

# Energy Market Update

15th April 2025

# FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

14 April 2025



### Wholesale Market Prices and Trends

Wholesale Gas Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-25 12m	2.95	↓ -15%	↓ -3%	↔ 1%
Oct-25 24m	2.82	↓ -12%	↔ -1%	↑ 2%
Oct-25 36m	2.70	↓ -10%	↓ -1%	↔ 1%
Apr-26 12m	2.85	↓ -11%	↔ 1%	↑ 5%
Apr-26 24m	2.65	↓ -9%	↔ 0%	↑ 2%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-25 12m	7.65	↓ -4%	↑ 4%	↑ 2%
Oct-25 24m	7.40	↓ -2%	↑ 3%	↔ 1%
Oct-25 36m	7.22	↓ -1%	↑ 1%	↔ 0%
Apr-26 12m	7.46	↔ 0%	↑ 6%	↑ 5%
Apr-26 24m	7.21	↓ -1%	↑ 2%	↔ 0%

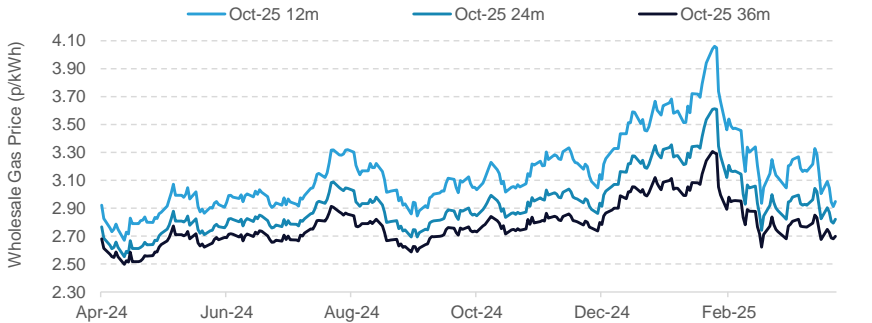
Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent (\$/bbl.)	64.76	↓ -20%	↓ -11%	↓ -24%
Coal (\$/t)	107.92	↓ -3%	↓ -15%	↓ -2%
UK Carbon (£/t)	46.23	↑ 32%	↑ 21%	↑ 7%
EU Carbon (€/t)	64.82	↓ -16%	↓ -8%	↓ -6%
€/£	0.87	↓ -29%	↑ 4%	↑ 3%

### UK NBP Gas

#### Wholesale Market Drivers

<b>Bearish (Falling)</b>	<p>President Trump's sweeping tariffs have had a strong impact on wider commodity pricing, fuelling fears of a global recession.</p> <p>US-China trade war leading to resale of contracted US cargoes by China, primarily to Europe, boosting LNG import prospects at a time when Europe needs strong levels of LNG to fill storage.</p>
<b>Bullish (Rising)</b>	<p>The 90-day suspension of US tariffs has eased recession fears, boosting global markets and lifting gas prices in line with equities.</p> <p>The EU remains in an uncertain energy security dilemma as President Donald Trump's use of energy as a trade lever rises concerns over dependence on US LNG, compounded by stalled LNG imports talks with Qatar.</p>

