



# Energy Market Update

15th July 2025

# FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

14 July 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	3.10	↑ 5%	↓ -15%	↑ 5%
Oct-25 24m	2.98	↑ 5%	↓ -10%	↑ 6%
Oct-25 36m	2.83	↑ 5%	↓ -8%	↑ 5%
Apr-26 12m	3.03	↑ 6%	↓ -9%	↑ 9%
Apr-26 24m	2.78	↑ 5%	↓ -6%	↑ 6%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-25 12m	8.01	↑ 5%	↓ -2%	↑ 7%
Oct-25 24m	7.75	↑ 5%	↑ 2%	↑ 5%
Oct-25 36m	7.52	↑ 4%	↑ 3%	↑ 4%
Apr-26 12m	7.78	↑ 4%	↑ 3%	↑ 8%
Apr-26 24m	7.49	↑ 4%	↑ 2%	↑ 5%

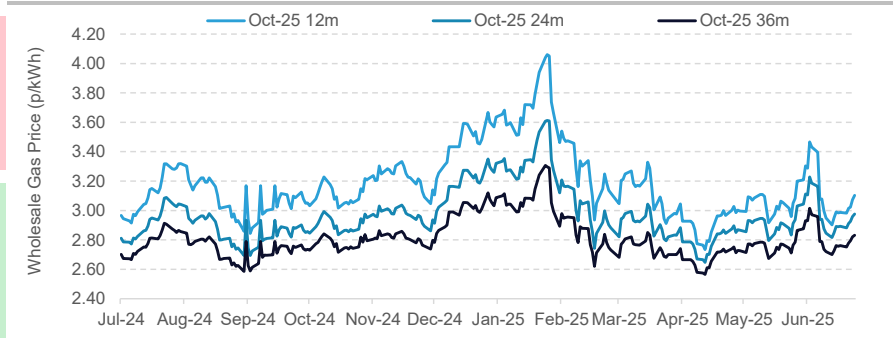
Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent (\$/bbl.)	70.36	↑ 8%	↓ -3%	↓ -5%
Coal (\$/t)	117.22	↔ 0%	↑ 1%	↓ -3%
UK Carbon (£/t)	47.51	↑ 1%	↑ 14%	↑ 17%
EU Carbon (£/t)	70.55	↑ 6%	↔ -1%	↑ 8%
€/£	0.87	↓ -34%	↑ 5%	↑ 4%

## UK NBP Gas

### Wholesale Market Drivers

<b>Bearish (Falling)</b>	<p>Trump has threatened the EU with 30% tariffs, coming off the back of further tariffs being announced for many nations globally. This brings into focus macroeconomic concerns once again, though 01-Aug implementation limits downside potential.</p> <p>UK Q2 gas burn dropped to 14 TWh, the second-lowest in a decade, as wind and solar output lifted renewables' share above 50%. This could provide bearish signals along the curve, particularly given the push for greater renewable capacity.</p>
<b>Bullish (Rising)</b>	<p>The US decision to provide additional arms to Ukraine highlights limited prospects for a near-term resolution to RUS-UKR war, whilst Yemeni Houthi attacks in the Red Sea have started up again, sustaining geopolitical risk.</p> <p>Extreme heat in Japan and South Korea has driven up Asian spot LNG prices on increased cooling demand. This trend could be supportive along the curve if sentiment shifts towards this being a normal summer dynamic.</p>

