

Energy Market Update

3rd June 2025

FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

02 June 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	3.00	↓ -10%	↓ -7%	↑ 5%
Oct-25 24m	2.87	↓ -7%	↓ -4%	↑ 5%
Oct-25 36m	2.73	↓ -6%	↓ -3%	↑ 4%
Apr-26 12m	2.91	↓ -3%	↔ -1%	↑ 9%
Apr-26 24m	2.68	↓ -3%	↓ -1%	↑ 5%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-25 12m	7.87	↓ -3%	↑ 3%	↑ 3%
Oct-25 24m	7.53	↓ -1%	↑ 4%	↔ 0%
Oct-25 36m	7.29	↔ -1%	↑ 3%	↓ -3%
Apr-26 12m	7.63	↑ 3%	↑ 8%	↑ 4%
Apr-26 24m	7.29	↔ 0%	↑ 4%	↔ -1%

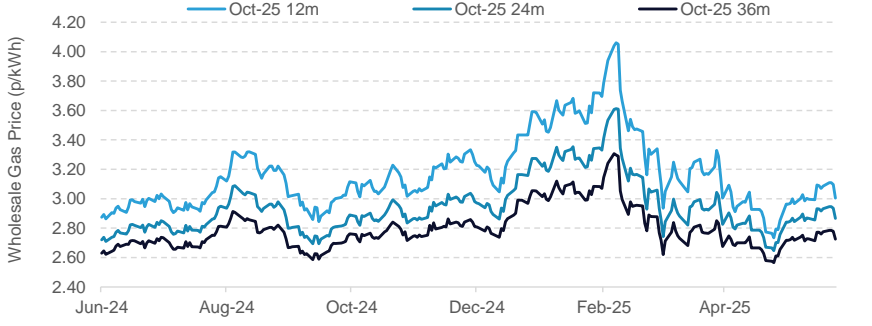
Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent (\$/bbl.)	64.15	↓ -10%	↓ -20%	↓ -12%
Coal (\$/t)	103.25	↓ -8%	↓ -16%	↓ -13%
UK Carbon (£/t)	51.82	↑ 23%	↑ 51%	↑ 18%
EU Carbon (€/t)	70.94	↔ -1%	↓ -8%	↔ 1%
€/£	0.84	↓ -34%	↔ 0%	↔ 0%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)	<p>US accuse China of violating its trade agreement, providing further macroeconomic uncertainty, with a trade war between the two carrying the potential to drive a global recession.</p> <p>Russian and Ukrainian delegations have convened in Istanbul for a second round of direct peace talks, the first such effort since 2022. Despite this, key challenges remain for both sides.</p>
Bullish (Rising)	<p>US court rules the president has exceeded his authority with tariffs, but appeals court grants "stay". This keeps tariffs in effect for now.</p> <p>European factory production stabilises further, with production increasing for a third consecutive month in the common currency area, supported by a near-stabilisation in demand.</p>

