flameUK
Energy Management

Energy Market Update

24th June 2025

FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

23 June 2025

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Wholesale Market Prices and Trends

Wholesale Gas Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-25 12m	3.47	8%	4%	18%
Oct-25 24m	3.23	9%	5%	16%
Oct-25 36m	3.02	8%	4%	13%
Apr-26 12m	3.24	12%	6%	19%
Apr-26 24m	2.92	9%	4%	13%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-25 12m	8.76	8%	12%	14%
Oct-25 24m	8.30	8%	12%	10%
Oct-25 36m	7.91	7%	10%	8%
Apr-26 12m	8.26	9%	14%	12%
Apr-26 24m	7.78	7%	8%	8%

Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent ($/bbl.)	78.85	8%	3%	7%
Coal ($/t)	103.20	-10%	-15%	-12%
UK Carbon (£/t)	51.67	12%	17%	28%
EU Carbon (€/t)	72.74	2%	-10%	10%
€/£	0.85	-34%	3%	2%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)

EU gas demand is forecast to decline by 7% by 2030, due to increasing renewable generation and electrification.

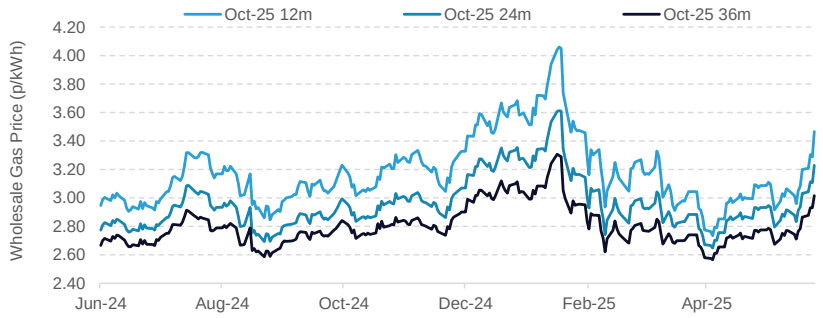
Threats of higher US tariffs on the EU, amid Trump's dissatisfaction with EU trade deal prospects following last week's stalled G7 meeting, continues to fuel economic uncertainty.

Bullish (Rising)

US involvement in the Israel-Iran conflict, including the bombing of several nuclear sites on Sunday and Iran's vow of retaliatory measures, such as the potential closure of the Strait of Hormuz, continues to fuel geopolitical risk.

The EU has set out a roadmap to phase out Russian fossil fuels by the end of 2027, effectively ending the bloc's use of Russian gas, which could strain already tight fundamentals in the region.

Wholesale Price Graphs



UK Baseload Power

Market Drivers

Bearish (Falling)

The UK Crown Estate has invested £400 million in the offshore wind supply chain, signalling continued investment in the UK's renewable energy buildout.

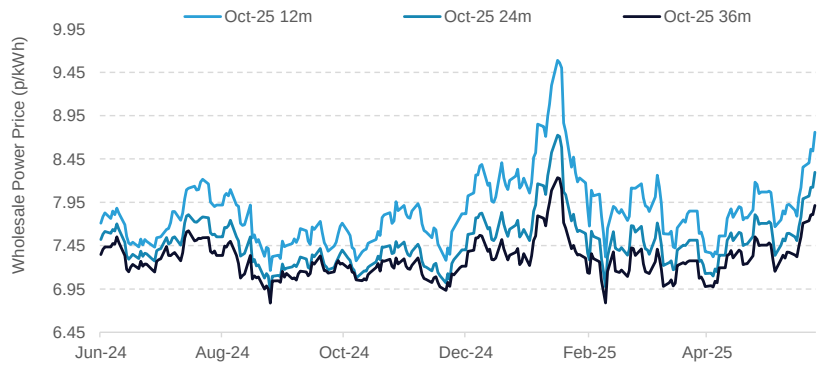
EDF has confirmed the reappearance of stress corrosion cracks on one of its reactors; however, it stated that this should have no impact on generation estimates for 2025–2027, which remain between 350–370 TWh per year.

Bullish (Rising)

The UK government's Industrial Strategy Bill aims to combat high energy prices for energy-intensive industries by cutting their energy bills by 25% by 2027, potentially signaling an uptick in demand.

The World Weather Attribution group highlights that extreme temperatures in the UK(28°C or higher) for three or more consecutive days, are now 10 times more likely. Ongoing temperature trends, combined with their impact on renewable and nuclear output, as well as increased cooling demand across Europe, could strain power systems.

Wholesale Price Graphs



Energy Market News:

US strikes Iranian nuclear facilities. In the early hours of Sunday morning in local Iranian time, the US struck three main nuclear sites in Iran under the operation "Midnight Hammer". The US view the operation as resounding tactical success, with the Iranians caught completely off guard. The Trump administration has iterated that they are not looking for a wider conflict with Iran, though Trump himself has warned Iran that the US is prepared to hit additional targets if needed. This has become the biggest Western act of military aggression against Iran since its 1979 revolution. Iran has vowed to defend itself against the US attacks and has continued to exchange missile strikes with Israel. Gulf states have become on high alert to concerns of a widening conflict in the region. Iran has stated on Monday morning that the US attacks have expanded the range of legitimate targets, and that there would be no return to diplomacy until it has retaliated.

