

Energy Market Update

29th July 2025

FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

28 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	2.95	↑ 6%	↓ -21%	↓ -6%
Oct-25 24m	2.87	↑ 7%	↓ -14%	↓ -3%
Oct-25 36m	2.75	↑ 7%	↓ -11%	↓ -2%
Apr-26 12m	2.92	↑ 10%	↓ -12%	↔ 1%
Apr-26 24m	2.73	↑ 8%	↓ -8%	↔ 0%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-25 12m	7.81	↑ 6%	↓ -12%	↔ 0%
Oct-25 24m	7.63	↑ 7%	↓ -7%	↑ 1%
Oct-25 36m	7.44	↑ 7%	↓ -5%	↑ 1%
Apr-26 12m	7.68	↑ 8%	↓ -5%	↑ 4%
Apr-26 24m	7.44	↑ 7%	↓ -3%	↑ 2%

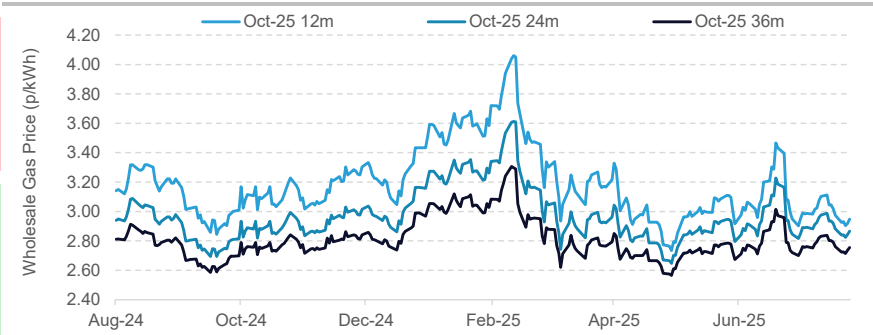
Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent (\$/bbl.)	68.44	↑ 4%	↓ -4%	↓ -6%
Coal (\$/t)	110.67	↓ -7%	↓ -3%	↓ -12%
UK Carbon (£/t)	50.10	↓ -2%	↑ 21%	↑ 26%
EU Carbon (£/t)	71.34	↑ 9%	↑ 2%	↑ 6%
€/£	0.87	↓ -35%	↑ 4%	↑ 4%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)	<p>IEA projects a 7% LNG supply growth for 2026, driven by Qatar and US expansions, easing market tightness and outpacing European demand which IEA forecasts to decline by 2%.</p> <p>Gas injections into European storage are 18% above the five-year average, putting the EU on track to meet 90% winter targets and easing seasonal supply concerns despite Germany's Rehden storage facility remaining underfilled.</p>
Bullish (Rising)	<p>US-EU trade tensions have eased following an agreement on 15% tariffs, significantly reducing the risk of an immediate trade conflict and enhancing broader financial market confidence.</p> <p>EU's consideration of banning mixed-origin pipeline gas via Turkey to exclude Russian flows risks supply, fuelling bullish pressure on gas prices and heightening market uncertainty.</p>

