

# Energy Market Update

3<sup>rd</sup> February 2026

## Wholesale Market Prices and Trends

Wholesale Gas Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Apr-26 12m	2.71	↑ 13.5%	↓ -2.8%	↓ -9.5%
Apr-26 24m	2.49	↑ 6.6%	↓ -7.5%	↓ -10.9%
Apr-26 36m	2.33	↑ 2.1%	↓ -10.6%	↓ -12.9%
Oct-26 12m	2.46	↑ 6.2%	↓ -8.5%	↓ -11.4%
Oct-26 24m	2.29	↔ 0.6%	↓ -12.0%	↓ -13.5%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Apr-26 12m	7.92	↑ 12.0%	↑ 3.1%	↑ 7.4%
Apr-26 24m	7.51	↑ 7.9%	↔ -0.1%	↑ 6.4%
Apr-26 36m	7.25	↑ 5.3%	↓ -1.7%	↑ 5.3%
Oct-26 12m	7.43	↑ 7.8%	↔ -0.8%	↑ 6.1%
Oct-26 24m	7.14	↑ 4.3%	↓ -3.0%	↑ 3.9%

Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent (\$/bbl.)	70.69	↑ 8.6%	↑ 2.2%	↓ -1.3%
Coal (\$/t)	97.80	↓ -2.2%	↑ 1.1%	↑ 1.3%
UK Carbon (£/t)	61.89	↑ 5.3%	↑ 9.7%	↑ 42.1%
EU Carbon (€/t)	70.37	↔ -0.4%	↑ 7.2%	↑ 15.8%
€/E	0.866	↑ 4.9%	↔ -0.4%	↑ 4.9%

## UK NBP Gas

### Wholesale Market Drivers

**Bearish (Falling)**

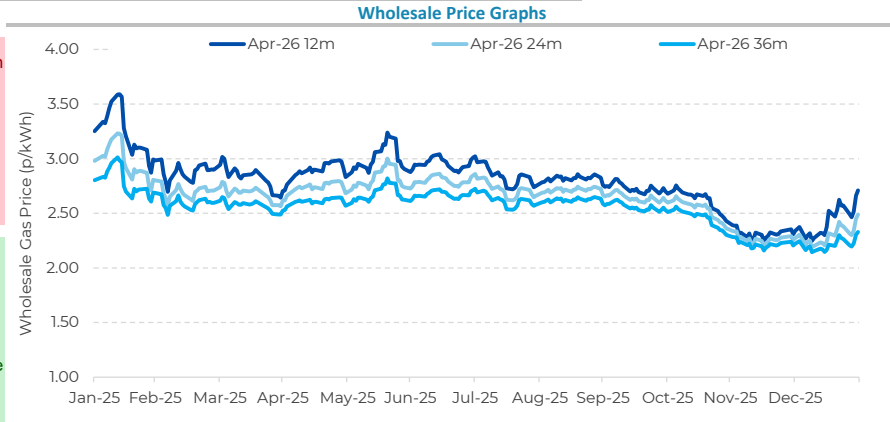
The EU will exempt low-risk suppliers such as the US and Qatar from extra origin checks under its Russian gas ban, reducing compliance friction. This supports stable LNG flows into Europe and adds to an already comfortable supply outlook.

Middle Eastern tensions have waned, as the US and Iran have both signalled a readiness to revive diplomacy after weeks of rising tensions, reducing fears of a new regional conflict.

**Bullish (Rising)**

Despite the IEA forecasting a 2% decline in European gas demand in 2026, Kpler suggests that European gas demand could rise 2% this year, driven by industrial demand in the Northwest of the continent and summer cooling needs.

Kpler anticipates that EU LNG import needs will rise by 22% year-on-year, or 32 bcm, owing to low storage levels, which currently sit at 41%, 12% below last year's levels and below the 5-year average.



