flameUK
Energy Management

Energy Market Update

10th June 2025

FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

09 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	3.06	↑ 4%	↓ -2%	↑ 4%
Oct-25 24m	2.92	↑ 6%	→ 0%	↑ 5%
Oct-25 36m	2.77	↑ 6%	↗ 0%	↑ 4%
Apr-26 12m	2.95	↑ 10%	↑ 2%	↑ 9%
Apr-26 24m	2.72	↑ 7%	↑ 1%	↑ 4%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-25 12m	7.92	↑ 8%	↑ 6%	↑ 3%
Oct-25 24m	7.59	↑ 9%	↑ 6%	→ 0%
Oct-25 36m	7.38	↑ 9%	↑ 5%	↘ -1%
Apr-26 12m	7.65	↑ 11%	↑ 9%	↑ 4%
Apr-26 24m	7.36	↑ 8%	↑ 5%	↗ 0%

Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent ($/bbl.)	65.34	↓ -6%	↓ -18%	↓ -7%
Coal ($/t)	103.20	↓ -10%	↓ -15%	↓ -12%
UK Carbon (£/t)	50.50	↑ 28%	↑ 54%	↑ 13%
EU Carbon (€/t)	72.74	↑ 5%	↓ -9%	↑ 8%
€/£	0.84	↓ -35%	→ 0%	→ 0%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)

UK's Centrica have signed a deal with Norways' Equinor to receive 5bcm of gas a year for the next 10-years, starting in Oct-25.

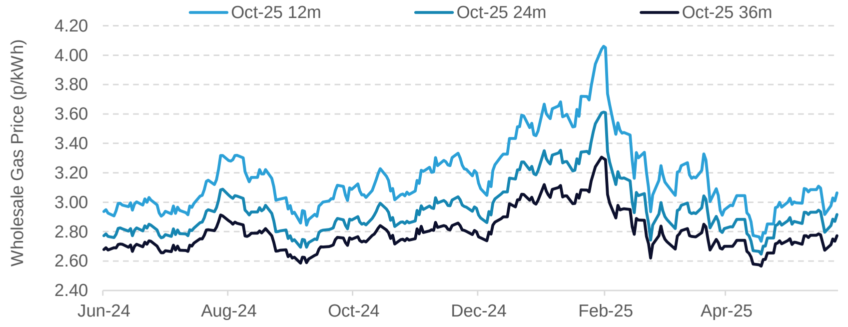
EU gas consumption trends anticipate that imports of natural gas and LNG could fall by 25% by 2030, driven by efforts to reduce demand and increased renewable capacity.

Bullish (Rising)

Peace talks between Russia and Ukraine last week yielded no progress, with Russia staggering a retaliation against previous Ukrainian strikes on its nuclear capable bombers.

Positive sentiment from improving US-China relations amid further trade talks are easing some macroeconomic concerns.

Wholesale Price Graphs



UK Baseload Power

Market Drivers

Bearish (Falling)

Gas-for-power demand in Europe is anticpated to fall 10% year-on-year amid robust French nuclear output and ongoing solar capacity increases.

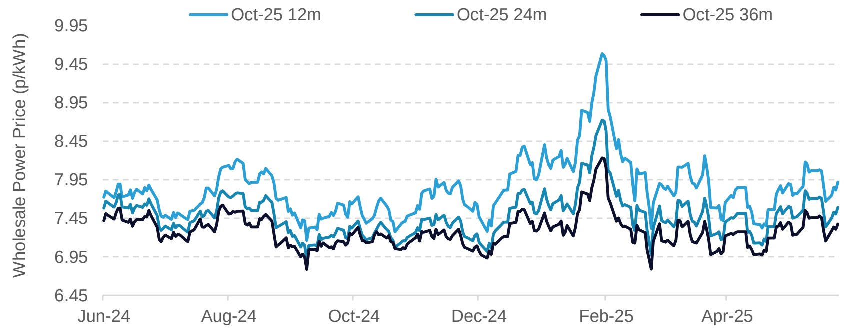
UK's flagship nuclear rector Sizewell C is expected to get final investment decisions this week, paving the way for construction to begin on 3.2GW nuclear facility.