Wholesale Price Graphs

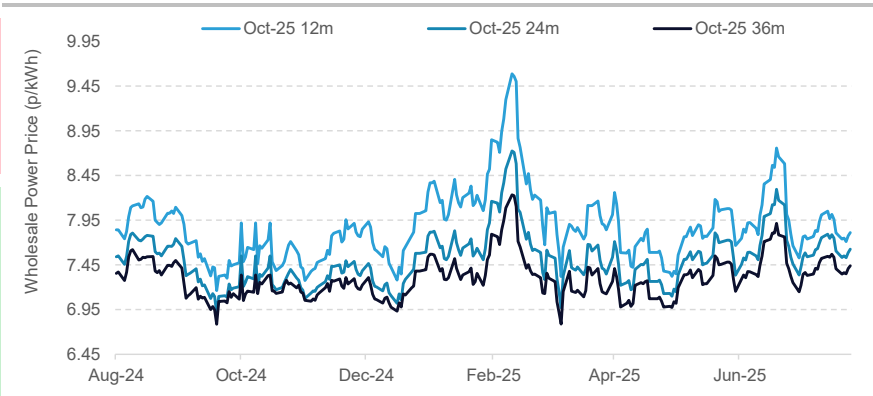


UK Baseload Power

Market Drivers

Bearish (Falling)	<p>UK government has approved the long-delayed 3.2 GW Sizewell C nuclear project. The project has come in at almost double the cost, but goes some way towards mitigating bullish pressure from the UK's ageing nuclear fleet.</p> <p>The European Commission's fivefold increase of cross-border funding to €29.5 billion, supporting grids, hydrogen, and CO₂ links, strengthens energy security and the energy transition, reinforcing confidence in long-term power markets.</p>
Bullish (Rising)	<p>EDF projects French power prices to rise 11% to €70/MWh by 2030, driven by stable demand, gas market volatility, and the phase-out of regulated tariffs.</p> <p>EDF's decision to trim renewables investments by one-third, reallocating capital to nuclear projects, tightens renewable supply outlook, potentially increasing dependence on gas-fired generation</p>

Wholesale Price Graphs



Energy Market News:

US and EU strike tariff deal ahead of 01-Aug deadline. The US and EU have averted a major trade clash after agreeing to a 15% tariff on most European goods, halving the threatened rate and securing a political framework aimed at calming transatlantic tensions. Announced by President Trump and Commission President von der Leyen in Scotland, the deal includes up to \$600 billion in EU investment into the US, as well as expanded purchases of American energy and defence equipment. While the agreement avoids a broader escalation, it stops short of full trade liberalisation, with US steel and aluminium tariffs still fixed at 50 percent. Markets responded positively, with the euro inching higher on initial news. However, traders remain cautious amid uncertainty over key exclusions and future tariff reviews. Analysts say the headline rate may weigh on sectors like pharmaceuticals and semiconductors, though carve outs for aircraft and certain chemicals provided modest relief. With deeper terms still to be finalised, sentiment will depend on follow through and compliance over the coming months.

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Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	78.75	77.60	-1.5%	7%
Aug-25	79.06	77.63	-1.8%	4%
Sep-25	81.66	80.09	-1.9%	5%
Oct-25	82.90	81.53	-1.7%	6%
Nov-25	89.65	88.43	-1.4%	5%
Q4-25	88.63	87.48	-1.3%	6%
Q1-26	92.78	91.78	-1.1%	7%
Winter-25	90.68	89.72	-1.1%	7%
Summer-26	82.10	81.57	-0.6%	12%
Winter-26	89.23	89.30	0.1%	12%
Summer-27	74.07	73.47	-0.8%	7%
Winter-27	80.93	81.00	0.1%	5%
Summer-28	67.32	67.70	0.6%	5%

Baseload (£/MWh)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	78.25	83.80	7.1%	5%
Aug-25	73.10	73.50	0.5%	3%
Sep-25	78.45	78.05	-0.5%	4%
Oct-25	74.75	74.75	0.0%	-4%
Nov-25	86.55	86.55	0.0%	7%
Q4-25	82.30	83.70	1.7%	5%
Q1-26	85.19	86.80	1.9%	6%
Winter-25	83.73	83.40	-0.4%	5%
Summer-26	72.49	72.75	0.4%	7%
Winter-26	81.18	81.50	0.4%	8%
Summer-27	67.65	67.65	0.0%	8%
Winter-27	76.56	77.00	0.6%	5%
Summer-28	64.74	64.74	0.0%	2%

Wider Energy Complex	Close	Current Offer	% Change	3-Month Variance
Brent (\$/bbl)	68.44	69.19	1.1%	7%
Coal (\$/t)	103.85	103.85	0.0%	-13%
UK Carbon (£/t)	50.35	50.38	0.1%	-2%
EU Carbon (€/t)	71.59	70.92	-0.9%	8%
€/£	0.874	0.869	-0.5%	2%
€/€	1.174	1.166	-0.7%	3%

