



Energy Market Update

17th June 2025

FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

16 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	3.08	↓ -2%	↓ -4%	↑ 3%
Oct-25 24m	2.94	↑ 1%	↓ -2%	↑ 4%
Oct-25 36m	2.78	↑ 1%	↓ -2%	↑ 3%
Apr-26 12m	2.97	↑ 4%	↔ 0%	↑ 7%
Apr-26 24m	2.73	↑ 3%	↓ -1%	↑ 4%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-25 12m	8.12	↑ 4%	↑ 7%	↑ 3%
Oct-25 24m	7.78	↑ 5%	↑ 7%	↔ 0%
Oct-25 36m	7.55	↑ 6%	↑ 6%	↔ 0%
Apr-26 12m	7.84	↑ 7%	↑ 10%	↑ 3%
Apr-26 24m	7.47	↑ 5%	↑ 5%	↔ 1%

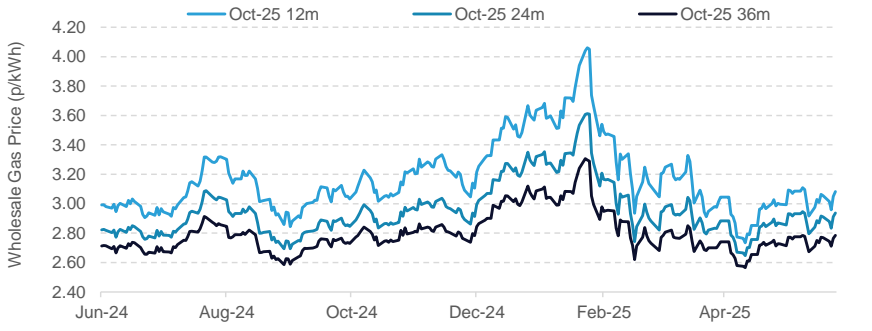
Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent (\$/bbl.)	69.36	↓ -2%	↓ -10%	↓ -6%
Coal (\$/t)	103.20	↓ -10%	↓ -15%	↓ -12%
UK Carbon (£/t)	53.92	↑ 25%	↑ 35%	↑ 29%
EU Carbon (€/t)	75.39	↑ 8%	↓ -6%	↑ 13%
€/£	0.85	↓ -35%	↑ 1%	↔ 1%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)	<p>Chinese LNG imports are forecast to decline by 6–11% this year due to weaker industrial demand and strong domestic and pipeline supply, which will hopefully offset any increases in demand from other parts of Asia.</p> <p>The World Bank has cut its 2025 global growth forecast by 0.4 percentage points to 2.3%, citing higher tariffs and uncertainty affecting all major economies.</p>
Bullish (Rising)	<p>Ongoing and escalating tensions in the Middle East between Israel and Iran, along with their impact on energy infrastructure and potential supply disruptions, will continue to heighten geopolitical risk along the curve</p> <p>Egypt aims to secure 160 LNG cargoes through 2026. However, any disruption to Israeli gas exports to Egypt could further boost spot-market buying. At the same time, dwindling North-African pipeline supplies to Europe are straining already-tight fundamentals.</p>