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FLAME UK ENERGY MANAGEMENT - DAILY MARKET INSIGHT

23 June 2025

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Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	96.60	97.00	0.4%	-7%
Jul-25	96.19	96.63	0.5%	-7%
Aug-25	98.82	99.26	0.4%	-5%
Sep-25	102.54	102.95	0.4%	-3%
Oct-25	103.42	103.93	0.5%	-2%
Q3-25	99.15	99.60	0.5%	-5%
Q4-25	108.05	108.34	0.3%	0%
Winter-25	109.32	109.55	0.2%	2%
Summer-26	91.84	91.80	0.0%	9%
Winter-26	95.81	96.75	1.0%	7%
Summer-27	76.50	77.90	1.8%	9%
Winter-27	82.01	85.00	3.6%	5%
Summer-28	67.09	68.40	2.0%	0%

Baseload (£/MWh)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	43.70	52.00	19.0%	-54%
Jul-25	81.85	83.25	1.7%	-4%
Aug-25	83.60	84.95	1.6%	-3%
Sep-25	91.35	93.55	2.4%	4%
Oct-25	91.55	91.55	0.0%	3%
Q3-25	85.54	87.50	2.3%	-1%
Q4-25	94.79	94.79	0.0%	5%
Winter-25	95.50	97.25	1.8%	4%
Summer-26	77.71	78.75	1.3%	9%
Winter-26	85.37	86.25	1.0%	7%
Summer-27	68.30	70.75	3.6%	7%
Winter-27	76.76	78.75	2.6%	3%
Summer-28	63.45	63.45	0.0%	0%

Wider Energy Complex	Close	Current Offer	% Change	3-Month Variance
Brent ($/bbl)	78.85	77.12	-2.2%	8%
Coal ($/t)	103.20	103.20	0.0%	-10%
UK Carbon (£/t)	51.92	52.02	0.2%	12%
EU Carbon (€/t)	72.99	73.35	0.5%	2%
€/£	0.853	0.855	0.2%	2%
€/$	1.149	1.152	0.3%	6%

Get in Touch

Current Market Drivers

UK energy futures are neutral-bullish as US involvement in the Israel-Iran war over the weekend has heightened regional tensions and raised fears of a wider conflict. Uncertainty over the Iranian response is limiting further upside.
Iran's parliament voted Sunday to close the vital Strait of Hormuz, though final approval is still needed, keeping energy and commodity markets on edge despite Kpler data showing no notable impact so far in the region.
Wind generation is set to decline into tomorrow, adding bullish pressure to day-ahead baseload prices. Ongoing concerns over French nuclear output amid regional temperature warnings will continue to support prompt contracts.
The UK government's new industrial strategy to cut energy bills for intensive industries by 25% by 2027 to address high power costs is offering bullish signals to further dated contracts on prospects of increased demand.
The 595 MW Hartlepool 1 and 2 nuclear reactor outages have been extended by 12 and 14 days respectively, reducing generation forecasts into July and August and providing support to near-curve energy prices.

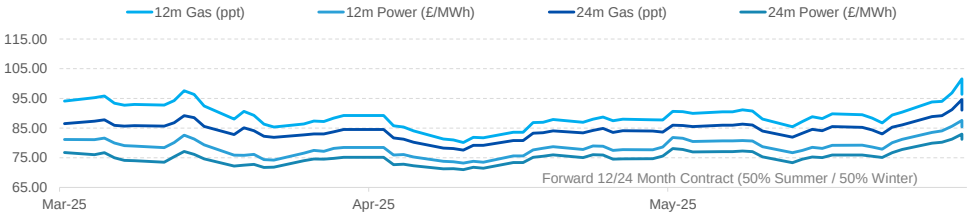
Market Focus

US strikes Iranian nuclear facilities. In the early hours of Sunday morning in local Iranian time, the US struck three main nuclear sites in Iran under the operation "Midnight Hammer". The US view the operation as resounding tactical success, with the Iranians caught completely off guard. The Trump administration has iterated that they are not looking for a wider conflict with Iran, though Trump himself has warned Iran that the US is prepared to hit additional targets if needed. This has become the biggest Western act of military aggression against Iran since its 1979 revolution. Iran has vowed to defend itself against the US attacks and has continued to exchange missile strikes with Israel. Gulf states have become on high alert to concerns of a widening conflict in the region. Iran has stated on Monday morning that the US attacks have expanded the range of legitimate targets, and that there would be no return to diplomacy until it has retaliated.