Get in Touch



Current Market Drivers

The day ahead baseload contract is bullish this morning amid an extended decline in wind output. Import prospects relatively unchanged, sending no clear signals. Gas is bearish, tracking futures contracts. UK gas futures are trading mostly bearish to neutral-bearish despite the US-EU trade deal, with positive fundamentals offsetting any bullish pressure as EU LNG imports are on track to be 39% higher in July than last year. EDF sees French power prices rising 11% to EUR 70/MWh by 2030, with long-term nuclear contracts set to replace current capped wholesale sales. This could lend some support to later-dated contracts. The Brent Crude benchmark is trading neutral-bullish this morning following the US-EU tariff deal and potential extension of the US-China tariff pause. This trend could be reflected in wider energy markets. Qatar threatens EU gas cuts over new sustainability rules, raising supply risk and adding bullish pressure to future gas prices. However, this may be limited by a recent slowdown in European imports from the region.

Market Focus

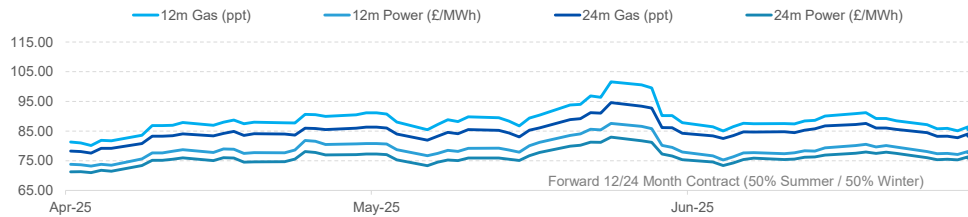
US and EU strike tariff deal ahead of 01-Aug deadline. The US and EU have averted a major trade clash after agreeing to a 15% tariff on most European goods, halving the threatened rate and securing a political framework aimed at calming transatlantic tensions. Announced by President Trump and Commission President von der Leyen in Scotland, the deal includes up to \$600 billion in EU investment into the US, as well as expanded purchases of American energy and defence equipment. While the agreement avoids a broader escalation, it stops short of full trade liberalisation, with US steel and aluminium tariffs still fixed at 50 percent. Markets responded positively, with the euro inching higher on initial news. However, traders remain cautious amid uncertainty over key exclusions and future tariff reviews. Analysts say the headline rate may weigh on sectors like pharmaceuticals and semiconductors, though carve outs for aircraft and certain chemicals provided modest relief. With deeper terms still to be finalised, sentiment will depend on follow through and compliance over the coming months.

Qatar threatens EU LNG supplies over sustainability law. Qatar has issued a letter to Brussels stating that the EU's due diligence law on forced labour and environmental damage could cut Qatari LNG supplies to Europe. The EU's Corporate Sustainability Due Diligence Directive (CSDDD) mandates that large companies operating within the EU must identify and address human rights and environmental risks in their supply chains. Failure to do so could result in fines of up to 5% of global turnover. The letter stated that if changes are not made to the EU's CSDDD, QatarEnergy will have no choice but to seriously consider alternative markets outside the EU for its LNG. Since 2022, Qatar has supplied the EU with between 12-14% of its LNG to help compensate for the loss of Russian flows. Qatar is currently the third-largest LNG exporter in the world, behind the US and Australia, but a ramp is anticipated next year due to the North Field East expansion. Brussels has proposed changes to the CSDDD, including a possible launch delay to mid-2028. However, QatarEnergy believes these changes aren't enough.

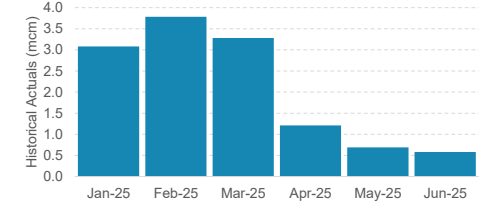
Centrica profit halves as mild winter and cheaper gas limit margins.

