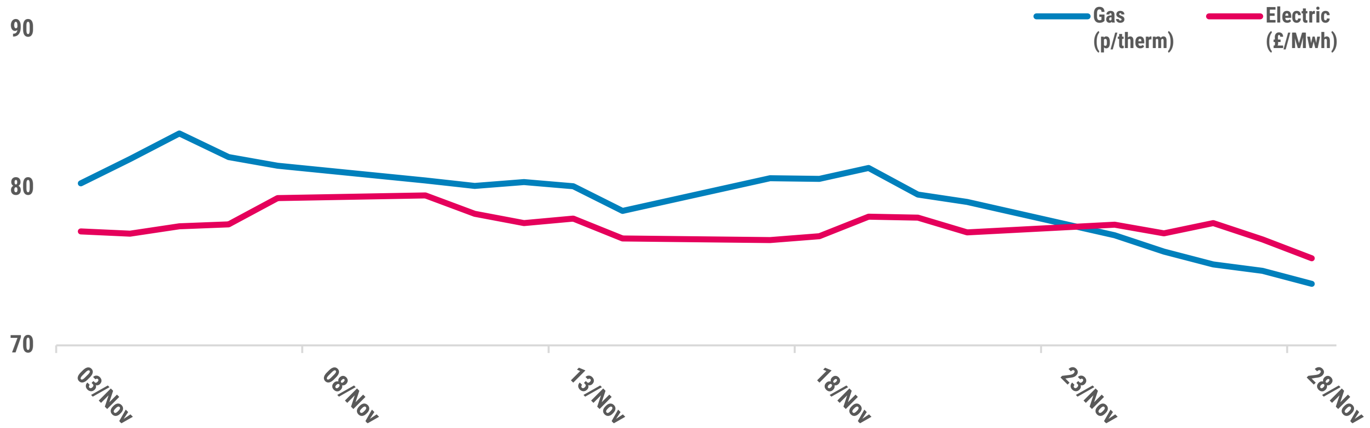
ENERGY MARKET UPDATE
NOVEMBER 2025



YEAR AHEAD WHOLESALE GAS AND ELECTRICITY PRICE

UK wholesale gas and power markets experienced volatility in November 2025, shaped by shifting weather patterns, fluctuating supply conditions, and ongoing uncertainty across wider European energy markets.

The first few weeks began with an overall slight downturn due to mild early-November temperatures limiting heating demand, while healthy LNG (Liquefied Natural Gas) arrivals and steady Norwegian pipeline flows kept the system well supplied. This stability helped keep near-term gas and power contracts contained, with sentiment broadly bearish (downward trending) due to comfortable fundamentals.

However, by mid-month conditions changed. A significant cold spell drove UK gas demand materially higher, pushing daily consumption well above seasonal norms. As heating requirements increased and wind generation dipped, gas-for-power demand also rose, tightening system margins. This combination triggered a rebound in prompt and near-term contracts, with markets reacting to both increased physical demand and the potential for further weather-related risk.

Toward the end of November however, prices retreated from their mid-month levels. Improved renewable output, a return to milder weather forecasts, and continued LNG availability eased short-term concerns. In addition, a calmer geopolitical backdrop in European supply discussions helped reduce risk premiums, allowing both gas and power prices to stabilise.

Overall, UK gas and power markets ended November slightly lower than early-month levels. The system remained generally well balanced, supported by strong LNG import levels and resilient pipeline flows. The outlook remains tied to Novembers drivers with traders mindful of further cold weather, lower renewable output, or disruptions in European supply and the impact those factors could have in reintroducing upward price pressure as winter progresses.

BRENT CRUDE OIL

Brent crude prices remained pressured through November, trading broadly within the $60–$65/barrel range as global excess supply continued. OPEC+ (Organisation of the Petroleum Exporting Countries) output stayed elevated following recent production increases, while robust supply from the United States, Brazil, and Canada added to already rising global inventories.

Demand fundamentals were similarly subdued. Asian consumption showed only marginal improvement, with China still exhibiting weak industrial fuel demand. In Europe, economic softness persisted, contributing to lower diesel and gasoline use. Additionally, mild early-winter weather across the Northern Hemisphere reduced seasonal heating fuel demand, reinforcing the muted demand outlook.