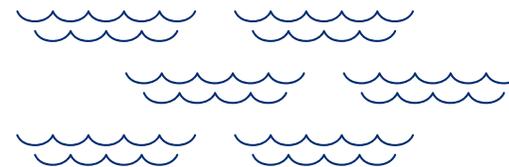
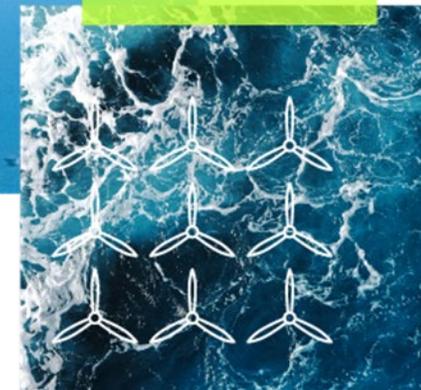
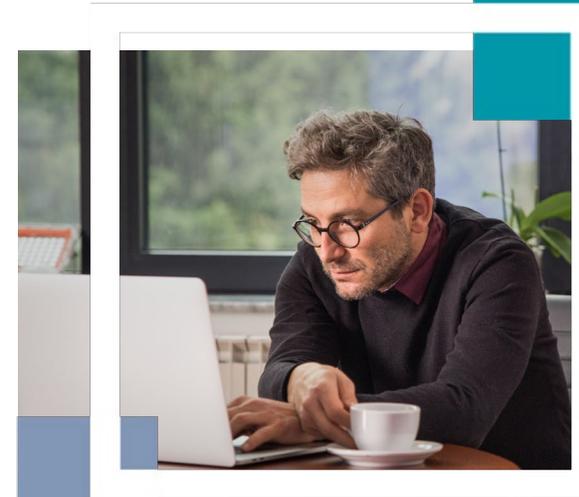


January 2026

# Energy overview

Your monthly report featuring market updates  
and weather review





# Market Update: Power

## Price Movement

Early January: initially prompt power prices tracked gas sideways in a benign start to the month.

Mid January: prices rallied as a forecast of colder temperatures prompted fears of system tightness.

Late January: as the gas rally subsided, prices began to stabilise, though remained high relative to the start of the month.

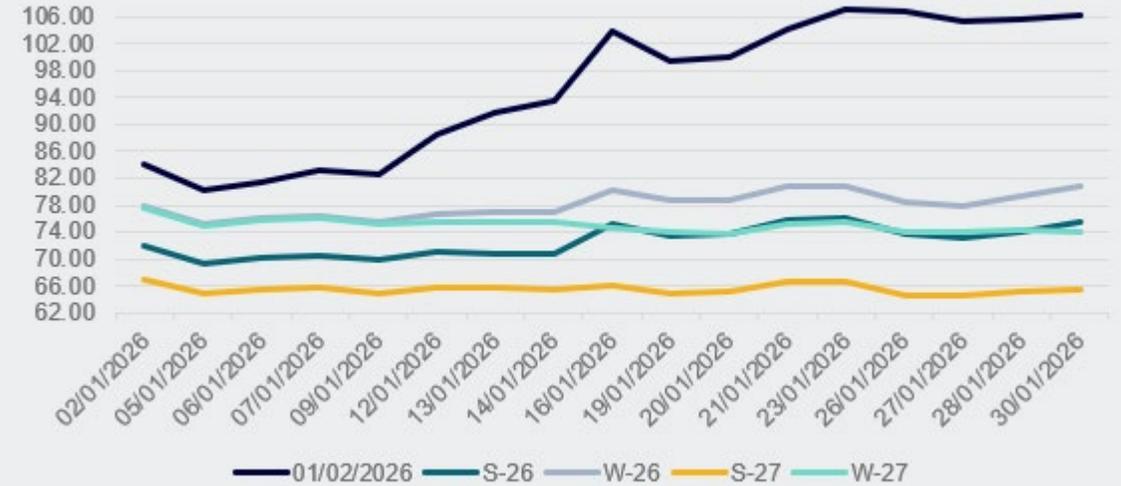
Overall: a highly volatile month, where the price spiked on cold weather, though renewables helped to mitigate some of the price risk.

## Drivers

**Supply:** 37% renewables – primarily offshore wind – 33% gas-fired generation, 12% nuclear and 11% interconnector were the principal sources of UK generation during the month.