### Wholesale Price Graphs

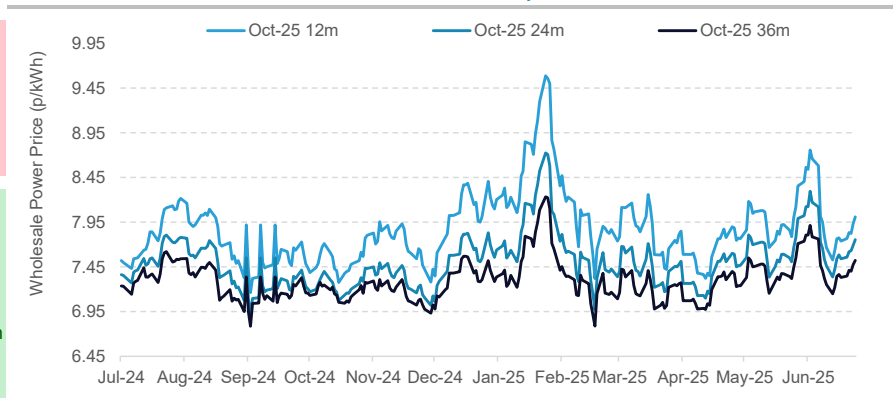


## UK Baseload Power

### Market Drivers

<b>Bearish (Falling)</b>	<p>Macroeconomic uncertainty continues to weigh on industrial demand, with weaker economic data across some regions of the Eurozone, renewed tariff threats from the US and contracting UK GDP.</p> <p>France progresses its nuclear expansion plans, with the Senate approving a draft bill targeting 27GW of new capacity by 2050. However, challenges remain to getting this passed through the more right-wing lower house.</p>
<b>Bullish (Rising)</b>	<p>European day-ahead and intraday pricing has remained elevated this summer on weak wind output, heightened cooling demand and risk to nuclear and hydro output. Signs of this being a continued climate-driven effect are supportive to future summer contracts.</p> <p>The EU remains €250bn short of its 2030 renewable investment target, reinforcing long-term supply risks. The widening gap in funding for clean energy projects continues to delay capacity expansion, particularly in wind and grid infrastructure.</p>

### Wholesale Price Graphs



## Energy Market News:

**Trump threatens higher tariffs on the EU and Mexico.** On Saturday Trump issued letters threatening to impose a 30% tariff on imports from Mexico and the EU, starting 01-Aug. This comes after weeks of negotiations between the US and the two countries failed to reach a comprehensive trade deal. Both the EU and Mexico have iterated that the tariff are unfair and disruptive but will continue to negotiate for a broader trade deal with the US. The 30% tariff rate is separate from all sectoral tariffs, highlighting that the 25% levy on auto imports and 50% tariff on steel and aluminium will remain. The US have currently only secured framework agreements from the UK, China and Vietnam. Trump's tariff letter to the EU demanded that they allow complete open Market Access to the US with no tariffs being charged. Meanwhile the EC president said it "will take all necessary steps to safeguard EU interest, including the adoption of proportionate countermeasures if required". The escalating trade war continues to rattle investors and anger US allies.

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Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	95.20	85.50	↓ -10.2%	↓ -5%
Jul-25	95.46	84.99	↓ -11.0%	↓ -4%
Aug-25	97.91	87.39	↓ -10.7%	↓ -3%
Sep-25	101.06	90.94	↓ -10.0%	↓ -2%
Oct-25	101.82	92.17	↓ -9.5%	↔ 0%
Q3-25	98.11	87.75	↓ -10.6%	↓ -3%
Q4-25	106.54	97.01	↓ -8.9%	↔ 2%
Winter-25	107.83	98.34	↓ -8.8%	↔ 3%
Summer-26	91.24	85.50	↓ -6.3%	↔ 11%
Winter-26	95.33	92.34	↓ -3.1%	↔ 9%
Summer-27	76.52	75.50	↓ -1.3%	↔ 10%
Winter-27	82.05	82.50	↔ 0.5%	↔ 6%
Summer-28	67.27	67.40	↔ 0.2%	↔ 1%

Baseload (£/MWh)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	45.50	86.75	↑ 90.7%	↓ -52%
Jul-25	81.70	77.00	↓ -5.8%	↓ -3%
Aug-25	83.00	83.00	↔ 0.0%	↓ -2%
Sep-25	90.25	90.25	↔ 0.0%	↔ 2%
Oct-25	90.50	90.50	↔ 0.0%	↔ 3%
Q3-25	84.93	81.50	↓ -4.0%	↓ -1%
Q4-25	93.71	93.71	↔ 0.0%	↔ 5%
Winter-25	94.41	88.75	↓ -6.0%	↔ 5%
Summer-26	77.21	76.00	↓ -1.6%	↔ 11%
Winter-26	85.26	85.00	↓ -0.3%	↔ 9%
Summer-27	67.95	67.95	↔ 0.0%	↔ 9%
Winter-27	77.22	76.75	↓ -0.6%	↔ 7%
Summer-28	63.68	65.00	↑ 2.1%	↔ 3%