Wholesale Price Graphs

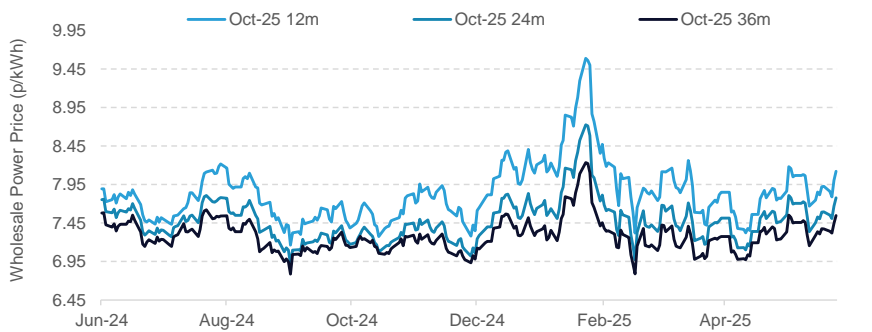


UK Baseload Power

Market Drivers

Bearish (Falling)	<p>The UK economy is showing signs of slowing down, with GDP contracting by 0.4%, its biggest decline in over two years.</p> <p>Sizewell C nuclear reactor project has received £14.2bn in funds from the UK government, with an additional £2.5bn being allocated for Small Modular Reactors (SMR's).</p>
Bullish (Rising)	<p>Stress corrosion concerns have reignited fears over French nuclear output, with four recently repaired reactors now under investigation.</p> <p>Climate change continues to pose challenges for both renewable and nuclear power output, while also increasing power-for-cooling demand. Over the past 21 out of 22 months, average global surface temperatures have exceeded 1.5°C above pre-industrial levels, raising concerns about long-term climate thresholds.</p>

Wholesale Price Graphs



Energy Market News:

EDF detects signs of stress corrosion on French nuclear reactors. Electricite de France SA have warned of signs of stress corrosion cracks appearing to affect pipes at a 1.5GW nuclear reactor that was repaired less than three years ago, igniting concerns of a plummet in French nuclear output. Three further reactors of the same size are being checked. Back in 2022, 16 out of France's 56 nuclear reactors went offline due to signs of stress corrosion, with a further 16 going offline due to the impact of high temperatures and droughts. This caused French nuclear output to plunge to its lowest in 30 years, leading France to become a net importer of electricity. However, additional safety protocols put in since then suggest that the impact may be more minimal this time. Ongoing drought risks and warnings of extreme summer temperatures in parts of Europe have already heightened concerns about French nuclear output, with these signs of stress corrosion further compounding those fears and potentially straining energy markets.

Get In Touch



Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	90.60	92.70	↑ 2.3%	↓ -12%
Jul-25	89.80	92.01	↑ 2.5%	↓ -9%
Aug-25	90.84	93.11	↑ 2.5%	↓ -9%
Sep-25	93.80	96.16	↑ 2.5%	↓ -7%
Oct-25	94.48	97.05	↑ 2.7%	↓ -5%
Q3-25	91.45	93.74	↑ 2.5%	↓ -8%
Q4-25	99.14	101.85	↑ 2.7%	↓ -3%
Winter-25	100.69	103.28	↑ 2.6%	↓ 0%
Summer-26	86.89	88.65	↑ 2.0%	↑ 10%
Winter-26	92.42	94.00	↑ 1.7%	↑ 9%
Summer-27	75.40	76.80	↑ 1.9%	↑ 10%
Winter-27	82.15	83.00	↑ 1.0%	↑ 7%
Summer-28	66.25	67.50	↑ 1.9%	↑ 3%

Baseload (£/MWh)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	87.75	84.25	↓ -4.0%	↓ -6%
Jul-25	81.45	83.65	↑ 2.7%	↓ -1%
Aug-25	81.00	81.00	0.0%	↓ -2%
Sep-25	87.80	87.80	0.0%	↑ 4%
Oct-25	87.00	87.00	0.0%	↑ 3%
Q3-25	83.37	85.00	↑ 2.0%	↑ 1%
Q4-25	90.38	93.60	↑ 3.6%	↑ 5%
Winter-25	91.21	93.00	↑ 2.0%	↑ 5%
Summer-26	75.89	78.25	↑ 3.1%	↑ 11%
Winter-26	84.27	86.00	↑ 2.1%	↑ 9%
Summer-27	68.27	70.00	↑ 2.5%	↑ 11%
Winter-27	78.02	80.00	↑ 2.5%	↑ 9%
Summer-28	64.95	64.95	0.0%	↑ 7%

