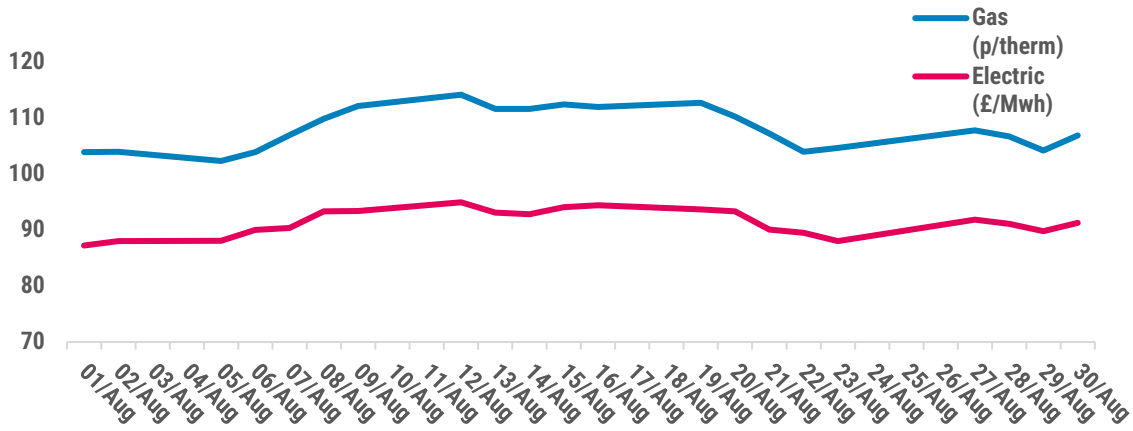


ENERGY MARKET UPDATE

August 2024

YEAR AHEAD WHOLESALE GAS AND ELECTRICITY PRICE



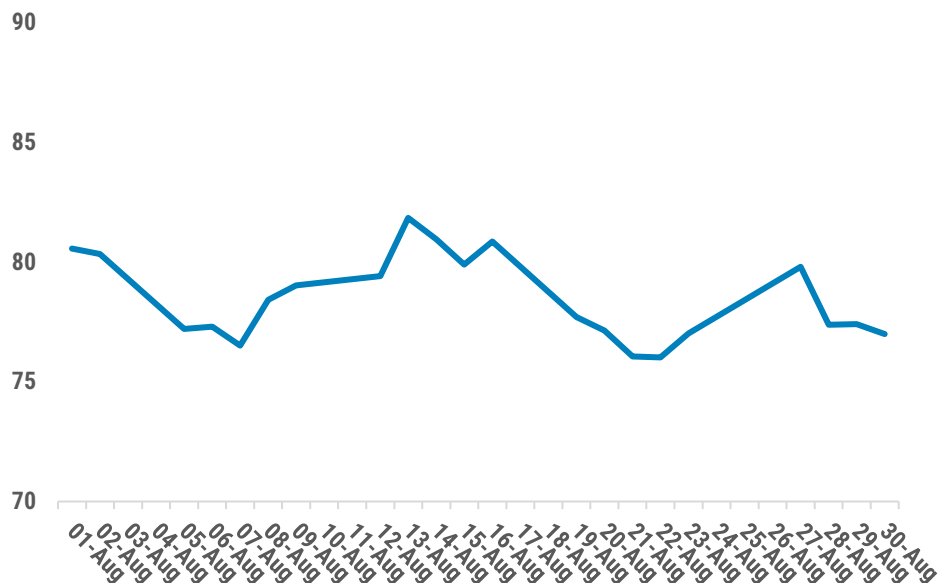
August began with bullish (upward trending) sentiment following the end of July. Despite warmer temperatures, the forecast of falling temperatures influenced the market as we entered August. Although there were minor unplanned outages in Norway, market fundamentals ensured the price increase was managed. Due to ongoing geo-political tensions, the TTF (Dutch Gas Market) recorded its highest levels of spot-pricing this year. This is visible in the steady rise in pricing from the 4th until the 12th. This was also exacerbated by increased LNG (Liquefied Natural Gas) demand in Asia due to warmer temperatures.

From the 12th, we saw some bearish (downward trending) factors creating a slight decline. However, this did not bring pricing back to Pre-August levels. The UK system opened oversupplied with strong flows incoming from Norway and mainland Europe. Despite Troll and Kollesnes plants' planned maintenance, work progressing on the expected timeline has led to prices softening. At the end of week 2 there was a slight decline that retraced within 2 days. The bearish sentiment which followed may be due to European storage levels coming close to the 90% target which will allow for enough gas reserves for Winter, alongside an increase in wind recorded across the UK and Europe.

Bearish sentiment remained until the 23rd. With wind expectations declining and the markets feeling the effects of the maintenance in Norwegian facilities, prices began rising until the 27th. Furthermore, increased volatility is expected as American elections are in full swing coupled with news of Gassco's maintenance has factored into 2 bullish days to close the month off.

BRENT CRUDE OIL

Brent Crude Oil (\$/barrel)



August began bearishly with prices declining steadily throughout the first week. This was due to a weakening US economy and decreased demand from China. Fears of a recession in the US led to a large market sell-off and a continued decrease in oil pricing.

Prices began rising from the 7th mainly due to increased tensions in the Middle East and the US stocking their oil reserves. There was a steep decline on the 14th until the 21st. US economic reports showed an expected decrease in demand coupled with poor industrial output in China led to decreasing demand on the global market.

The 22nd saw more bearish factors influencing pricing until the 27th. The volatility arose due to continued geo-political tensions. The month then closed off with bearish sentiments and saw pricing return to levels below what they were at the end of July.