

## Energy Market Report

### Bi-weekly Market Analysis | 26/05/2026



### Market Overview

1. Middle East tensions continue to drive forward gas and electricity pricing, with gas storage below comfort levels.
2. Chart analysis shows prices consolidating at a key trigger level as the market awaits direction.
3. Tracker products follow Day-Ahead electricity prices, which remain within pre-conflict trading ranges.



### Forward Gas & Electricity Markets



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Winter NBP Gas

*UK gas and electricity prices move in line with European gas markets, reflecting interconnection and reliance on gas-fired generation. Forward gas prices drive both fixed and flexible contract costs*

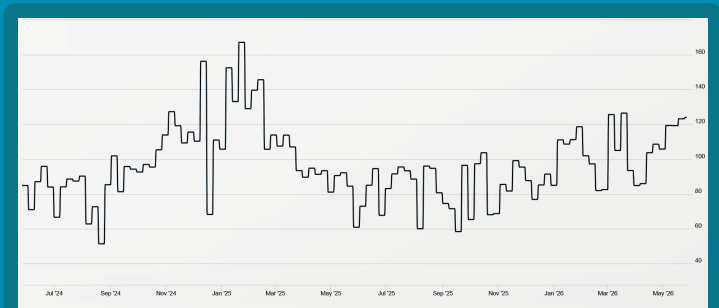
- European gas prices trade near two-week lows on US–Iran peace-deal optimism, despite fresh US strikes on Iran.
- Deal could defer talks on Iran’s uranium, reopen Hormuz. Prediction markets imply 48% chance of success by June 15th.
- European winter gas storage is at 35% versus a five-year average of 50%, increasing risk if Gulf LNG disruption persists.
- Europe has received 68% of its 2026 LNG from the US, where capacity limits and June 1st hurricane season add export risk.
- See chart — Winter 2026 gas continues oscillating around a key trigger level as changing Middle East events drive market direction.



### Day-Ahead Electricity Market

- Day-Ahead electricity prices remain within pre-war ranges. Solar is providing a notable 36.6% of the generation mix, with gas below 20% all week, statistically supporting lower prices.
- Over the last month gas generation provided 23.4% of the UK generation mix, with combined renewables contributing 47.7%, nuclear 13.2% and imports accounting for 15.1%.

*Marginal pricing in the Day-Ahead market means the most expensive required plant – usually gas – sets the price for all electricity in that half-hour slot.*



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Day-Ahead Electricity

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