**Demand:** Cold temperatures boosted electricity demand during the month, with peak demand at c. 45-50GW.

## Baseload Power



Power Bid (£/MWh)	1-Jan-26	31-Jan-26	Change	% Change	High	Low	Average
Feb-26	84.06	106.31	↑ 22.25	↑ 21%	107.01	80.20	95.51
Summer 26	71.87	75.56	↑ 3.69	↑ 5%	76.06	69.16	72.65
Winter 26	77.92	80.80	↑ 2.89	↑ 4%	80.96	75.11	78.13
Summer 27	66.82	65.53	↓ -1.30	↓ -2%	66.82	64.51	65.50
Winter 27	77.58	74.09	↓ -3.49	↓ -5%	77.58	73.88	75.04



# Market Update: Gas

## Price Movement

Early January: mainly sideways with little change to the prevailing outlook.

Mid January: prices rallied as forecasts turn colder.

Late January: rally subsided and prices stabilised towards the high.

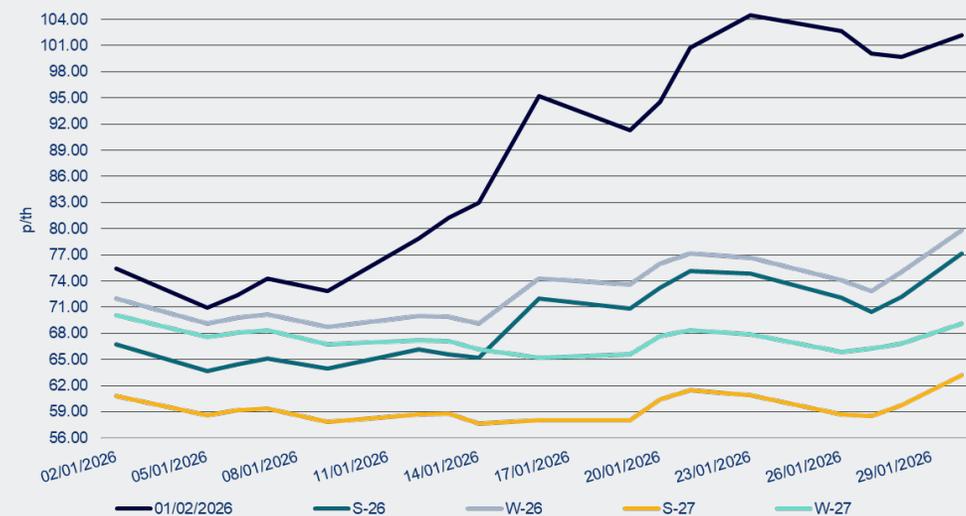
Overall: generally upward and volatile across January, with price spikes related to cold weather and demand/withdrawal risk, especially in the second half of the month.

## Drivers

**Supply:** Severe cold weather in the US saw feedgas to US LNG terminals drop, with Europe heavily reliant on LNG imports in the absence of Russian pipeline gas. This provoked a wave of buying and short-covering in the market (**bullish**).

**Demand:** Freezing air from Siberia swept across the Continent, boosting demand for heating and from the power generation sector (**bullish**).

## NBP Gas



Gas NBP (p/th)	1-Jan-26	31-Jan-26	Change	% Change	High	Low	Average
Feb-26	75.40	102.18	↑ 26.78	↑ 26.2%	104.45	70.95	88.24
Summer 26	66.70	77.20	↑ 10.50	↑ 13.6%	77.20	63.70	69.35
Winter 26	71.95	79.85	↑ 7.90	↑ 9.9%	79.85	68.70	72.85
Summer 27	60.80	63.25	↑ 2.45	↑ 3.9%	63.25	57.70	59.42
Winter 27	70.10	69.10	↓ -1.00	↓ -1.4%	70.10	65.25	67.31



# Market Update: Oil

## Price Movement

Early January: around \$62/bbl, reflecting weak fundamentals.

Mid January: around \$64/bbl, gradual build in strength reflecting increased geopolitical risk.

Late January: uptrend continued towards \$70/bbl.

Overall: solid lift across the month of January, largely driven by geopolitical risk premiums.

## Drivers

**Supply:** Persistent talk of oversupply (large inventories, steady OPEC+ production) moderated gains and contributed to pullbacks when diplomatic de-escalation occurred (**bearish**).

**Demand:** Most forecasts still only see a moderate uptick in demand, not enough to offset supply growth (**bearish**).

**Policy:** OPEC+ kept production forecasts essentially unchanged for March despite the uptick in prices (**neutral**).

**Macro Economy:** Federal Reserve has kept the policy rate steady, described as “mildly restrictive” (**neutral**).

**Geopolitics:** Escalating Middle East tensions (especially Iran) were a major driver of the January price rally (**bullish**).

