

Better value, delivered.

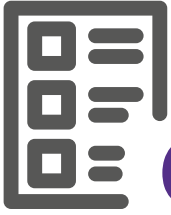


Monthly Market Insight

A white circular graphic with a soft drop shadow, containing the text 'May 2025'. It is positioned on the right side of the page, overlapping a yellow curved line and the background image of skyscrapers.

**May
2025**

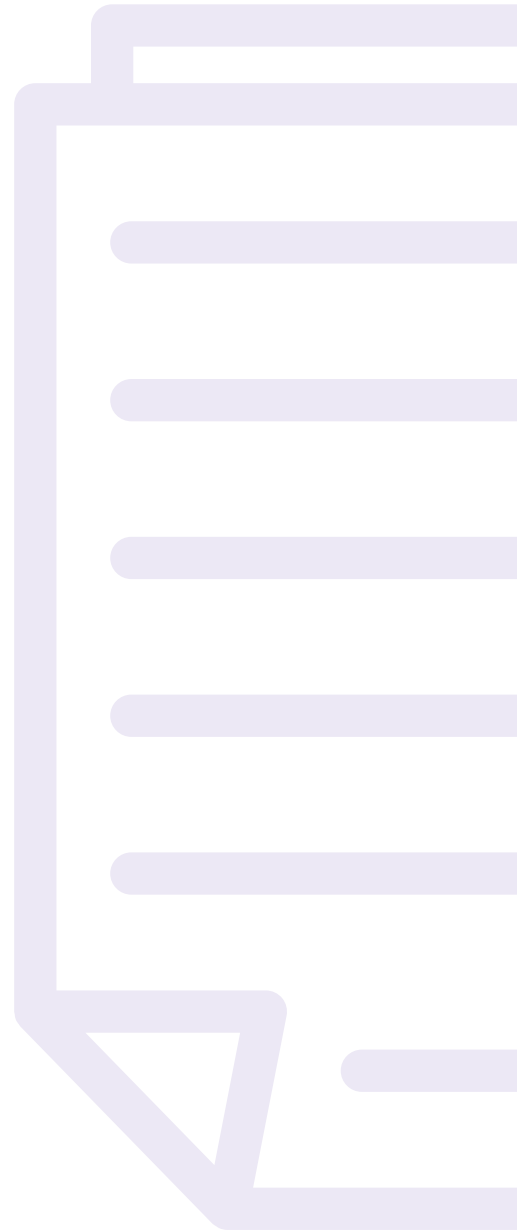




Commentary:

May has continued to be dominated by geopolitical concerns surrounding US President Donald Trump not planning to extend the pause to his sweeping global tariffs. The president's plan - where countries face between 11% to more than 100% tariffs on goods brought into the US - was announced in April. But the majority of the tariffs were paused by Trump for 90 days in the wake of stock market volatility.

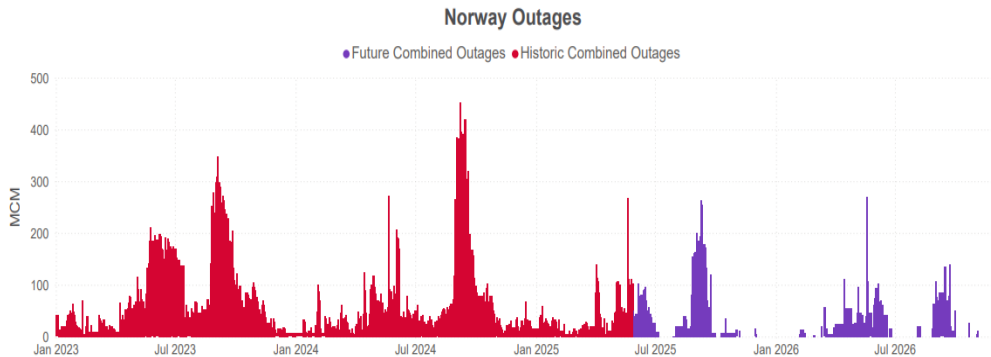
Beyond the geopolitics, however, fundamentals remain strong — robust wind output and low demand, along with new LNG cargoes arriving in Europe and the UK, are easing competition concerns. Asian supply tightened on increased cooling demand and Malaysia's Bintulu LNG plant operating at significantly reduced capacity.



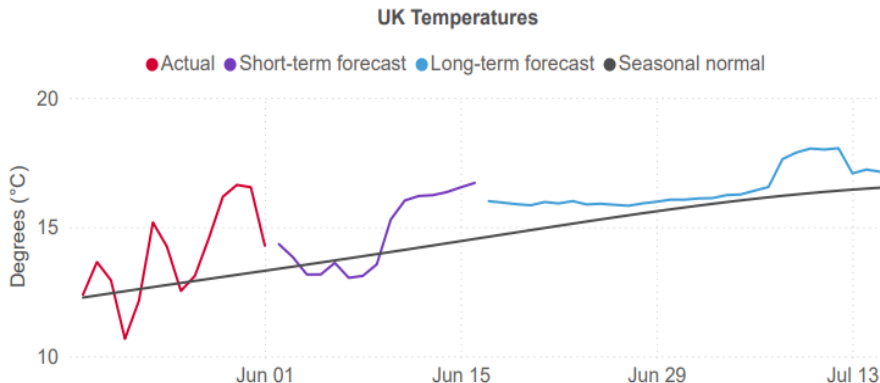


Drivers

- **Norwegian flows** continue to drive the market due to ‘maintenance season’ taking precedence. Flows through the Langeled terminal remain reduced and Vesterled remains mute. (The red line representing to current date).