## UK Baseload Power

### Market Drivers

**Bearish (Falling)**

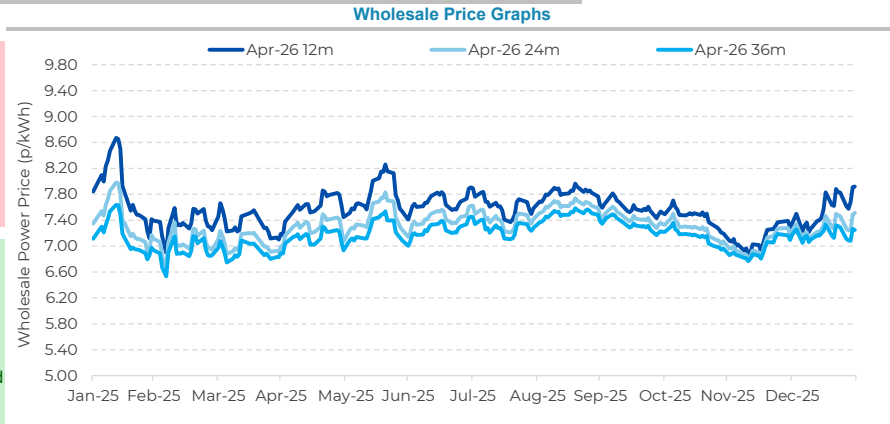
The UKERC expects the correlation between gas and power prices to weaken over the next three years due to increasing renewable capacity expansions.

Greenland-related tensions have revived Europe's energy security drive, with 10 North Sea countries, including the UK, backing a cross-border offshore wind grid and 15 GW annual build-out from 2031-40.

**Bullish (Rising)**

The EU-India free-trade deal, due to take effect in around six months, could lift industrial confidence and power demand expectations, supporting a firmer tone across European energy markets.

Norwegian hydro reserves sit near 20% of normal capacity, at a 15-year low, and persistent cold could force output cuts, tightening spring supply and limiting summer production, which would support Nordic and UK power prices as the region competes for imports.



## Energy Market News:

**Low EU gas stocks and faster storage withdrawals push TTF to a ten-month high on Friday.** European gas storage has dropped to around 41% of capacity, one of the lowest seasonal levels since 2022, tightening the winter supply picture and pushing the Dutch TTF benchmark up to about €42.60/MWh, a ten-month high. Gas Infrastructure Europe estimates the European Union is roughly 130 full-sized LNG cargoes behind last year's inventory level, leaving prices more sensitive to late-winter cold snaps and global supply shocks. Argus data show hedge funds flipped to a net long on the Intercontinental Exchange by mid-January, reversing bearish bets held since Oct-25. Analysts also point to last summer's decision by the European Union to ease storage targets, reducing incentives to build inventories. Some analysts anticipate that a severe cold scenario could leave Northwest Europe with around 11% storage by end-March, limiting blackout risk, though such levels continue to support prices along the curve due to increased summer buying pressure.

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02 February 2026

Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	Change Today	Change Yesterday	3-Month Variance
Day-Ahead	102.55	90.00	-12.2%	1.6%	42%
Mar-26	95.20	83.79	-12.0%	1.2%	20%
Apr-26	84.33	77.22	-8.4%	0.8%	10%
May-26	79.56	74.77	-6.0%	1.8%	7%
Jun-26	76.91	72.47	-5.8%	2.3%	5%
Q2-26	80.26	74.90	-6.7%	1.5%	-3%
Q3-26	76.19	72.09	-5.4%	1.8%	2%
Summer-26	78.21	73.42	-6.1%	1.7%	5%
Winter-26	80.57	77.09	-4.3%	1.7%	-2%
Summer-27	63.59	62.75	-1.3%	1.7%	-8%
Winter-27	69.35	69.00	-0.5%	1.0%	-11%
Summer-28	54.66	54.50	-0.3%	0.1%	-15%
Winter-28	63.26	63.32	0.1%	-0.2%	-13%

