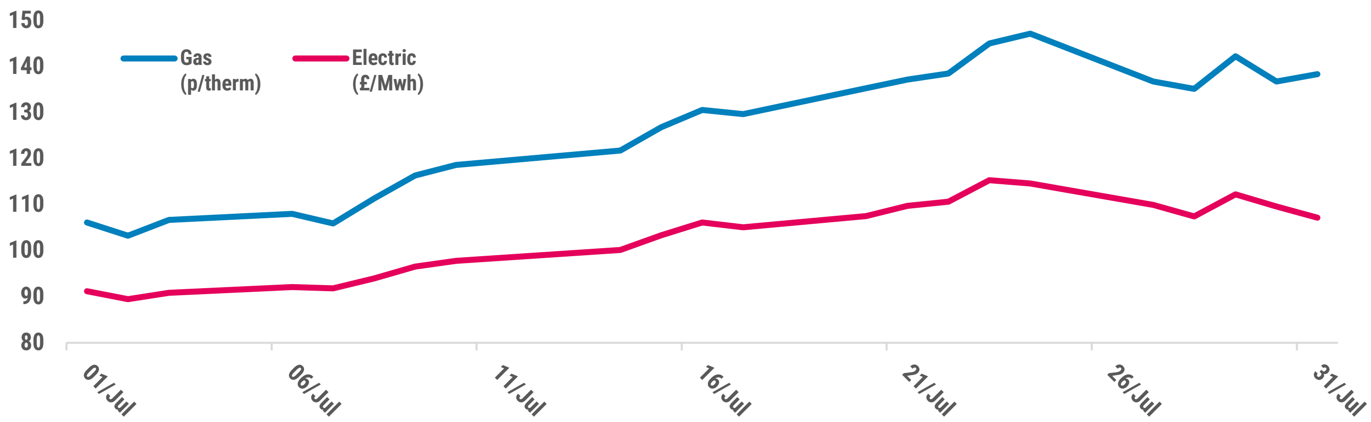
ENERGY MARKET UPDATE

JULY 2026



YEAR AHEAD WHOLESALE GAS AND ELECTRICITY PRICE

UK wholesale gas and power markets moved steadily higher throughout July 2026, with both commodities recording sustained gains during the first three weeks before easing slightly towards month-end.

At the start of July, prices remained close to late-June levels before strengthening as geopolitical tensions returned to the forefront.

Markets continued to monitor developments in the Middle East and the potential impact on global gas and LNG (Liquefied Natural Gas) supplies.

Continued uncertainty surrounding the Strait of Hormuz and global shipping routes supported wholesale prices, with both gas and power reaching their monthly highs during the fourth week of July.

As the month progressed, prices remained elevated before easing from their peaks as immediate concerns over supply disruption began to subside. Gas prices fell by around 10p/therm from their monthly high, while power contracts followed a similar but more gradual downward trend.

Improved confidence in LNG availability, combined with stable renewable generation, helped reduce market volatility during the final trading sessions. Despite the late-month correction, both gas and power contracts finished July above their opening levels.

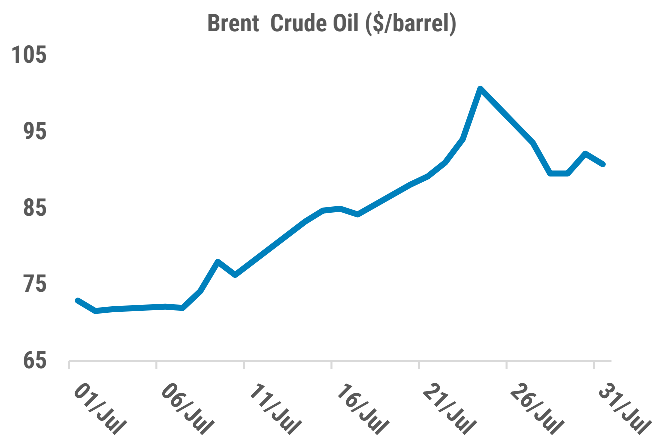
Overall, July was characterised by a sustained upward trend followed by a modest market correction. Although geopolitical tensions remained the dominant market driver, easing concerns over immediate supply disruption allowed both gas and power prices to stabilise while retaining much of the gains made earlier in the month.

BRENT CRUDE OIL

Brent crude oil prices strengthened throughout much of July 2026 before easing towards month-end. Brent began the month at around $73 per barrel and rose steadily to a monthly high of approximately $100 per barrel, supported by ongoing tensions in the Middle East and concerns over global oil supply.

Prices climbed consistently through the first three weeks of July as uncertainty surrounding the Strait of Hormuz continued to underpin market sentiment. During the final week, Brent retreated from its peak, falling back to around $90 per barrel before ending the month at approximately $91 per barrel.

Overall, July was characterised by a strong upward trend followed by a modest correction. Despite easing from its monthly high, Brent finished the month well above where it began, reflecting continued geopolitical uncertainty and persistent supply concerns.



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