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%	↔ 11%
EU Carbon (€/t)	72.99	73.35	↔ 0.5%	↔ 3%
€/£	0.853	0.855	↔ 0.2%	↔ 2%
€/€/\$	1.149	1.152	↔ 0.3%	↔ 7%

Current Market Drivers

UK gas futures have begun retracing much of their recent gains after a tentative ceasefire between Israel and Iran was agreed to on Tuesday morning, though signs that it may be short-lived could sustain geopolitical risk. LNG tanker rates have hit an 8-month high as vessel availability tightens, with spot cargoes increasingly incentivised to travel to Asia, extending journey times. This could support LNG prices and limit further downside. The US LNG facility Sabine Pass has returned from maintenance, while LNG Canada has begun exporting its first cargoes, improving global LNG supply conditions and sending bearish signals to near-curve gas contracts. A plummet in wind generation into tomorrow alongside weaker solar output is providing bullish pressure to day-ahead baseload contracts. Improving Norwegian flows is offering downside to prompt gas prices. After rallying to a 5-month high, the Brent crude benchmark has started to give back its gains on news of a ceasefire deal brokered between Israel and Iran. However, uncertainty remains about its implementation.

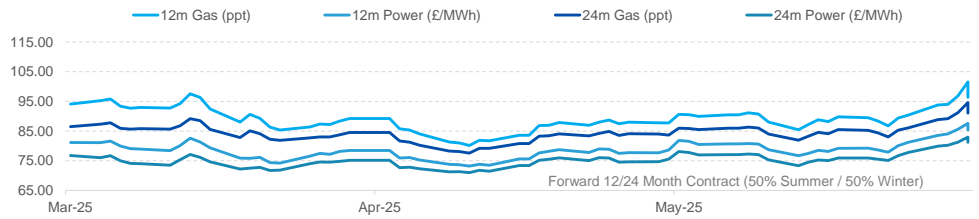
Market Focus

**Israel and Iran agree to a tentative ceasefire.** Raising hopes of ending the 12-day war, Trump announced on Tuesday morning that a ceasefire between Israel and Iran is now in place, urging both countries not to violate it. This declaration comes after Iran retaliated against US strikes on its nuclear facilities, which occurred on Sunday, by firing missiles at a US base in Qatar on Monday. The Israeli Prime Minister said they have agreed to the US's ceasefire proposal, declaring that Israel had achieved its aim of removing Iran's nuclear and ballistic missile threat. However, Netanyahu stated they would respond forcefully to any violations. Iranian officials also confirmed agreement to the ceasefire, but the country's foreign minister warned that unless Israel stopped its attacks, there would be no cessation. Despite the announcement of the ceasefire, it quickly became clear nothing is set in stone yet. Israel accused Iran of violating the deal after missiles were launched from Iranian territory toward Israel, prompting Israel's defence minister to order "high intensity strikes on regime targets in Tehran".