Current Market Drivers

- Milder temperatures and a sharp increase in wind output forecasts for tomorrow are expected to reduce heating and gas-for-power demand, weighing on day-ahead energy contracts, while MRS injections of 3 mcm/d have limited further downside.
- Europe saw a 10% year-on-year rise in Russian TurkStream flows in Jan-26, coupled with EU LNG import volumes up 86% year-on-year, reinforcing near-term supply availability despite reduced overall Russian pipeline flows and weaker storage inventories.
- Asia's January manufacturing PMIs improved, with Japan, South Korea, and China back in expansion as export orders strengthened despite the US tariffs, limiting downside along the near-curve contracts amid a positive outlook for global industrial energy demand.
- Nordic spot power surged 95% in Jan-26 to a three-year high as freezing temperatures lifted heating demand, alongside tightening hydropower reserves constraining supply and impacting cross-border power imports prospects to the UK and Europe.
- UK gas futures are bearish this morning, taking direction from broader financial markets, as the new Fed chair nomination strengthened the dollar and triggered heavy commodity selling, while easing US-Iran tensions weighed on crude prices.

Yesterday's Session

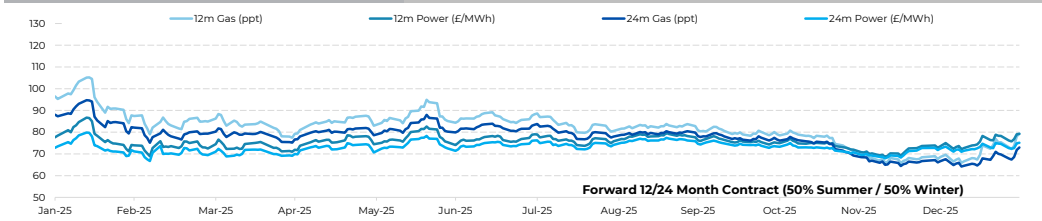
Gas prices rose modestly along the curve on Friday, with gains of around 1-2.3%, supported by weather and storage fundamentals. Base-load power contracts were mixed, with upside from gas markets being offset by losses in carbon markets, as the UK ETS fell to a six-week low.

Market Focus

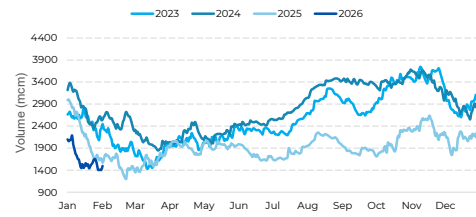
Low EU gas stocks and faster storage withdrawals push TTF to a ten-month high on Friday.

European gas storage has dropped to around 41% of capacity, one of the lowest seasonal levels since 2022, tightening the winter supply picture and pushing the Dutch TTF benchmark up to about €42.60/MWh, a ten-month high. Gas Infrastructure Europe estimates the European Union is roughly 130 full-sized LNG cargoes behind last year's inventory level, leaving prices more sensitive to late-winter cold snaps and global supply shocks. Argus data show hedge funds flipped to a net long on the Intercontinental Exchange by mid-January, reversing bearish bets held since Oct-25. Analysts also point to last summer's decision by the European Union to ease storage targets, reducing incentives to build inventories. Some analysts anticipate that a severe cold scenario could leave Northwest Europe with around 11% storage by end-March, limiting blackout risk, though such levels continue to support prices along the curve due to increased summer buying pressure.

