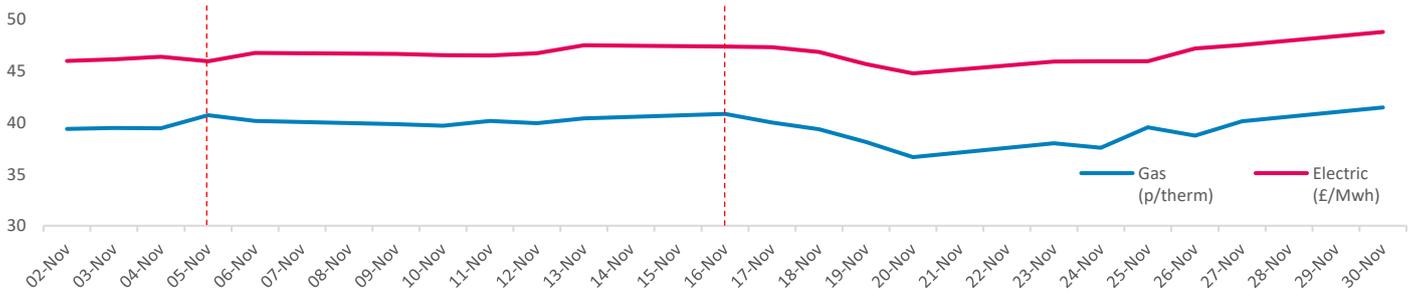


ENERGY MARKET UPDATE

November 2020

YEAR AHEAD WHOLESALE GAS AND ELECTRICITY PRICE



The month started with some relatively stable pricing as a well-supplied UK gas system, caused by temperatures remaining above seasonal norms, helped mitigate any bullish (upward) sentiments.

Gas prices saw a small upturn on the 5th November as cooler temperatures hit the UK and caused an increase in demand, however this was short lived as a well-supplied system put downward pressure on pricing.

Prices remained stable in early November albeit with a slight upturn on the 11th as an unplanned outage at the Oseberg gas field in the North Sea took around 6mcm (million

cubic meters) offline, leading to a reduction in supply and some bullish sentiments in the market.

Both gas and electric markets saw a fall in pricing on the 16th November as warmer weather was expected to return to the UK with temperatures reaching 7°C above average. This led to a very well supplied system and fuelled bearish (downward) sentiments.

Following the downward movement, prices began to climb off the back of news surrounding possible Coronavirus vaccines, signaling a possible increase in demand. The

price increase was also driven by rising Oil and Carbon markets.

Prices steadily rose for the remainder for the month as cooler temperatures kept pressure on the system and put upward pressure on prices. This was also affected by reduced wind generation increasing demand for power from CCGT (Combined Cycle Gas Turbines).

Overall, November was relatively stable however bullish sentiments put upwards pressure on prices towards the end of the month.

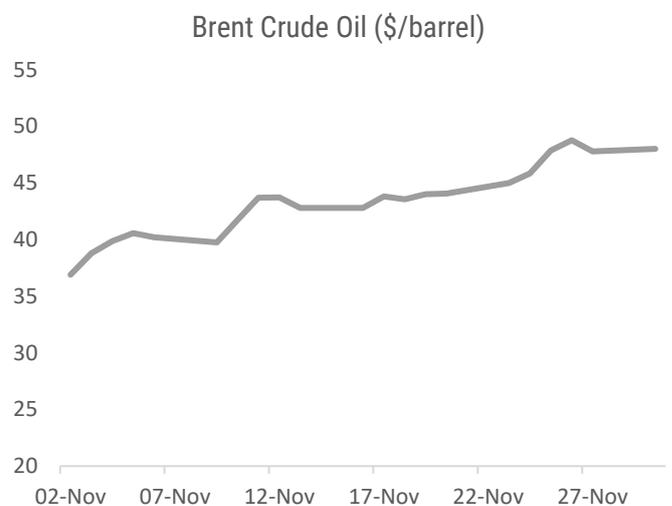
BRENT CRUDE OIL

Brent Crude prices rose gradually across November.

November began with Oil prices falling to circa \$36, lows not seen since May 2020 during the peak of the pandemic. This was caused by the new lockdown restrictions taking effect in the UK and Europe, threatening future demand. The market was also being affected by US election polls predicting Joe Biden would win the US election which fuelled bullish sentiments.

Bullish sentiments were also fuelled by the news of a Coronavirus vaccine, signaling a possible ramping up of demand as the vaccine is rolled out and also quelling the fears of further Coronavirus outbreaks forcing future lockdowns.

Overall, Oil prices gradually increased across the month as bullish news affected the market.



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