



IndigoSwan
energy contract enthusiasts

Mini Energy Report

25th of February 2022



▶ *Written by Lee Hart, Head of Knowhow*

Energy Overview

Headlines:

- ✓ On the 24th of Feb, Russia invaded Ukraine
- ✓ Significant Gas and Electricity price increases
- ✓ Uncertainty as to the direction and scale of future price movements

On the 24th of February, President Putin announced the military operation which saw Russian troops invade Ukraine from multiple points, targeting sites of strategic importance. The scale of the operation would indicate that their intention is to replace the democratic government with their own.

The reaction from most countries has been condemnation and increased sanctions to target organisations, individuals, finance, and strategically targeted exports to Russia. At this time measures have stopped short of restricting exports of Gas.

The impact on energy prices has been significant, driven by the fear that at some point, either party may further reduce or stop Gas exports to Europe. EU Gas storage levels are already low at 30% full compared to 38% last year and would normally start importing gas in April, for the coming winter.

As prices in Europe increase, we can assume it will attract Gas deliveries from the likes of the US, that may for example have headed to Asia, which creates global competition. As the UK is heavily reliant on Gas for generation, Electricity prices have followed.

Indigo Swan will be working closely with energy suppliers to best help all our customers through this worrying time, where there is a great deal of uncertainty as to developments in the Ukraine and the impact that has on energy costs. Suppliers are likely to be hesitant to provide contract offers and they may be withdrawn at short notice.

Should you wish to discuss your positions, please do not hesitate to contact us.