Wider Energy Complex	Close	Current Offer	% Change	3-Month Variance
Brent (\$/bbl)	74.23	73.73	↓ -0.7%	↑ 4%
Coal (\$/t)	103.20	103.20	0.0%	↓ -10%
UK Carbon (£/t)	54.81	54.70	↓ -0.2%	↑ 25%
EU Carbon (€/t)	76.19	75.92	↓ -0.4%	↑ 8%
€/£	0.851	0.853	↑ 0.3%	↑ 1%
€/€/\$	1.155	1.158	↑ 0.3%	↑ 6%

Current Market Drivers

Prompt gas contracts are receiving support from a fall in Norwegian exports to the UK amid ongoing maintenance. Meanwhile a rebound in nuclear output is providing some downside to day-head baseload prices. UK energy futures continue to rally to the upside, with little signs of easing tensions between Israel and Iran as they both continue their assaults. Winter-25 contracts have broke through their recent 100p/therm resistance level. Iran has partially suspended production at South Pars, the world's largest gas field, following a fire caused by an Israeli drone strike on Saturday, sending bullish signals along the curve amid signs of supply disruptions. Chinese LNG imports are forecast to decline by 6-11% this year due to weak industrial demand and strong domestic and piped gas supply, potentially offsetting growing demand signals from South and Southeast Asia. A yellow temperature warning has been issued in France, raising concerns about already strained river levels and their impact on nuclear output, providing bullish pressure to near-curve energy contracts.

Market Focus

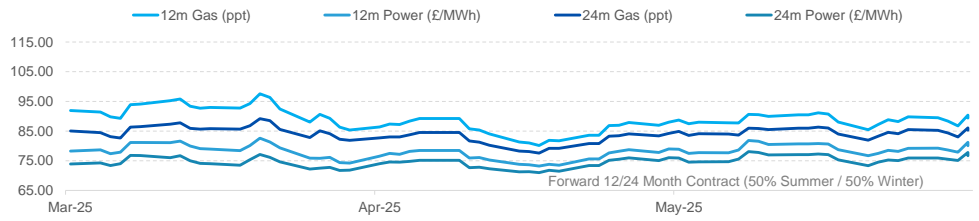
Middle Eastern tensions heightened. Israel and Iran have continued a series of missile strikes over the weekend, with Israel's precision attacks resulting in substantial losses, including Iran's senior military commanders and critical strategic infrastructure including South Pars gas field which produces 66% of Iran's gas. In retaliation, Iran fired missiles into Israeli cities, resulting in casualties and heightened threats from Israel's defence minister. Despite Iran's defiant rhetoric, its military capabilities and regional influence are significantly diminished, restricting responses to covert actions or potentially withdrawing from the Nuclear Non-Proliferation Treaty (NPT). Analysts highlight such a move would drastically raise international tensions and possibly trigger broader interventions. World leaders, notably at the ongoing G7 summit, stress diplomacy to avoid a wider conflict and stabilise regional security. Iran have stated that they are not open to negotiating a ceasefire while under Israeli attack, with the recent meeting with the US in Oman being cancelled. Market remain sensitive to ongoing geopolitical turmoil.

Israel strikes Iran's nuclear facilities. On Friday, Israel launched a widescale assault against Iran. This begins Israel's sustained campaign to prevent Iran from developing atomic weapons, as they target nuclear facilities, ballistic missile factories, scientists and military commanders. In retaliation Iran has launched 100 drones towards Israel territory. Tensions began mounting when Iran rejected the US's nuclear deal, vowing to continue enriching uranium, with Israel seeing this as an existential threat. Furthermore, in recent news the International Atomic Energy Agency (IAEA) declared that Iran is in "non-compliance" with its nuclear safeguards for the first time in 20 years. Explosions were reported at Iran's main uranium enrichment facility, though the IAEA said there has been no increase in radiation levels at the site. The US deny involvement in the operation, but risk of further escalation in the region remains heightened. The Israeli Prime Minister stated that "Operation Rising Lion, will continue for as many days as it takes".