Wholesale Price Graphs

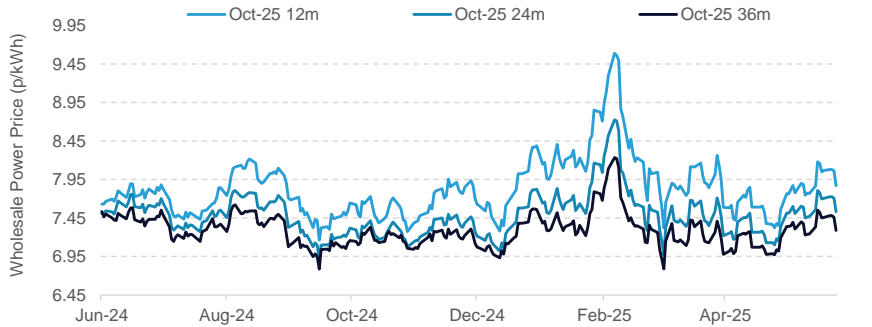


UK Baseload Power

Market Drivers

Bearish (Falling)	<p>Europe is undergoing a major policy shift toward nuclear energy. Germany is abandoning its opposition, Belgium is reconsidering its phase out plan this year, and Italy, Spain, and Denmark are revisiting their longstanding nuclear bans.</p> <p>Battery storage is receiving increased support from industry groups and energy companies in Southern Europe, particularly Spain and Portugal, with the aim of addressing intermittent renewable challenges.</p>
Bullish (Rising)	<p>Weak hydropower availability in Europe tightening power supply, with further risk as we move into the warmest months. This is supported by ongoing drought concerns/risks.</p> <p>Solar growth across Europe is likely to face some key challenges as Europe increasingly grapples with zero or negative pricing during periods of high solar output.</p>

Wholesale Price Graphs



Energy Market News:

US court rules the president has exceeded his authority with tariffs, but appeals court grants "stay". The Trump administration has used the International Emergency Economic Powers Act (IEEPA) as the basis for many of the sweeping sanctions placed on trading partners. This allowed him to overrule the constitutional powers of Congress, which give them exclusive authority to regulate commerce with other countries. However, the US Court of International Trade has ruled that the IEEPA has been wrongfully used and the president has exceeded his authority. Not all of the tariffs have used the IEEPA as the basis though, which means that some of the industry-specific tariffs like those on automobiles and steel could remain in effect. The ruling is being challenged by the Trump administration and an appeals court has granted a "stay" which keeps them in effect for now. Equity markets recovered on the back of the news amid an improved macroeconomic picture, but with the stay in place, the impact on energy has been minimal without further clarity surrounding the tariffs.

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Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	79.03	82.50	↑ 4.4%	↓ -27%
Jul-25	79.62	81.89	↑ 2.9%	↓ -26%
Aug-25	81.04	83.28	↑ 2.8%	↓ -24%
Sep-25	84.06	86.48	↑ 2.9%	↓ -21%
Oct-25	84.85	87.27	↑ 2.9%	↓ -22%
Q3-25	81.55	83.85	↑ 2.8%	↓ -24%
Q4-25	89.66	92.21	↑ 2.8%	↓ -19%
Winter-25	91.21	93.75	↑ 2.8%	↓ -17%
Summer-26	79.72	81.59	↑ 2.3%	↓ -6%
Winter-26	86.24	88.00	↑ 2.0%	↓ -4%
Summer-27	70.59	71.95	↑ 1.9%	↓ -3%
Winter-27	77.87	80.00	↑ 2.7%	↓ -2%
Summer-28	64.51	65.00	↑ 0.8%	↓ -5%

Baseload (£/MWh)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	69.50	27.00	↓ -61.2%	↓ -27%
Jul-25	73.44	74.90	↑ 2.0%	↓ -9%
Aug-25	72.80	75.00	↑ 3.0%	↓ -15%
Sep-25	79.46	82.00	↑ 3.2%	↓ -7%
Oct-25	78.94	78.94	↔ 0.0%	↓ -10%
Q3-25	75.19	76.75	↑ 2.1%	↓ -13%
Q4-25	82.38	85.00	↑ 3.2%	↓ -10%
Winter-25	82.98	85.00	↑ 2.4%	↓ -10%
Summer-26	70.39	72.00	↑ 2.3%	↑ 2%
Winter-26	78.53	80.00	↑ 1.9%	↔ 0%
Summer-27	61.53	64.00	↑ 4.0%	↔ 0%
Winter-27	72.32	76.50	↑ 5.8%	↓ -1%
Summer-28	63.45	63.90	↑ 0.7%	↑ 3%

Wider Energy Complex	Close	Current Offer	% Change	3-Month Variance
Brent (\$/bbl)	62.78	64.84	↑ 3.3%	↓ -12%
Coal (\$/t)	103.25	103.25	↔ 0.0%	↓ -8%
UK Carbon (£/t)	51.51	51.87	↑ 0.7%	↑ 23%
EU Carbon (€/t)	70.66	71.55	↑ 1.3%	↓ -2%
€/£	0.844	0.844	↔ 0.1%	↑ 2%
€/€	1.135	1.143	↑ 0.7%	↑ 8%

