

May Market Report

12 June 2026



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news and forecasts in
the UK energy market.

ENERGY MARKET WATCH



Market analysis

May 2026

Commentary

Wholesale markets remained elevated across the month when compared to recent norms, especially for electricity. Ongoing supply-side pressures continued throughout May, bolstering prices and preventing them from falling to more favourable levels. The Middle East conflict is still the main driver of global pressures and is offsetting other bearish factors throughout 2026 entirely.

Key drivers

US-Iran war – Geopolitical tensions in the Middle East remained the primary source of uncertainty, with the conflict continuing to influence global energy markets. However, May saw less pricing turbulence than previously, as supply-side pressures became firmer around the lower likelihood of an immediate resolution. The US continued its naval blockade on Iranian ports, with conflict escalations occurring at the back half of the month upon accusations of breaking the agreed ceasefire by both parties. Following talks in Islamabad, markets saw little change in optimism as both parties remained in deadlock, with no clear resolution in sight.

Norwegian maintenance – May saw increased outages compared to April, with a peak reduction in Norwegian output of 183mcm/d on 20 May. These outages were largely in line with schedule, with fewer unplanned events than typically seen. This meant that pricing volatility on gas markets was held mostly constant throughout May. Into the main Summer period (Jun-Aug) maintenance is traditionally much lower, with more emphasis on flows being available to support climbing cooling demand in much of NWE and encouraging more EU storage filling.

Storage levels – As of 31 May, storage levels had increased to 40.09% of maximum capacity in the EU, with injections climbing on a more positive short term weather outlook into early June. Recent forecasts suggest that at current filling levels, storage on 1 November should be roughly 76%, with both optimistic and pessimistic cases demonstrating a range of 82% to 68% being possible by our estimates. Typically the target is 90%, which could have rippling bullish effects well into Summer 2026 and beyond if injections rates remain stagnant.

Commodity overview

*Note that the profiled rate differs to the wholesale market rate, taking into account estimated consumption of Zenergi customers.

Commodity	Unit	Price – 01/05/26	Price – 31/05/26	% Change
Gas (12-Month profiled*)	p/therm	110.34	111.60	+1.14
Power (12-Month profiled*)	£/MWh	93.06	98.09	+5.41
Brent Oil	\$/bbl	114.01	93.71	-17.81
Coal	\$/tonne	121.92	124.50	-2.12%
Carbon	£/tonne	49.51	57.93	+17.01

Gas prices increased by:

1.14%

Power prices increased by:

5.41%



In May, a large anticipated supply reduction from Norway due to the maintenance period added complexity. Middle Eastern pressures added a large layer of uncertainty into the mix, offsetting bearish factors at play.”

Wholesale market graphs



Electricity market prices (p/kwh)



Gas market prices (p/kwh)



Recommendation

As of 31 May, storage levels had increased to 40.09% of maximum capacity in the EU, with injections climbing on a more positive short-term weather outlook into early June. Recent forecasts which outline a range of outcomes suggest that at current filling levels, storage on November 1st should be roughly 76%, with both optimistic and pessimistic cases demonstrating a range of 82% to 68% being possible by our estimates. Typically the target is 90%, which could have rippling bullish effects well into Summer 2026 and beyond if injections rates remain stagnant.

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About the Market Watch team

Whether you are looking for a fixed price contract and want to ensure you are buying at the right time, or are embarking on a more flexible arrangement, our team are here to support you.

We are energy industry experts dedicated to continuously monitoring market conditions on your behalf. We play a crucial role in delivering valuable insights and empowering you to make well-informed decisions. With a deep understanding of your needs and risk appetites, we tailor our approach to suit your requirements.



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Let us simplify and accelerate your journey to a more sustainable future, we're here to guide you every step of the way.

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