#### Wholesale Price Graphs

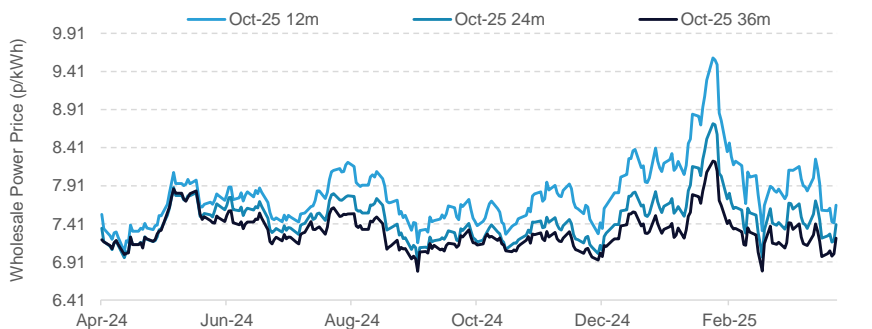


### UK Baseload Power

#### Market Drivers

<b>Bearish (Falling)</b>	<p>Tariffs by the Trump administration are reaffirming Europe's need for self-reliance in energy supplies, bolstering renewable and nuclear prospects.</p> <p>Despite concerns that recent market volatility could hinder renewables investment, positive sentiment is coming from Norway indicating they still see renewables as attractive investments for their \$1.7 trillion Sovereign Wealth Fund.</p>
<b>Bullish (Rising)</b>	<p>UK carbon has experienced more limited downside than other commodities, with UK-EU ETS linkage continuing to lend overall support.</p> <p>Instances of negative or low imbalance prices continue to pose challenges to the buildout of further renewable capacity in the Nordic and Southern regions of Europe.</p>

#### Wholesale Price Graphs



### Energy Market News:

**President Trump delays tariffs for most countries while sharply raising them for China.** Less than 24 hours after the tariffs are being imposed, the Trump administration suspended tariffs on most countries for the next 90 days, with China the notable exception seeing tariffs rise to 125%. However, a 10% blanket duty continues to apply to nearly all US imports. This unexpected move led to a sharp rise in US and EU equities markets, with some investment banks reducing their recession probability estimate sharply, though the remaining tariffs still carry some risk. US Treasury Secretary, Scott Bessent, stated that the strategy aims to create maximum negotiating leverage, with negotiations involving over 75 countries. Nonetheless, the inconsistent approach has left global economies uncertain about future market conditions. The temporary suspension of targeted tariffs aims to provide a window for negotiations, but the long-term impact on energy markets remains uncertain, as wider commodity prices aligns with shifts in global economic activity and concerns around a recession.

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## Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	82.50	83.00	0.6%	-33%
May-25	83.10	83.63	0.6%	-30%
Jun-25	83.37	83.65	0.3%	-30%
Jul-25	83.05	83.39	0.4%	-29%
Aug-25	84.30	84.68	0.5%	-28%
Q3-25	84.53	85.05	0.6%	-28%
Q4-25	91.01	91.65	0.7%	-23%
Winter-25	92.27	92.57	0.3%	-22%
Summer-26	80.54	79.75	-1.0%	-17%
Winter-26	86.39	87.25	1.0%	-13%
Summer-27	71.56	73.00	2.0%	-9%
Winter-27	79.00	79.75	0.9%	-6%
Summer-28	64.95	67.90	4.5%	-9%

Base-load (£/MWh)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	75.25	83.90	11.5%	-35%
May-25	71.60	73.00	2.0%	-20%
Jun-25	71.75	71.75	0.0%	-19%
Jul-25	73.50	73.50	0.0%	-17%
Aug-25	72.00	72.00	0.0%	-18%
Q3-25	75.15	77.70	3.4%	-16%
Q4-25	82.53	88.00	6.6%	-12%
Winter-25	82.71	82.71	0.0%	-13%
Summer-26	70.37	70.37	0.0%	-4%
Winter-26	78.82	78.82	0.0%	-3%
Summer-27	64.08	64.08	0.0%	0%
Winter-27	74.19	74.19	0.0%	0%
Summer-28	63.10	65.00	3.0%	-1%

Wider Energy Complex	Close	Current Offer	% Change	3-Month Variance
Brent (\$/bbl)	64.76	65.04	0.4%	-20%
Coal (\$/t)	107.41	107.41	0.0%	-4%
UK Carbon (£/t)	46.48	47.33	1.8%	32%
EU Carbon (€/t)	65.07	66.39	2.0%	-16%
€/£	0.868	0.866	-0.3%	3%
€/€	1.136	1.139	0.3%	11%

## Get in Touch



## Current Market Drivers

Prompt gas and power are pointing up in morning trading, driven by a sharp decline in wind output into tomorrow. The expected return of the Heysham 2-7 nuclear reactor (615MW) and warmer temperatures limit upside. UK gas futures are neutral-bullish this morning after trading in a mostly sideways fashion last week, with further downside limited by storage tightness and upside limited by recessionary concerns. Equity markets in Europe and Asia have staged a slight recovery this morning. This eases some of the concerns around a recession and is lending some support to the wider energy complex. Cloud cover forecasts for many regions in Europe have been revised up, limiting solar output. This could lend some support to day-ahead pricing for the next couple of weeks on tighter import availability. Temperature forecasts for the UK for the remainder of April have been revised down from the last forecast, which could also contribute to higher day-ahead prices in the near-term.