Bullish (Rising)

Long-term weather forecasts indicate a heightened risk of extreme temperatures across Southern and Eastern Europe this summer, further compounding already weak hydro output and increasing drought threats.

The EU faces a €300bln annual deficit in funding its climate and industrial goals, jeopardising its 2030 climate transition targets and raising concern about ongoing renewable investment.

Wholesale Price Graphs



Energy Market News:

Alternative Transbalkan gas route to supply Ukraine. According to a Ukrainian industry source, a new alternative Transbalkan gas import route to Ukraine has been established, bypassing gas of Russian origin and enabling for cheaper imports. Set to begin operations in June, the route could enable Ukraine to import up to 1 billion cubic metres (bcm) of gas during the peak June-October period, with an estimated 100mcm expected in June. Ukraine currently imports gas via Poland, Hungary and Slovakia, with their transit deal with Russia having expired in December 2024. The Transbalkan pipeline or Vertical Corridor Initiative will allow Ukraine to import gas from Greece and help avoid high transit fees. Natural gas can be supplied to the pipeline via entry point in Greece from Greek LNG terminals or via the Trans Adriatic Pipeline with Azerbaijani gas or reverse flows from Italy, helping to minimise the risk of importing gas of Russian origin. This new route could enhance energy security in the region particularly as Europe intends to further phase out Russian gas.

Get In Touch

FLAME UK ENERGY MANAGEMENT - DAILY MARKET INSIGHT

09 June 2025

Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	85.60	85.20	-0.5%	-16%
Jul-25	84.91	83.84	-1.3%	-14%
Aug-25	86.11	85.04	-1.2%	-13%
Sep-25	89.06	88.07	-1.1%	-12%
Oct-25	89.81	89.05	-0.8%	-11%
Q3-25	86.67	85.63	-1.2%	-13%
Q4-25	94.26	93.81	-0.5%	-9%
Winter-25	95.70	95.35	-0.4%	-7%
Summer-26	83.30	83.42	0.1%	2%
Winter-26	89.16	89.44	0.3%	2%
Summer-27	72.90	73.40	0.7%	4%
Winter-27	80.03	80.72	0.9%	2%
Summer-28	65.77	66.00	0.3%	-2%

Baseload (£/MWh)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	81.50	78.00	-4.3%	-10%
Jul-25	76.35	76.75	0.5%	-5%
Aug-25	76.05	76.20	0.2%	-6%
Sep-25	82.10	83.50	1.7%	-1%
Oct-25	82.20	82.20	0.0%	-2%
Q3-25	78.12	78.90	1.0%	-4%
Q4-25	85.29	86.00	0.8%	0%
Winter-25	86.02	86.45	0.5%	0%
Summer-26	72.48	72.50	0.0%	1%
Winter-26	80.75	81.00	0.3%	1%
Summer-27	64.48	65.75	2.0%	-3%
Winter-27	75.59	77.00	1.9%	-1%
Summer-28	63.09	65.00	3.0%	2%

Wider Energy Complex	Close	Current Offer	% Change	3-Month Variance
Brent ($/bbl)	66.47	66.67	0.3%	-4%
Coal ($/t)	103.20	103.20	0.0%	-10%
UK Carbon (£/t)	50.65	51.33	1.3%	28%
EU Carbon (€/t)	73.75	75.15	1.9%	7%
€/£	0.843	0.842	0.0%	0%
€/$	1.139	1.143	0.3%	5%

Get in Touch

Current Market Drivers

The unplanned outage at the 595MW Hartlepool 2 nuclear reactor has been extended by 20 days until 30-Jun, keeping nuclear capacity constrained to 73%, offering support to prompt contracts.

Declining wind output into tomorrow and gains in the UK carbon benchmark are limiting downside to day-ahead baseload contracts. Meanwhile warmer temperatures continue to reduce LDZ demand.

