



# ENERGY REPORT

NOVEMBER 2023

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**PSP**

PLACE  
SUPPORT  
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# INTRODUCTION



The current energy market has spiked due to the conflict in the Middle East. Despite this, Europe has almost hit full storage levels which are so high that it is now being stored in Ukraine, which is a positive sign for when the cold winter months hit.

Flows from Norway to the UK and EU have increased and are predicted to ramp up even more once the season for maintenance comes to an end around mid-November.

However, there are still concerns for prices once the temperature drops and demand picks up for gas. "For the sector, it doesn't feel like the crisis is over," says Chief Executive of Energy UK, Emma Pinchbeck. "And now with the new conflict in the Middle East and energy prices spiking, it could be a very challenging winter for the global sector."

**Bullish Factors (upward pressure on markets):**

- Middle East tensions
- Gas for power increasing
- Unplanned outages
- Worries about supplies come winter

**Bearish Factors (downward pressure on markets):**

- High storage levels
- Maintenance season to soon end



# MARKET REPORT

## GAS & POWER

The war in the Middle East weighs on gas markets, with prices increasing by 40% since the war started.

Prices have been pushed up with unplanned outages and a forecasted drop in wind generation. However there is an expected import of 5 LNG vessels by next week, an extra 3 vessels than this time last year.

Graphs below display gas and electric prices over the last 12 months.

### POWER PRICES

1st November



### GAS PRICES

1st November



# ENERGY NEWS

## WINTER PRICES

With winter approaching, Europe appears to be ready, with storage levels high and any reliance on Russian energy mostly replaced. However, there is still a large disparity between natural gas prices and power, which leads to concerns about high prices again once the cold weather hits.

The war in the Middle East also weighs on the market and European gas prices have increased by 40% since the war began. Egypt imports the majority of their gas from Israel. They then export a portion of this to Europe in LNG shipments. Israel has stopped producing at its Tamar gas field where gas is imported by Egypt.

This week Egypt reported zero imports which saw European gas prices increase by almost 7%, the highest price since mid-February. This is due to concerns over European supplies as the country is unable to meet its own domestic demand, let alone export to support the European market.

The war in the Middle East has not currently impacted the immediate demand for gas. However, once temperatures drop and the demand surges for gas, there are concerns that prices will be pushed higher if Israel is unable to deliver to the global market.