## Front Month Brent



Brent (\$/Barrel)	1-Jan-26	31-Jan-26	Change	% Change	High	Low	Average
Front Month	59.80	69.68	↑ 9.88	↑ 14.2%	69.68	59.80	63.82



# Market Update: Carbon

## Price Movement

Early January: sideways / modest uplift.

Mid January: firmed to intramonth highs.

Late January: sizeable pullback, with intramonth lows posted at end of January.

Overall: modest upward bias across the first half of January, followed by a stronger pullback in the second half.

## Drivers

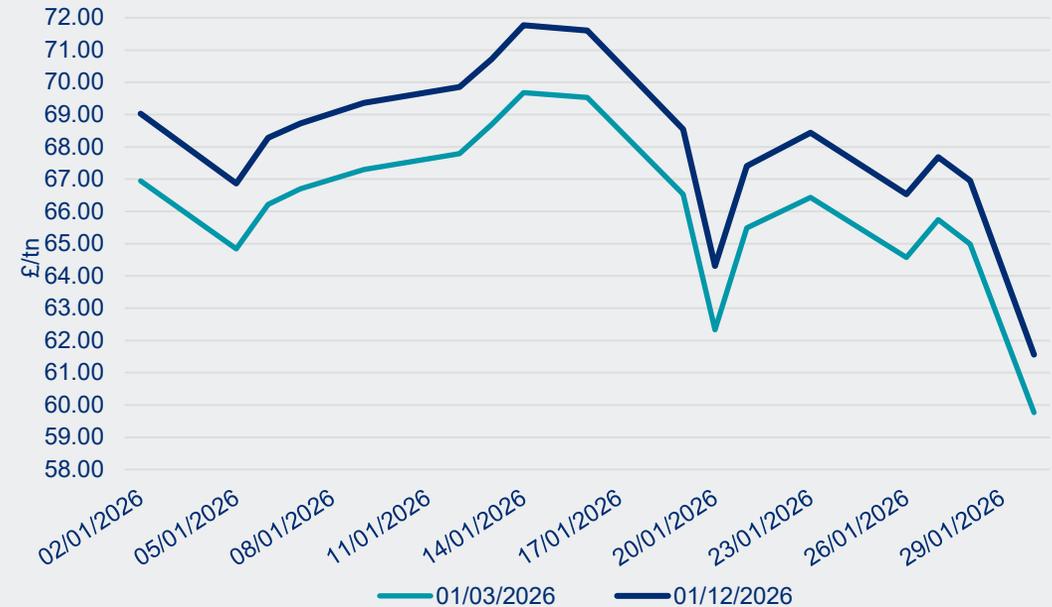
**Policy:** No new changes for linking and reporting rules with EU Emissions Trading System (ETS). (neutral)

**Fundamentals:** Colder forecasts mid month provided indirect support for carbon as generators forecast an increase in gas burn, increasing compliance needs. (bullish)

**Supply:** UK Emissions Trading Scheme (ETS) auction resumed in mid-January, providing fresh supply into the market. (neutral)

**EU ETS:** Steep sell off from mid January took UK ETS down also. Political sentiment is nuanced – policymakers seek to balance competitiveness, energy costs and climate ambition.

### Carbon UKA



Carbon (£/ton)	1-Jan-26	31-Jan-26	Change	% Change	High	Low	Average
Dec-26	69.03	61.56	↓ -7.47	↓ -12.1%	71.77	61.56	68.10
Mar-26	66.94	59.76	↓ -7.18	↓ -12.0%	69.68	59.76	66.09



# Weather Review and Outlook

## January Review

January saw two dominant weather patterns develop, with some widespread cold early on and wetter weather later.

Cold extended from after Christmas through the first 10 days of the new year, with some decent sunshine and dry weather.

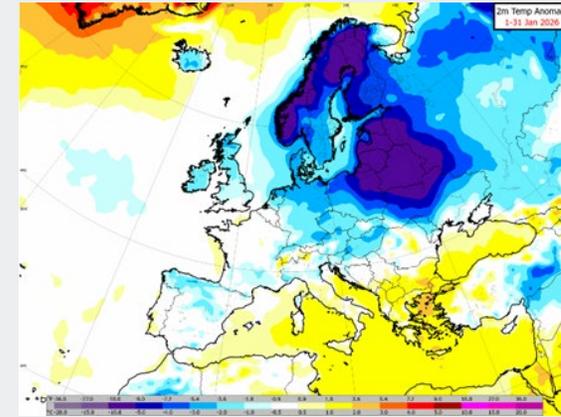
Later on in the month, we saw a lot of high pressure around northeastern Europe and Iceland, which shifted winds southeasterly. Very wet weather dominated England, Wales, and eastern Scotland later, but western Scotland was mostly dry.