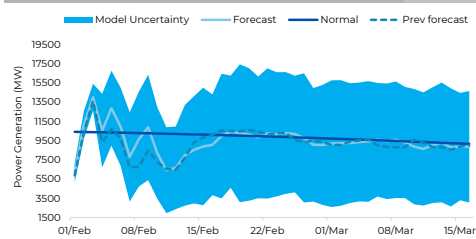
Forward Curve Price Action



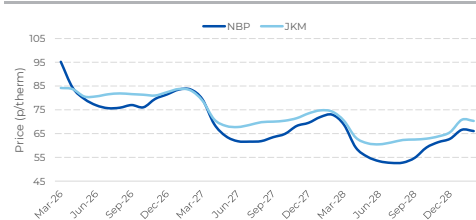
UK Gas and LNG Storage Levels



Wind Power Generation Forecast



Global Gas Benchmarks



Baseload (€/MWh)	Close	Indicative Price*	Change Today	Change Yesterday	3-Month Variance
Day-Ahead	99.75	84.50	-15.3%	1.6%	7%
Mar-26	92.50	85.25	-7.8%	-0.2%	21%
Apr-26	80.74	80.74	0.0%	0.4%	11%
May-26	77.05	77.05	0.0%	0.8%	10%
Jun-26	74.92	74.92	0.0%	1.0%	8%
Q2-26	77.56	75.50	-2.7%	-0.4%	2%
Q3-26	76.78	76.78	0.0%	0.6%	9%
Summer-26	77.17	74.00	-4.1%	0.7%	9%
Winter-26	81.20	80.50	-0.9%	-0.4%	2%
Summer-27	67.49	67.49	0.0%	1.9%	1%
Winter-27	74.55	74.25	-0.4%	-0.6%	-3%
Summer-28	62.42	62.00	-0.7%	-1.6%	-4%
Winter-28	72.09	72.09	0.0%	-1.6%	-4%

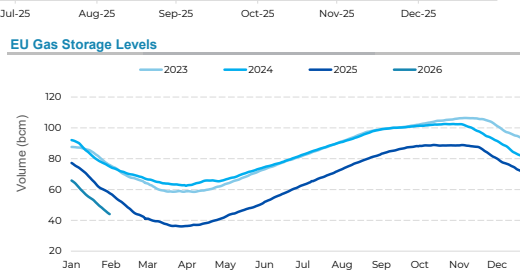
Weather Fundamentals

UK temperatures have seen warmer revisions for this week compared to Friday's forecasts. However, temperatures are revised slightly cooler through mid-Feb-26, with a deeper cold dip around 11-13 Feb, before returning to near seasonal norms thereafter. Wind generation has also seen improved forecasts for this week, though it is expected to remain below seasonal norms next week, while the wider outlook stays in line with seasonal levels.

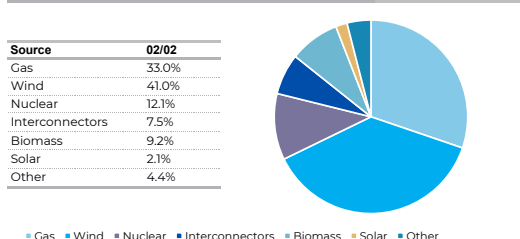
Kremlin invites Zelenskyy for peace talks.

On Thursday, the Kremlin reiterated its invitation for Ukraine's President Zelenskyy to come to Moscow for peace talks. This statement came after both countries carried out an exchange of their latest war dead. Rumours also surfaced following the exchange that the two countries had agreed to halt strikes on each other's energy infrastructure, though the Kremlin has declined to comment on this. After US-mediated peace talks last weekend in Abu Dhabi, this has injected fresh momentum into efforts to secure a peace deal. However, profound differences persist, with the Kremlin Foreign Policy aide citing that the issue of territory is not the only thing holding up a potential peace deal but failing to elaborate further. The aide, however, expressed doubt over the viability of any security guarantees, particularly if they were designed to keep Ukraine's current political leadership in power. A Kremlin spokesman said it has not received a response from Zelenskyy to the invitation, noting earlier refusals because he would not visit a capital bombing Ukraine daily.