Long-term weather forecasts for Southern and Eastern Europe signal heightened summer temperature risks, with persistent hydro and drought concerns providing bullish signal to near-curve baseload contracts.

UK gas futures are mixed this morning, with the near-curve retracing some of last weeks upside on improved EU storage outlook. Uncertain macroeconomic conditions continue to cloud further-dated energy futures.

Trade talks between the US and China, the world's two largest economies, are set to take place today following discussions between their leaders late last week. Tariff impacts are already weighing on China's economy.

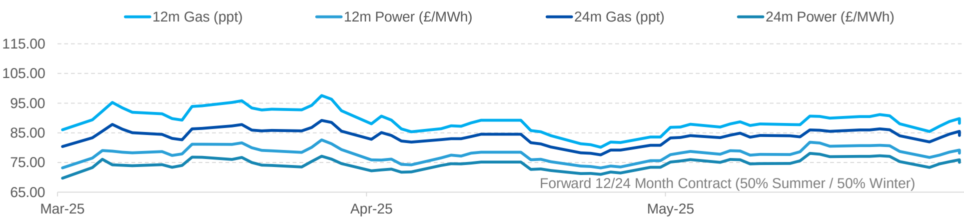
Market Focus

EU faces clash with neighbours over carbon tax scheme and power market integration. A senior official from Acer has warned that the EU's carbon border adjustment mechanism (CBAM) and its electricity market coupling plans could collide, creating major challenges with neighbouring non-EU countries. Speaking at the Athens Electricity Forum, a policy officer said the anonymous nature of power trading under the EU's single day-ahead market complicates CBAM's need for traceable carbon data, particularly with Energy Community nations such as Serbia and Ukraine. CBAM, set to begin in 2026, is intended to curb imports of carbon-intensive electricity and other goods from outside the bloc by applying a carbon levy, but affected neighbours are seeking exemptions and will meet the European Commission in July. With those same countries expected to join the EU market coupling scheme by 2027, experts warn the two systems may prove incompatible without urgent regulatory reform. Entso-E has also called on the Commission to consider delaying CBAM's rollout to prevent serious market disruptions.

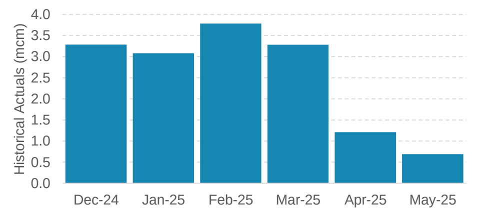
US and China agree to further trade talks. A call between Trump and Chinese leader Xi Jinping on Thursday addressed weeks of mounting trade tensions and a battle over critical minerals. This comes after Trump last week publicly accused China of "totally violating" its trade agreement with the US. During discussions, the Chinese leader told Trump to back away from trade measures that have stirred upheaval in the global economy and cautioned him against threatening steps on Taiwan. Trump later iterated in a social media post that the talks came to "a very positive conclusion" announcing further lower-level discussions between the two countries. The ongoing dispute between the US and China over rare earth minerals in recent weeks straining the already fragile 90 day tariff truce, still appears to remain unresolved. Back in April, in retaliation to Trump's original tariffs, China suspended exports of a wide range of critical minerals impacting various global supply chains. Major US stock indexes rose on Thursday in response to these talks and positive sentiment around further discussions.

Alternative Transbalkan gas route to supply Ukraine. According to a Ukrainian industry source, a new alternative Transbalkan gas import route to Ukraine has been established, bypassing gas of Russian origin and enabling for cheaper imports. Set to begin operations in June, the route could enable Ukraine to import up to 1 billion cubic metres (bcm) of gas during the peak June-October period, with an estimated 100mcm expected in June. Ukraine currently imports gas via Poland, Hungary and Slovakia, with their transit deal with Russia having expired in December 2024. The Transbalkan pipeline or Vertical Corridor Initiative will allow Ukraine to import gas from Greece and help avoid high transit fees. Natural gas can be supplied to the pipeline via entry point in Greece from Greek LNG terminals or via the Trans Adriatic Pipeline with Azerbaijani gas or reverse flows from Italy, helping to minimise the risk of importing gas of Russian origin. This new route could enhance energy security in the region particularly as Europe intends to further phase out Russian gas.