Get in Touch



Current Market Drivers

Day ahead power is bearish this morning on wind output increasing drastically into tomorrow, offsetting the slight decrease in temperatures and greater cloud cover that is limiting solar. Norwegian gas output is increasing into tomorrow by approximately 13mcm, this is the highest level it will be at until around the end of June but still supports day-ahead gas pricing. UK gas futures are trading bullish this morning, reversing last week's bearish trend and shrugging off macroeconomic concerns from trade wars as European manufacturing stabilises. UK and EU carbon are moving up in morning trading, continuing Friday's rebound amid a better outlook for European manufacturing which in turn supports permit demand. High gas tariffs along the Trans-Balkan pipeline, combined with concerns around a potential EU law breach, contributed to a lack of interest in the monthly Balkans-Ukraine gas auction, supporting gas futures.

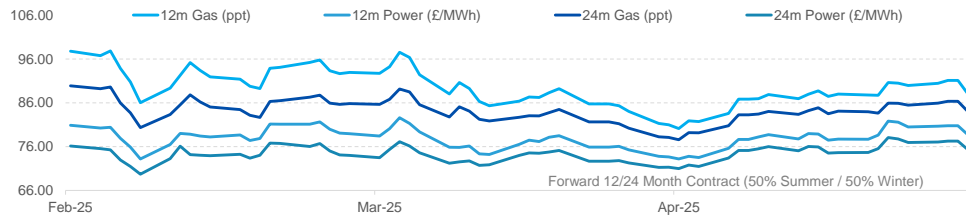
Market Focus

Russia and Ukraine engage in second round of peace talks, but major divisions remain. Russian and Ukrainian delegations have convened in Istanbul for a second round of direct peace talks, the first such effort since 2022. Despite this diplomatic step, the two sides remain deeply divided on key issues, including territorial control and Ukraine's NATO ambitions. The talks follow heightened military activity, with Ukraine targeting Russian long-range bombers and Russia launching a record sized drone assault. Ukraine has presented a peace roadmap rejecting Russian sovereignty over occupied regions and demanding reparations, while Russia awaits formal discussions after receiving Kyiv's draft. US President Trump has called for peace, warning that US support could wane if no progress is made. Delegations from the US, UK, France, and Germany may also participate, though clarity on their level of involvement remains limited. Positive discussions could provide some bearish signals to European gas, however the divisions may limit any market response.

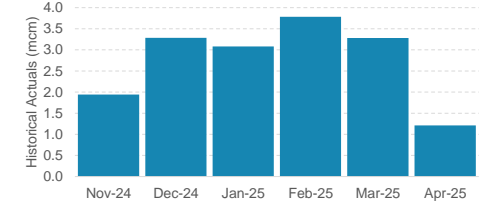
Trump under increased pressure from Congress and White House advisers to place further sanctions on Russia. US frustration over Russia's continued military assault on Ukraine is mounting, with Republicans in Congress and Trump's White House advisers urging the president to place further sanctions on Russia. Trump has so far been reluctant to place further sanctions on the Russia as he hopes to develop an economic partnership with Russia and sees sanctions as escalating tensions between the two sides. A sanctions package which focuses on banking and energy has already been put together and is just waiting on approval from the president. In his last statement, Trump indicated that he was waiting on Russia to submit its latest peace proposal and would then use this as a gauge of whether or not Putin wanted to end the war. Whilst the war continues, geopolitical risk is going to be maintained by the war, but further economic pressure from the US could be seen as forcing Russia to the negotiating table and go some way towards diminishing that risk.