British Gas owner Centrica has reported a sharp drop in first-half performance, with adjusted operating profit falling to £500 million from over £1 billion last year. The company's retail arm and energy trading divisions both struggled this year, whilst Centrica's gas storage facility, Rough, is expected to post an adjusted operating loss of up to £100 million. This has prompted calls for a regulatory mechanism to support future expansion and hydrogen conversion and without government support, Centrica are considering closing the facility. This would significantly impact overall UK gas storage and hurt supply security. The facility has mainly been in withdrawal mode this year, with Centrica aiming to sell off existing supplies to manage losses in other areas and stating no plans to fill ahead of winter. Despite this, the market reaction has been minimal, with European storage continuing to dominate market sentiment due to its much larger volume.

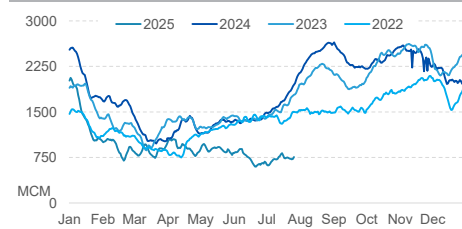
Forward Curve Price Action



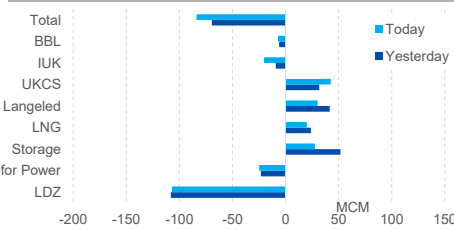
Historical Monthly LNG Supply



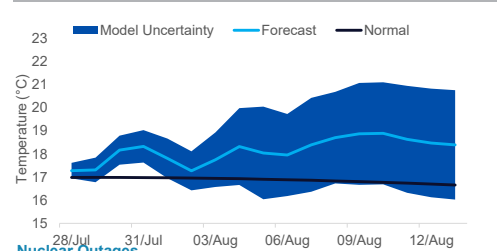
UK Gas Storage Level



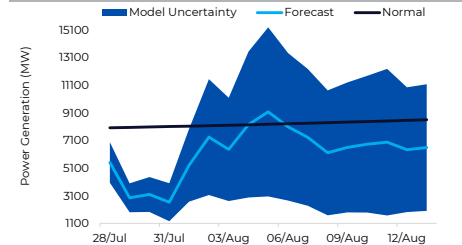
UK Gas Supply/Demand Sources



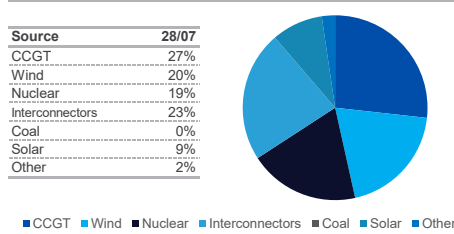
Temperature Forecast



Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)

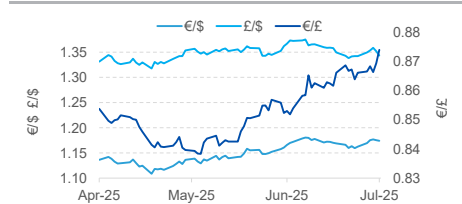


Nuclear Outages

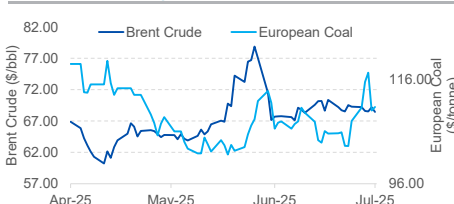
Facility	Capacity (MW)	Start Date	End Date
Hartlepool 1	595	28/04/25	04/08/25
Hartlepool 2	595	04/06/25	27/09/25

Current online capacity: 5310 MW, 82%

UK, EU and US Currencies



Brent Crude vs European Coal



Emissions Trading Scheme Carbon

