

# Energy Market Insights

## NEWSFLASH

### GAS

## GAS RECOUPS LAST WEEK'S LOSSES WITH 11% JUMP ON UKRAINE NEWS



**UK gas forward prices rebounded today with the April '22 Annual reaching 197.50 p/th this afternoon – a gain of 11% from the previous close – as losses that took place over the last week were erased and prices rose to highs last seen on the 14th of February. News the Kremlin will recognise Donetsk and Luhansk in eastern Ukraine as independent states and that Russian troops were crossing the border catalysed the surge – with gas prices more sensitive than power due to the prospect of disruption to pipeline flows from Russia. The April '22 UK power baseload meanwhile has rallied 5%, pushing above £184/MWh.**

Short-term gas has been bullish despite weak demand and strong LNG imports – with UK Day-ahead and Month-ahead both also jumping by 11%, to 190 p/th and 192 p/th respectively.

Downside in carbon markets and buoyant wind farm generation kept a lid on power market gains, with the UK Baseload front month climbing by 7.5% from Monday's close, to £183/MWh.

The escalating situation in Ukraine helped North Sea oil towards \$100/bbl – a value not seen since 2014 – while year-ahead coal hit \$120/tonne, its highest price since the October 2021 super-spike across

energy commodities. The US will be battered by two major winter storms this week – another factor adding to the upside – with disruption to global coal, gas and crude supply possible at the same time as a sharp drop in temperatures is expected to boost demand.

Elsewhere the front four months at the Dutch TTF – the benchmark for mainland European gas – were 8-10% higher than closing values on Monday, while prices for next winter were 11% higher.