US court rules the president has exceed his authority with tariffs, but appeals court grants "stay". The Trump administration has used the International Emergency Economic Powers Act (IEEPA) as the basis for many of the sweeping sanctions placed on trading partners. This allowed him to overrule the constitutional powers of Congress, which give them exclusive authority to regulate commerce with other countries. However, the US Court of International Trade has ruled that the IEEPA has been wrongfully used and the president has exceed his authority. Not all of the tariffs have used the IEEPA as the basis though, which means that some of the industry-specific tariffs like those on automobiles and steel could remain in effect. The ruling is being challenged by the Trump administration and an appeals court has granted a "stay" which keeps them in effect for now. Equity markets recovered on the back of the news amid an improved macroeconomic picture, but with the stay in place, the impact on energy has been minimal without further clarity surrounding the tariffs.

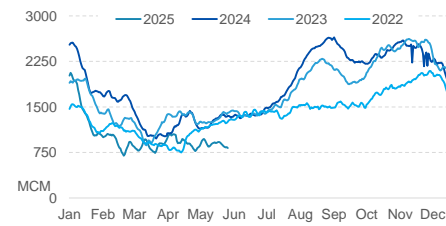
Forward Curve Price Action



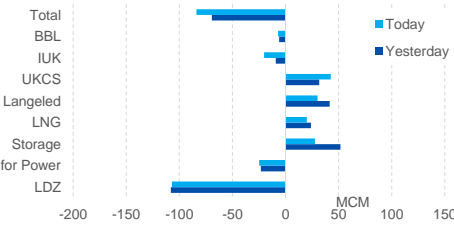
Historical Monthly LNG Supply



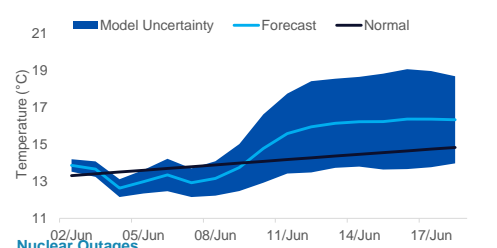
UK Gas Storage Level



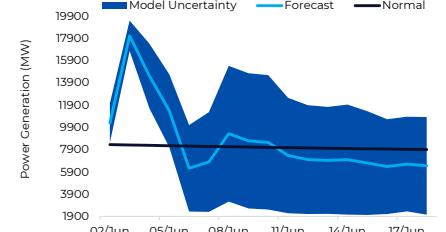
UK Gas Supply/Demand Sources



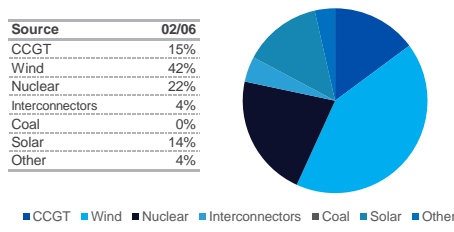
Temperature Forecast



Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)

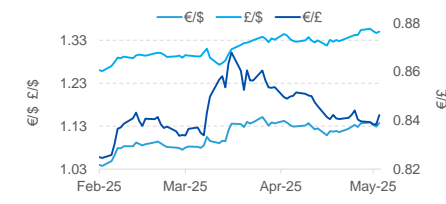


Nuclear Outages

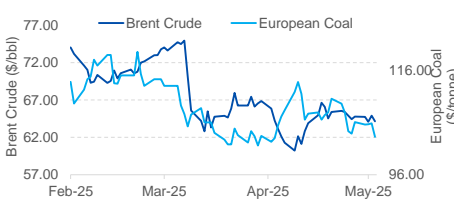
Facility	Capacity (MW)	Start Date	End Date
Hartlepool 1	595	28/04/25	11/07/25
Heysham 1-2	580	22/05/25	15/06/25

Current online capacity: 5325 MW, 82%

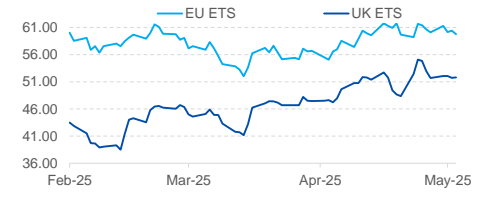
UK, EU and US Currencies



Brent Crude vs European Coal



Emissions Trading Scheme Carbon



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