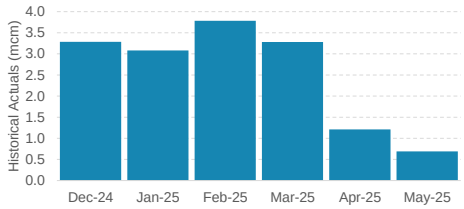
Iran vote to shut the Strait of Hormuz. The Iranian parliament is mulling over the option to shut the Strait of Hormuz, after voting in favour on Sunday, though the final decision has to be approved by the countries Supreme National Security Council. Closing the Strait of Hormuz is widely regarded as Iran's most effective threat to hurt the West. 20% of the worlds LNG supply and nearly a quarter of global oil supply pass through the Strait, shared with Oman and the United Arab Emirates. Any attempt to block Gulf oil and LNG shipments by closing the strait could trigger a surge in global oil and LNG prices, destabilise the world economy and risk a direct confrontation the US Navy's Fifth Fleet, which is situated in the region to keep the vital waterway open. However, this also risks impacting Iranian ally China, a factor which could stay their hand. The threat of closer has already seen Brent Crude and US crude futures climb to their highest level since January, with Asian JKM benchmark hitting at 4 month and the European TTF benchmark hitting a three month.

Israel's Diverging War Aims. Since Israeli hostilities began with a surprise attack on Iran on June 13, Israeli officials have increasingly spoken of their ambition to topple the Iranian regime, which has been ruled by hardline Shi'ite Muslims since its establishment in 1979. The Israeli Prime Minister told Israeli reporters that the country is very close to achieving its goals of eliminating the threats posed by ballistic missiles and Iran's nuclear program, but also hinted that the Israeli operation could potentially lead to regime change. Some US officials have emphasised that they are not working to overthrow Iran's government, mindful of former Republican President George W. Bush's disastrous intervention in Iraq in 2003. The US Defence Secretary issued a statement saying, "This mission was not and has not been about regime change." However, quotes by Trump on social media, suggesting the goal to "make Iran great again", indicate that the concept may still hold appeal in some circles.

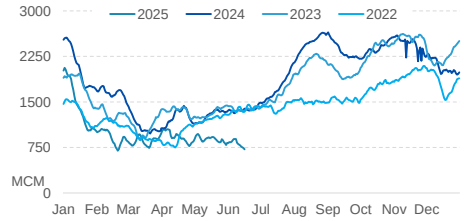
Forward Curve Price Action



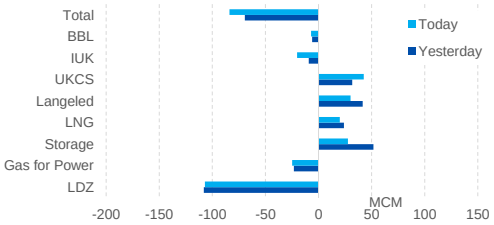
Historical Monthly LNG Supply



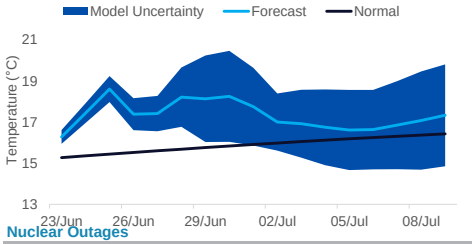
UK Gas Storage Level



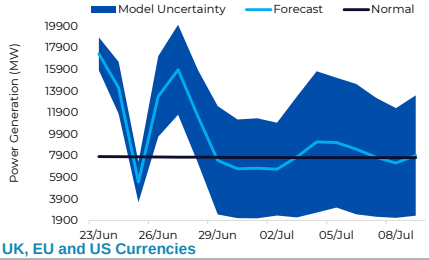
UK Gas Supply/Demand Sources



Temperature Forecast

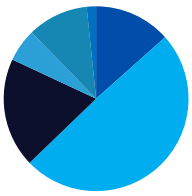


Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)

Source	23/06
CCGT	15%
Wind	56%
Nuclear	22%
Interconnectors	-7%
Coal	0%
Solar	12%
Other	2%

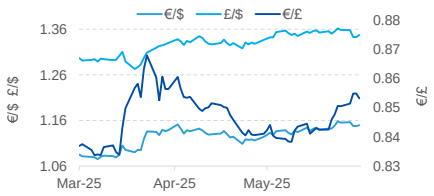


CCGT ■ Wind ■ Nuclear ■ Interconnectors ■ Coal ■ Solar ■ Other

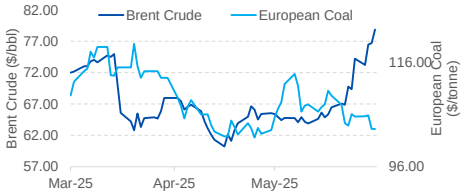
Nuclear Outages

Facility	Capacity (MW)	Start Date	End Date
Hartlepool 1	595	28/04/25	04/08/25
Hartlepool 2	595	04/06/25	14/07/25
Current online capacity	5310 MW		82%

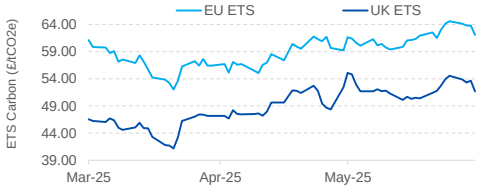
UK, EU and US Currencies



Brent Crude vs European Coal



Emissions Trading Scheme Carbon



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