## February Outlook

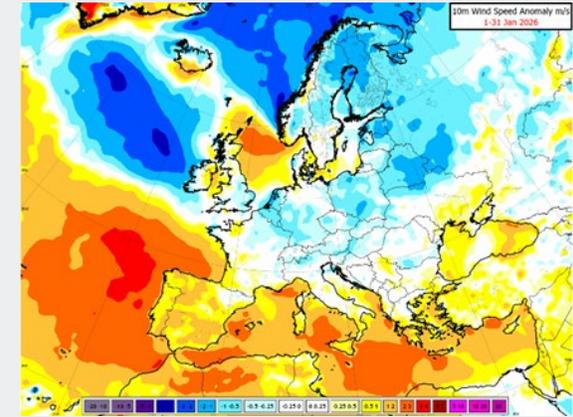
Initially February has been stuck in the same pattern that late January saw, which is very wet in parts of Scotland.

We're expecting the pattern to shift in mid-February to something more normal for the time of year; milder, wetter, and windier. This unsettled spell should stick around for 7-10 days or so, dominating the weather for the second half of the month. Temperatures should also warm up a little, with only a low risk of prolonged cold developing in the back half of February.

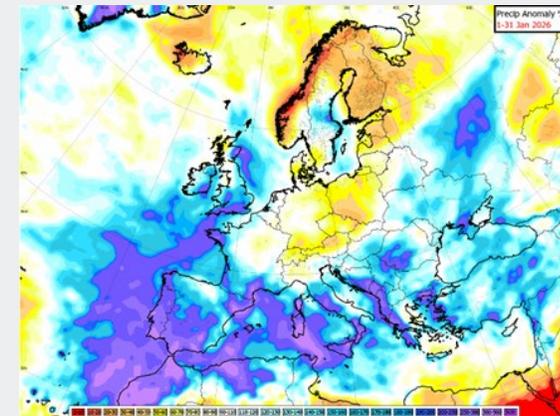
The final month of meteorological winter should end up feeling a bit more like an early start to spring, but still wet for most.



Temperature anomaly



Wind Speed anomaly



Precipitation anomaly



Monthly Report – January 2026

## EU Gas Storage Watch

### Storage Levels:

End January: European gas storage inventory (storage + reservoir, excluding Ukraine) now sits at 44.1bcm, 12.7bcm behind this point last year. NW Europe inventory sits at 15.7bcm in store, 7.8bcm behind last year.

### Key Headlines:

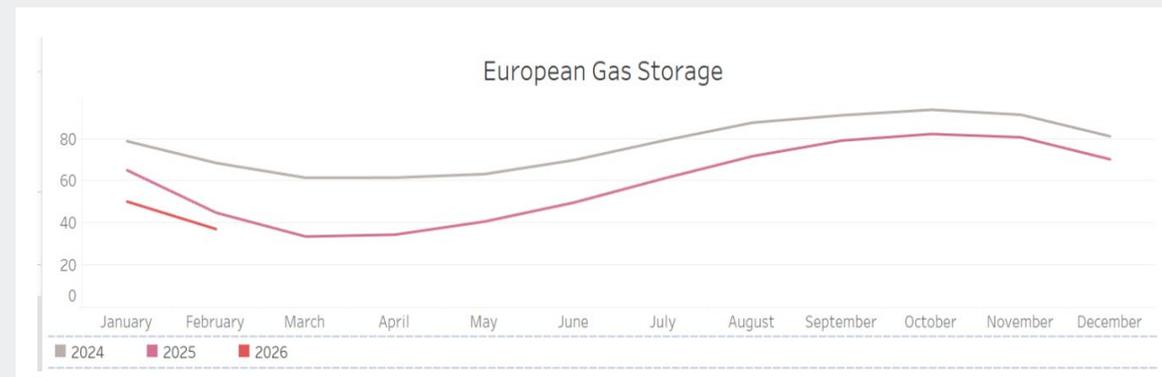
EU storage withdrawals totalled 4.8bcm over the last week of January.

EU LNG sendout has been stable at c530mcm/d (very high for the time of year).

### Overall:

Storage is depleted and likely to floor prices. This raises questions also for summer demand and restocking. Cold weather means the market is likely to be bullish given the stretched storage position.

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31 January – EU Gas Storage 41%

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