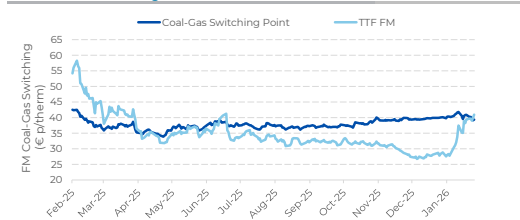
Forward 12/24 Month Contract (50% Summer / 50% Winter)



Power Generation Mix (Last 24 Hours)



EU Coal-Gas Switching



Wider Energy Complex	Close	Current Offer	Change Today	Change Yesterday	3-Month Variance
Brent (\$/bbl)	69.32	66.01	-4.8%	0.0%	8.6%
Coal (\$/t)	103.47	101.25	-2.1%	0.0%	-2.2%
UKA Dec-26 (€/t)	61.89	63.07	1.9%	-5.0%	5.3%
UKA Dec-27 (€/t)	64.61	65.90	2.0%	-4.9%	17.0%
EUA Dec-26 (€/t)	81.26	83.08	2.2%	-3.3%	-0.4%
EUA Dec-27 (€/t)	83.56	85.43	2.2%	-3.3%	-0.4%
€/€	0.866	0.87	0.0%	-0.1%	-1.6%
€/€	1.185	1.186	0.1%	-1.0%	3.1%

Get in Touch



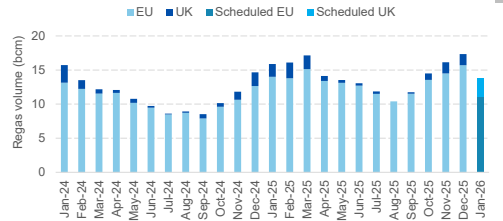
Gas Supply/Demand Fundamentals

Stable temperatures are keeping UK domestic demand (LDZ) broadly steady, while UKCS terminal receipts are up 10mcm/d to 100mcm/d and LNG sendout has risen by almost 20mcm/d to 96mcm/d, loosening the balance. Norwegian flows are largely steady, this is aiding the UK to inject into mid-range storage.

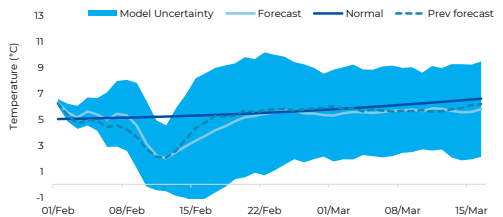
US and Qatar exempt from EU extra checks under Russian gas ban.

A draft document by the European Commission shows that the European Union will exempt key gas suppliers, such as the US and Qatar, from extra checks under its upcoming Russian gas ban. This follows EU countries, except Hungary and Slovakia, earlier in the week giving their final vote to legally bind the bloc's plan to phase out Russian gas imports by Oct-27 into law. To enforce the ban, the EU will subject shipments to "prior authorisation." This means that five days before a shipment arrives in the EU, companies must provide European customs authorities with proof of the gas's country of origin. However, countries that the EU deems low risk for Russian gas entering their exports, such as countries that have also banned Russian gas and those lacking the infrastructure to import Russian gas, will be exempt from these requirements. These countries currently include the US, Norway, Qatar, Britain, Algeria, and Nigeria.

Historical Monthly LNG Supply



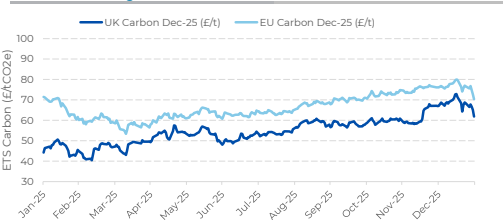
Temperature Forecast



Nuclear Outages

Facility	Capacity (MW)	Start Date	End Date
Hartlepool 2	595	04/06/25	22/02/26
Hartlepool 1	595	31/10/25	01/02/26
Torness 2	595	21/01/26	09/04/26

Emissions Trading Scheme Carbon



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