## Market Focus

**China's halt on US LNG purchases, amid rising trade tensions, is benefiting Europe's fragile energy market.** With Chinese tariffs rising from 15% to 49% on American LNG shipments, analysts predict suspension of LNG trade between the two countries for the rest of 2025, impacting global LNG flows and market dynamics. This halt mirrors the 400-day pause in trade during President Trump's first term, deepening uncertainty over the current stand-off's duration. However, Europe's energy sector sees a promising opportunity. American LNG cargoes initially destined for China are being redirected to Europe, helping to replenish depleted gas reserves after a difficult winter worsened by diminished Russian supplies. Despite the risks posed by the US-China trade conflict, this shift comes at a pivotal moment for Europe, enhancing its energy security by stabilising storage levels and prices amid ongoing supply challenges. Financial analysts suggest that US LNG could realistically serve as a viable alternative to Russian imports, reducing Europe's dependence on Russian gas.

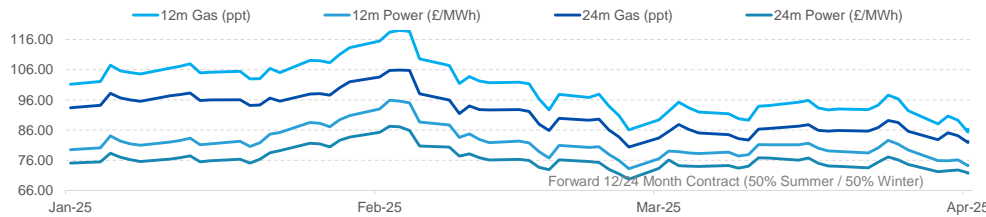
## EU could hit gas storage target early amid infrastructure boosts.

The EU is could meet its gas storage target by the end of September, more than a month ahead of the official deadline, but this depends on continued LNG deliveries and no major disruption to pipeline flows. Storage currently sits below 35%, well behind the levels seen in the last two years, but prospects are improved from infrastructure and supply diversification, though a record level of LNG would still be needed to prepare for winter. If pipeline flows are restricted or LNG volumes fall short, storage could reach only half capacity. Currently European storage is forecasting net injections until 24-Apr, with an early start to injections seen as essential. New terminals and upgraded connections across several regions have boosted energy security, but uncertainty remains. In response, the bloc is considering allowing a 10% deviation from the storage target to provide flexibility. Demand, supply, and geopolitical risks continue to be strong factors on the plausibility of these statements, however it still lends itself to a more bearish view.

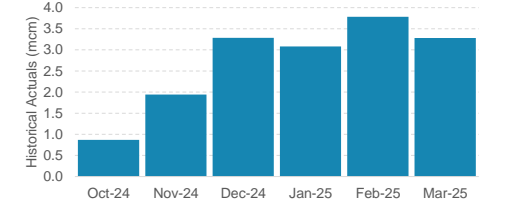
## President Trump delays tariffs for most countries while sharply raising them for China.

Less than 24 hours after the tariffs are imposed, the Trump administration suspended tariffs on most countries for the next 90 days, with China the notable exception seeing tariffs rise to 125%. However, a 10% blanket duty continues to apply to nearly all US imports. This unexpected move led to a sharp rise in US and EU equities markets, with some investment banks reducing their recession probability estimate sharply, though the remaining tariffs still carry some risk. US Treasury Secretary, Scott Bessent, stated that the strategy aims to create maximum negotiating leverage, with negotiations involving over 75 countries. Nonetheless, the inconsistent approach has left global economies uncertain about future market conditions. The temporary suspension of targeted tariffs aims to provide a window for negotiations, but the long-term impact on energy markets remains uncertain, as wider commodity prices aligns with shifts in global economic activity and concerns around a recession.