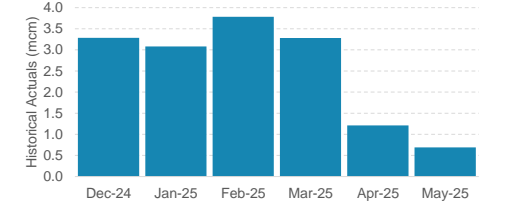
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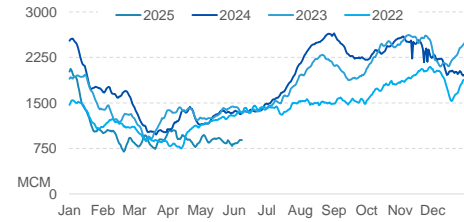
Forward Curve Price Action



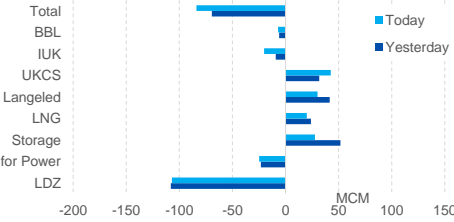
Historical Monthly LNG Supply



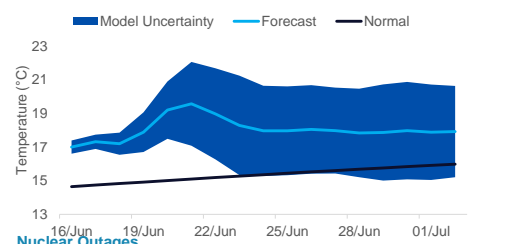
UK Gas Storage Level



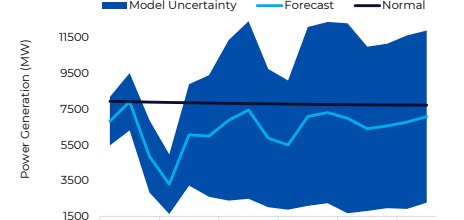
UK Gas Supply/Demand Sources



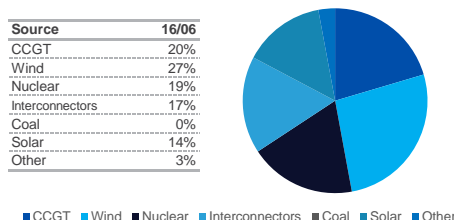
Temperature Forecast



Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)

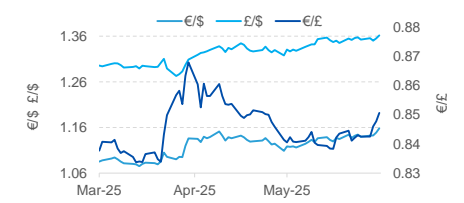


Nuclear Outages

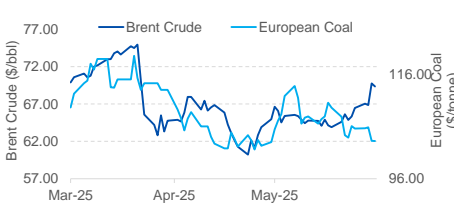
Facility	Capacity (MW)	Start Date	End Date
Hartlepool 1	595	28/04/25	23/07/25
Hartlepool 2	595	04/06/25	30/06/25
Sizewell B1	630	11/06/25	16/06/25

Current online capacity: 4680 MW (72%)

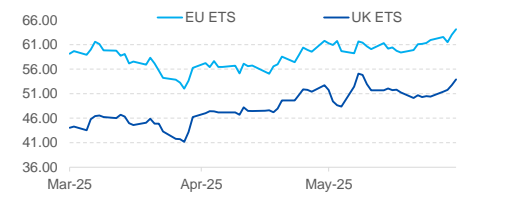
UK, EU and US Currencies



Brent Crude vs European Coal



Emissions Trading Scheme Carbon



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