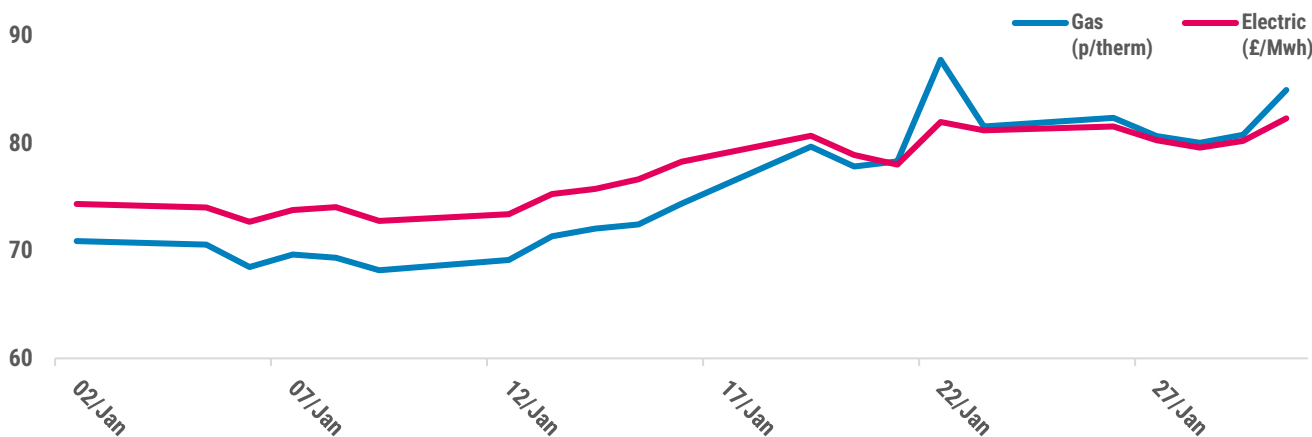


ENERGY MARKET UPDATE

JANUARY 2026



YEAR AHEAD WHOLESALE GAS AND ELECTRICITY PRICE

UK wholesale gas and power markets strengthened during January 2026, with both year-ahead contracts trending higher across the month, although gas exhibited more pronounced volatility.

Early January saw gas prices edge lower as relatively milder conditions reduced prompt heating demand and eased near-term system tightness.

This softness proved temporary, with prices beginning to firm through mid-month as colder weather forecasts and stronger seasonal demand expectations lifted the forward curve, although a brief dip in power prices was seen around mid-January as

improved renewable output and moderated demand temporarily eased generation margins. A sharp rally in the third week drove gas to a monthly high before values partially retraced, reflecting short-term positioning and evolving weather outlooks.

Despite the pullback, gas closed the month materially above early-January levels. Power prices followed a firmer and more consistent upward trajectory.

After a relatively stable start, the year-ahead baseload contract gained momentum from mid-January onwards, supported by tighter projected generation margins and periods of

lower renewable output, which increased reliance on thermal plant. Strength in the gas market also provided underlying cost support to forward power pricing.

Weather variability, renewable generation forecasts, and broader European energy market dynamics remained the principal drivers of price formation.

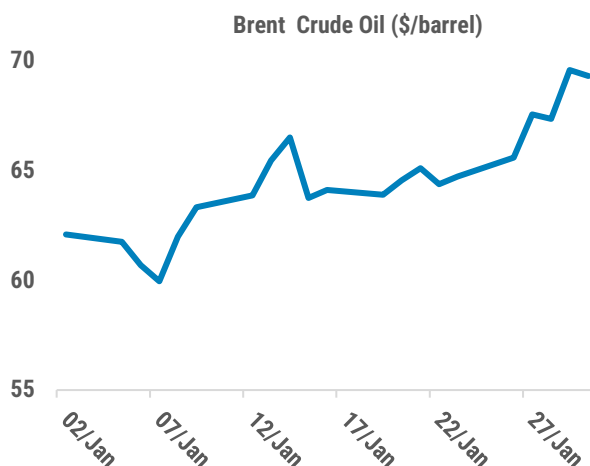
Overall, January was characterised by sustained upward movement across both commodities, with gas displaying sharper intra-month volatility and power advancing more steadily to end the period at or near monthly highs.

BRENT CRUDE OIL

Brent crude prices showed upward volatility during January 2026, trading broadly between \$60 and \$70 per barrel. Prices eased early in the month, briefly dipping toward \$60 per barrel, driven by continued high global inventories and steady non-OPEC supply growth, which weighed on prompt pricing.

Mid-January saw a sharp rebound, with Brent rising to the mid-\$60s per barrel as refining margins improved and backwardation strengthened across the front of the curve. Prices softened slightly thereafter as profit-taking emerged, though support remained firm above early-month lows.

In the latter part of the month, Brent strengthened further, rising steadily and reaching highs close to \$70 per barrel toward month-end, supported by firmer time spreads and improved physical crude differentials. Overall, Brent crude finished January notably higher than at the start of the month, with increased volatility and a clearly established upward trend.



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