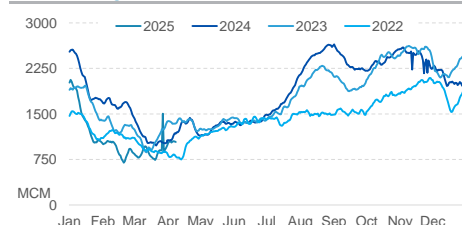
## Forward Curve Price Action



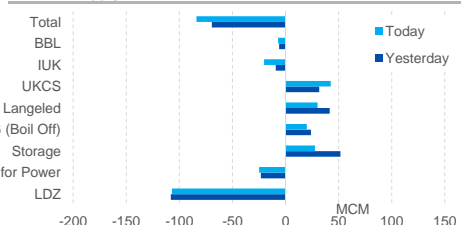
## Historical Monthly LNG Supply



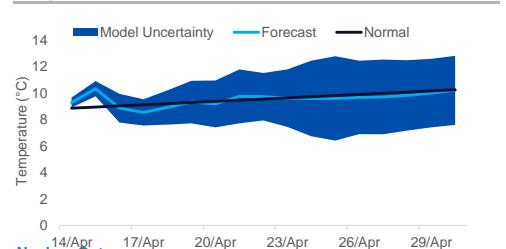
## UK Gas Storage Level



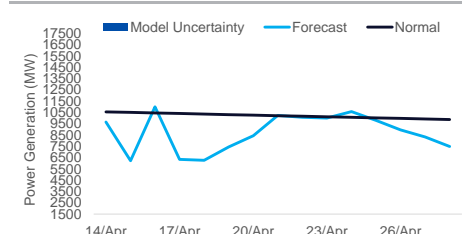
## UK Gas Supply/Demand Sources



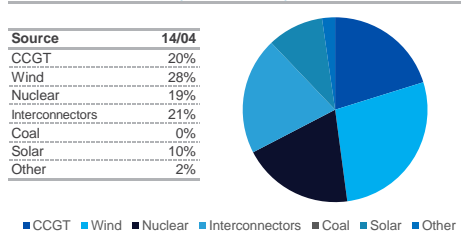
## Temperature Forecast



## Wind Power Generation Forecast



## Power Generation Mix (Last 24 Hours)

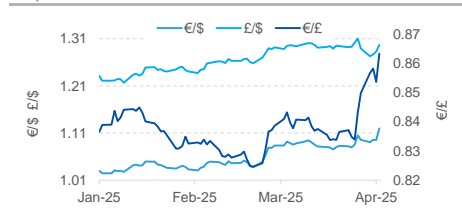


## Nuclear Outages

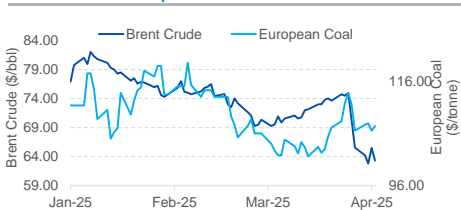
Facility	Capacity (MW)	Start Date	End Date
Heysham 2-7	615	13/01/25	15/04/25
Hartlepool 2	595	28/03/25	19/04/25

Current online capacity: 5290 MW (81%)

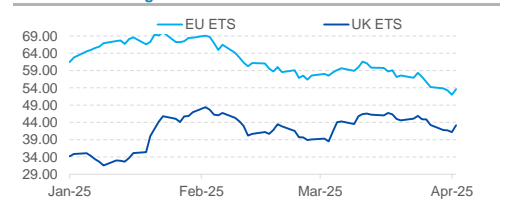
## UK, EU and US Currencies



## Brent Crude vs European Coal



## Emissions Trading Scheme Carbon



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