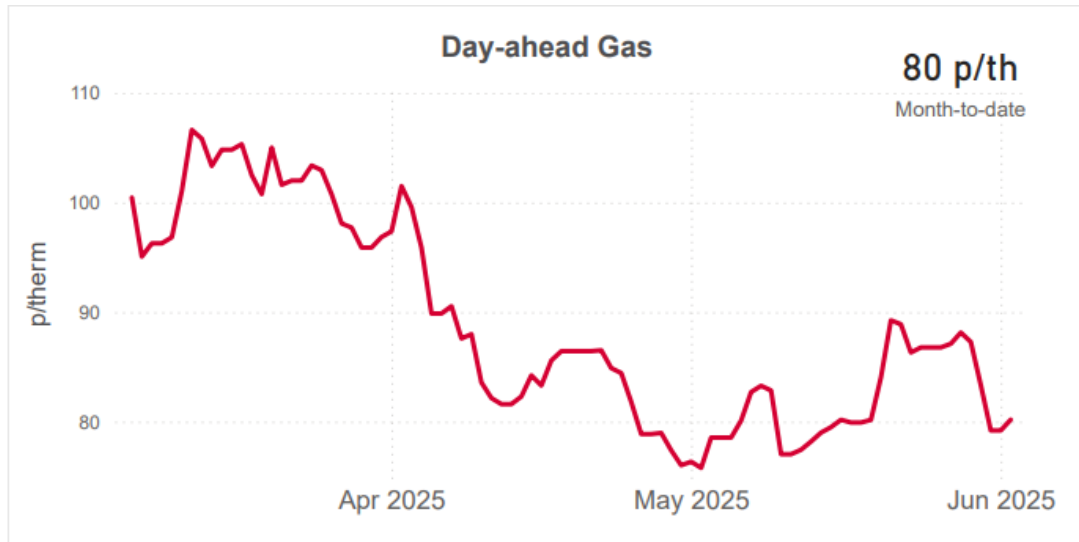


- **UK Temperatures** within May continued to support reduced heating demand, easing pricing concerns due to above seasonal temperatures – However, temperatures during June are expected to balance out, bringing cooler spells in comparison to periods of May. But still above seasonal normal.

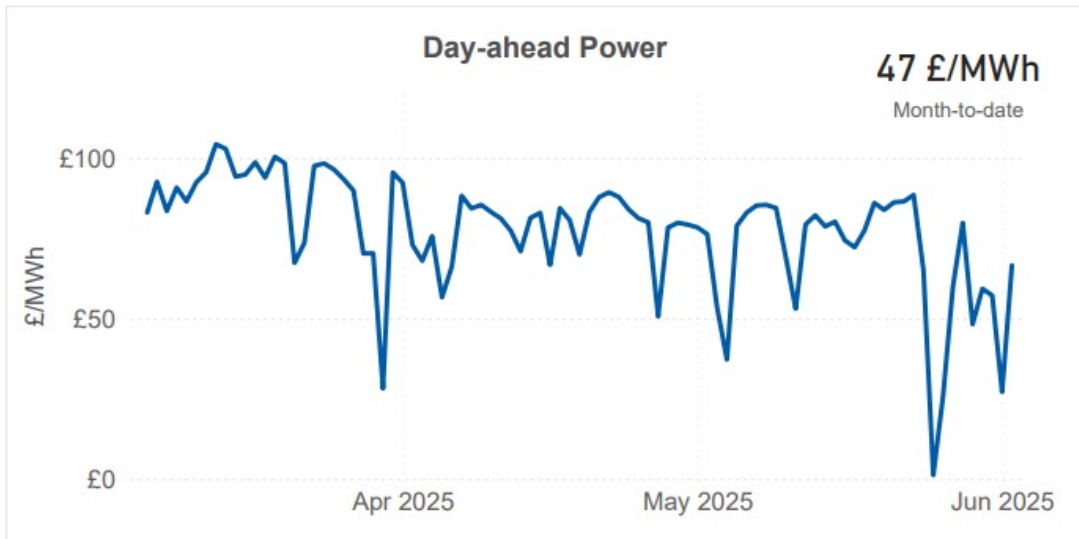


Markets - Day Ahead Price History

UK Gas



UK Power





Outlook: June-25

European spot gas prices have rebounded in May after reaching lows in late April, with the most recent upward pressure coming from intensified maintenance activity in Norway.

Looking ahead to June, we anticipate a tighter gas balance in Northwest Europe (NWE) compared to May. This tightening is primarily due to reduced LNG supply and lower pipeline imports from Norway, both of which are expected to support prices. LNG send outs in NWE are projected to decline in comparison to May, driven by stronger competition from Asia and the Middle East — where cooling demand is rising — and ongoing maintenance among exporters in Australia, the UAE, and Malaysia. Norwegian flows to the Continent are also forecast to drop due to slightly more impactful maintenance.

These weaker imports are expected to be partially offset, as seasonally rising temperatures take hold. June temperatures are forecast to be well above normal and higher than those recorded in June 2024, making this the only bearish factor for the NWE balance next month. While there is some risk of cooler revisions to the weather forecast, the impact is likely to be limited.

By the end of the month, NWE aggregated storage levels are expected to reach 48%. Heavier maintenance scheduled in both Norway and the UK Continental Shelf, any extensions or additional reductions could introduce upside risks to this outlook.

Recommendation:

The cost of wholesale gas and power in 2025 has been dominated by uncertainty and volatility, therefore, it is critical that you are supported by a strong strategy. We encourage our customers to reach out to the key account management team or our dedicated trading team for any questions or queries relating to the markets who will be able to provide you with the necessary knowledge to help mitigate any risk and optimise your energy portfolios for years to come.

At YPO we will always be on hand to fuel your energy journey, simply get in touch via energy@ypo.co.uk.