winter 2025:	**DOWNWARDS**
Summer 2026:	**DOWNWARDS**



Market Movements and expectations moving forwards:

- The UK energy markets continue the downward sentiment, although to a lesser degree than last week, the main driver being the continuation of the geopolitical landscape. The EU and UK have bolstered discussions with the US with visits to the Whitehouse for further negotiations surrounding Ukraine peace talks and trade, the outcome appears to be as positive as can be hoped with Macron and Starmer coordinating visits for the collective wellbeing of Europe, Nato, and Ukraine. The US economy is starting to show effects of Elon Musk dismantling perceived critical key state departments, the full impact of which is yet to be calculated by US economists. Between Mr Musk and Trump's combined action's opinion polls for the president are the lowest recorded in history with growing concern that this will affect millions of Americans that rely on services. Experts appear to conclude this is likely to result in economic decline for the US in the short term, US trade partners are seeking to widen relationships to avoid new imposed tariffs. A backlash against Elons Musk Tesla stock as the public around the world begin to boycott Telsa products, Tesla stock price has declined by -8.34 % this week, -22% fall in the last month.

- The Middle East continue to be a delicate issue, particularly from Trump's continuation of the expulsion of the Palestinian population from the Gaza strip. Surrounding Middle Eastern countries have declined to agree to this perceived 'ethnic cleansing', leaving the current situation in a stalemate. Concerns of a heavily biased US / Israeli partnership may see Israel resume the conflict which will likely see a another 'bullish' rise in the wholesale markets. UK temperatures are expected to increase into spring, with some unsettle lows over the next couple of weeks. Notably, in the UK one of the two reactors at Heysham 1 is offline for maintenance removing 610MW from supply. This reactor is set to remain offline until the end of March. At the end of this month another reactor is set to go offline at Hartlepool, removing a further 666MW from supply.

- UK Gas demand this week continues to decline overall although some areas are still feeling the cooler temperatures, generating demand, sentiments believe overall this will continue to decline through March which QA pricing is reflective. Norwegian flows into the UK and Europe remain strong with no unplanned outages in place currently. The LNG picture remains strong with the UK expected 5 cargoes in the first week of March and the NL and France expecting a combined 10 cargoes over the same period. This continuation of strong supply will apply some bearish pressures to markets as they battle with the confirmed storage story. European gas markets moved up in yesterday's session as markets retraced losses oversold positioning in expectations of loosening of EU storage targets. While the EU did announce flexibility in the pace of filling of these targets, they have maintained the 90% storage target for the 1 of November. Following this, the market had to reprice in the necessary demand for gas in order for storage operators to hit their targets. NBP

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Mar-25 contracts have traded back up to 108.85 p/th and TTF Mar-25 contracts moving up to 45.90 €/MWh.

- Wind generation for the UK peaked on Sunday 23rd with 16.7MW or 50% of the UK's power stack which petered off by Tuesday 25th as winds settled, a sentiment which has continued throughout the week, at the time of writing levels have dropped to around 3.1MW or 10%. leading to a greater requirement for coal to electric generation and a bullish contributor to the current Market Index Price. Wind power for early next week is forecast to outturn below seasonal norms by over 20%, before edging closer to the seasonal averages. Positively, wind is set to pick up towards seasonal norms by the end of the first week of March. Temperatures are set to see a reversal at the same time moving to 2-3 degrees above seasonal norms. This will ease demand likely leading to bearish pressures on DA prices following the short-lived cold front. European weather forecast is looking to warm above seasonal norms by the end of the week which should ease the increase in LDZ demand that we have seen over the last week. On the flipside, weak wind output is still expected for much of the first half of March, and this will increase the demand for gas as renewable generation slows.

- This week has seen UK solar production peak at 7.6GW on Thursday the 27th serving 13% of the UKs requirement. Cloud cover has the biggest impact on generation as expected at this time of year. Currently, UK total power demand has increased to 41.4GW. This is mainly comprised of gas for power generation (37%) and renewable generation (30%),nuclear/biomass (19%) – with the rest being derived from EU interconnectors. France is providing a healthy 4GW of power into the UK system as Norwegian flows reduce slightly. Uk Solar generation should start to pick up to spring levels of over 10MW as an average, reducing the requirement for interconnector imports, British weather permitting.

- At the time of writing Brent crude oil futures fell to around $73 per barrel, heading for its biggest monthly decline since September, as US economic concerns and broader market uncertainty weighed on the energy demand outlook. Hopes for progress on a Ukraine peace deal also pressured prices, as a resolution could lead to the lifting of Russian sanctions and increased oil exports. President Trump revoked Chevron's license to operate in Venezuela, following fresh sanctions on Iran earlier in the month, both of which could tighten global supply. Elsewhere, reports indicated that OPEC+ is weighing whether to proceed with its planned oil output increase in April or maintain current levels as it assesses the global supply outlook. This week BP's CEO confirmed that annual oil and gas investment is set to increase from 2027, with a $10bn (£7.9bn) injection, with most of these cash injections being redirected from reduced renewables investment.

- This week has seen the British Pound outperformed all G10 peers, apart from the U.S. Dollar, confirming that the Pound is increasingly seen as a relative safe haven in the tariff trade. The Pound-to-Euro exchange rate rose to its highest level since

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December 19 at 1.2131. The Pound-to-Dollar exchange rate fell to 1.2585 amidst a broad-based USD recovery linked to Trump's confirmation of wider tariffs. The U.S. President offered Sir Keir Starmer a trade deal that could exempt the UK from being hit with American tariffs as he hailed the "wonderful" relationship between the two nations in Starmer's visit to the US this week. The UK isn't as economically exposed to tariffs as the major exporters, such as the EU. Elsewhere the US trade tariffs have dominated headlines with raised hopes that the U.S. would agree to a watered-down regime, but Trump shattered these expectations, saying on Thursday, "the proposed tariffs scheduled to go into effect on March fourth as scheduled. Obvious victims were the Canadian Dollar and Mexican Peso, but the Euro endured a decline of equal measure as markets now the EU is in trumps sights to destabilise both trade and economies.

- UK weather forecasts for the UK Southern areas will remain largely dry with sunny spells by day, frost, and fog overnight. Further north there will be more cloud, with rain and strong winds at times. Next week a split in weather conditions is likely across the UK during early March. Northwestern areas will see some rain and stronger winds at times with temperatures reducing 1-2 degrees below the seasonal norms, as Atlantic weather systems arrive from the west. These spells of wet and windy weather will drift southeast to some degree but will weaken. High pressure is likely to have more influence across the south of the UK, at least at first. Here, there should be a good deal of fine/dry weather at first with a chance of night frosts and morning fog patches, but some pleasantly mild afternoons, and feeling warm in the sunshine. However, towards mid-March, there is an increasing chance of unsettled conditions becoming more widely dominant across the UK with more in the way of rain at times, even in the south.

Please bear in mind that there are events such as social, political, economic, and environmental factors, governmental or regulatory order, rule, regulation, or direction that affects the energy industry and are beyond the reasonable control of experts.

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