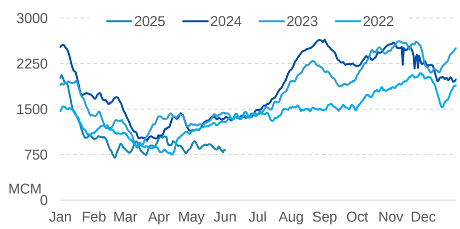
Forward Curve Price Action



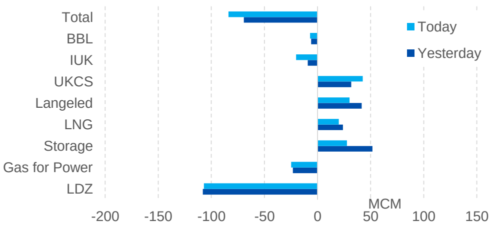
Historical Monthly LNG Supply



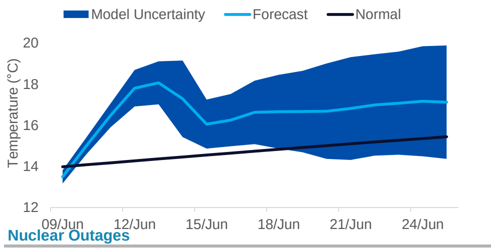
UK Gas Storage Level



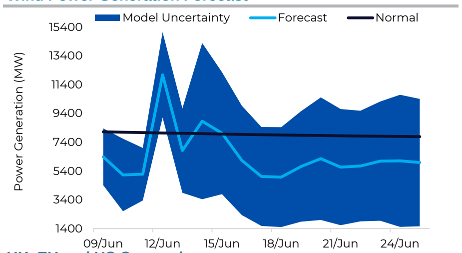
UK Gas Supply/Demand Sources



Temperature Forecast

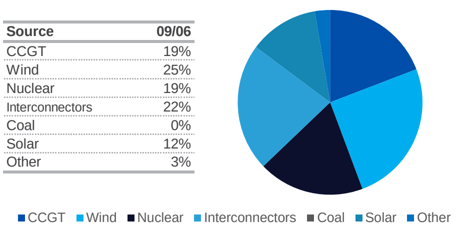


Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)

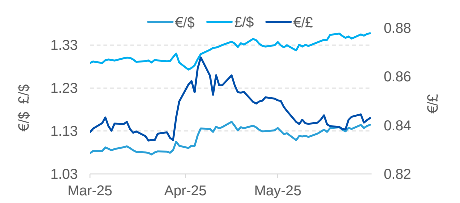
Source	09/06
CCGT	19%
Wind	25%
Nuclear	19%
Interconnectors	22%
Coal	0%
Solar	12%
Other	3%



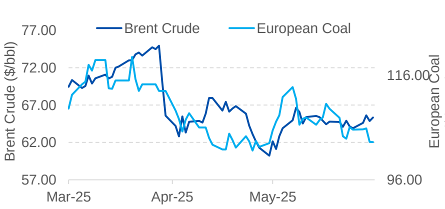
Nuclear Outages

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
Hartlepool 2	595	04/06/25	30/06/25
Current online capacity	4730 MW	73%	

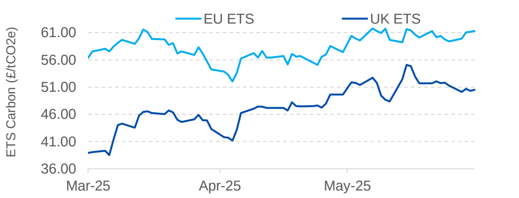
UK, EU and US Currencies



Brent Crude vs European Coal



Emissions Trading Scheme Carbon



*Indicative prices represent the market's view of the contract offer price at time of writing. This price may not be achieved in trading at any time after report publication.