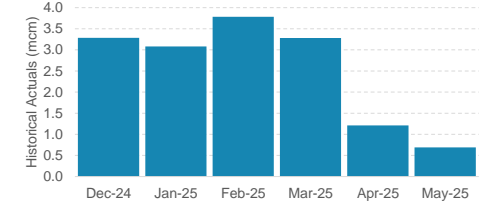
**UK unveils energy plan to boost industry and cut costs.** The UK Government has launched a £2bn scheme to cut energy costs by up to 25% for more than 7,000 energy intensive businesses across key sectors. The British Industrial Competitiveness Scheme, set to begin in 2027, will exempt existing firms from certain green levies and increase network charge reductions from 60% to 90%. The move forms part of a broader industrial strategy aimed at revitalising the UK's manufacturing base and attracting new investment. The government will also streamline access to the grid through a new Connections Accelerator Service. As part of Starmer's 10-year plan to revive the British economy amid concerns over passive deindustrialisation, the strategy will target eight key industries: advanced manufacturing, creative industries, defence, clean energy, digital and tech, financial services, life sciences, and professional and business services. Parts of the new energy scheme are set to be funded by reforms to environmental and green levies, as well as the Emissions Trading Scheme.

**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 viewed 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.

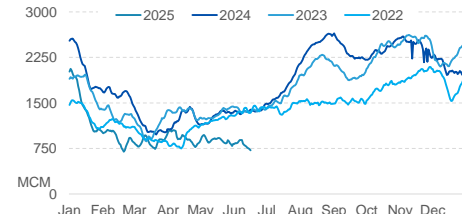
Forward Curve Price Action



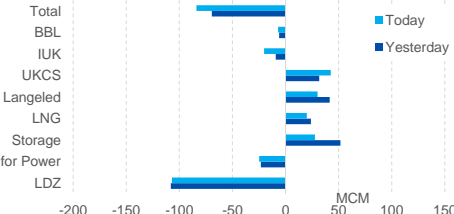
Historical Monthly LNG Supply



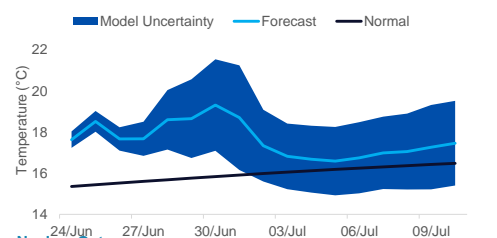
UK Gas Storage Level



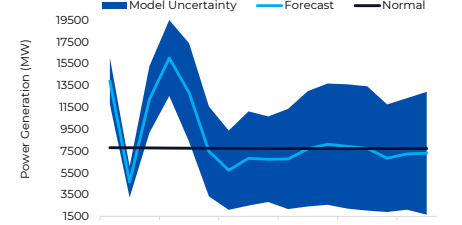
UK Gas Supply/Demand Sources



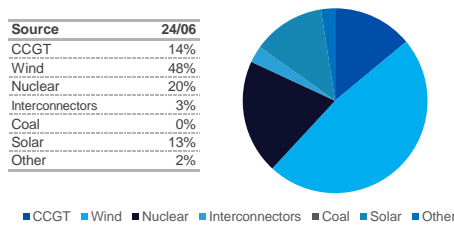
Temperature Forecast



Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)

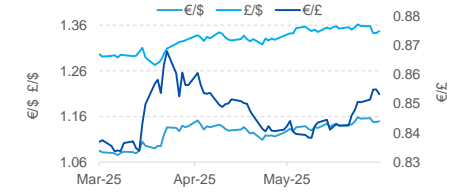


Nuclear Outages

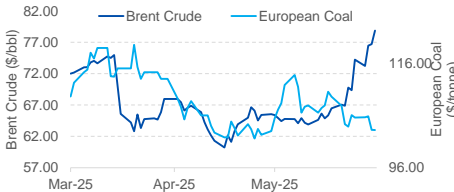
Facility	Capacity (MW)	Start Date	End Date
Hartlepool 1	595	28/04/25	04/08/25
Hartlepool 2	595	04/06/25	14/07/25

Current online capacity: 5310 MW, 82%

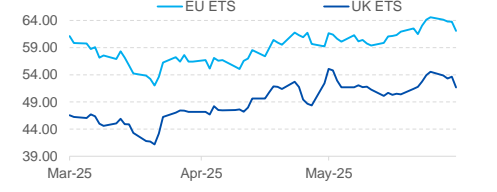
UK, EU and US Currencies



Brent Crude vs European Coal



Emissions Trading Scheme Carbon



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