

Energy Market Update

9th September 2025

FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

08 September 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	2.81	↓ -8%	↓ -10%	↓ -5%
Oct-25 24m	2.76	↓ -5%	↓ -5%	↔ 0%
Oct-25 36m	2.68	↓ -3%	↓ -2%	↑ 2%
Apr-26 12m	2.82	↓ -4%	↓ -1%	↑ 3%
Apr-26 24m	2.67	↓ -2%	↔ 1%	↑ 4%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-25 12m	7.90	↔ 0%	↔ 1%	↑ 4%
Oct-25 24m	7.74	↑ 2%	↑ 5%	↑ 6%
Oct-25 36m	7.59	↑ 3%	↑ 6%	↑ 7%
Apr-26 12m	7.80	↑ 2%	↑ 7%	↑ 9%
Apr-26 24m	7.55	↑ 3%	↑ 7%	↑ 7%

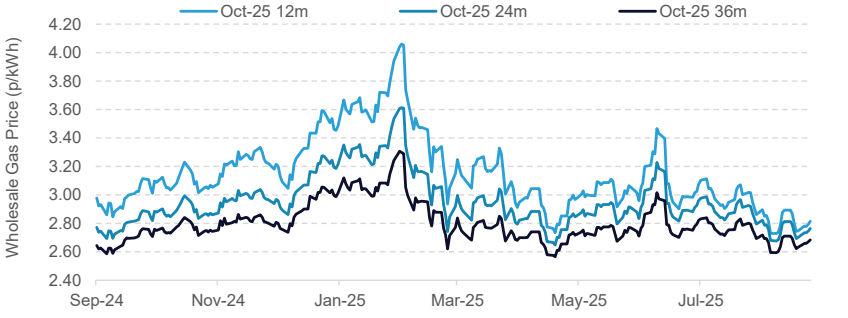
Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent (\$/bbl.)	65.50	↓ -2%	↔ -1%	↓ -11%
Coal (\$/t)	103.45	↓ -10%	↓ -7%	↓ -18%
UK Carbon (£/t)	56.12	↑ 9%	↑ 16%	↑ 54%
EU Carbon (€/t)	76.04	↑ 2%	↑ 14%	↑ 7%
€/£	0.87	↓ -36%	↑ 2%	↑ 5%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)	<p>The Trans Adriatic Pipeline (TAP) is set to boost transport capacity to Europe by 1.2 bcm annually from 2026, with plans to double its flows to 20 bcm by 2027, helping to offset the transition away from Russian gas supplies.</p> <p>EU storage levels are comfortably on track to hit winter targets, with Asian LNG prices at a 15-month low due to subdued demand, helping to maintain European appeal for US cargoes.</p>
Bullish (Rising)	<p>Russia has launched its largest ever air strike on Ukraine over the weekend, signalling little attempt to broker peace. Trump has reignited threats of further sanctions on Russia and its oil buyers.</p> <p>There is a 60% chance of La Niña developing over winter, suggesting colder weather conditions. Combined with prospects of weaker wind and a hydro shortfall, this could boost reliance on gas-fired generation. La Niña conditions last winter left EU storage levels at 34% full.</p>

Wholesale Price Graphs

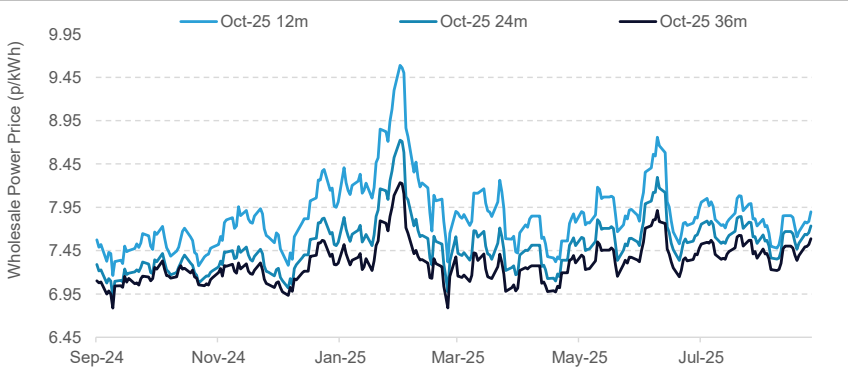


UK Baseload Power

Market Drivers

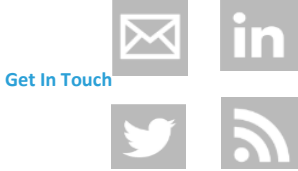
Bearish (Falling)	<p>EDF has extended the life of two UK nuclear reactors, Heysham 1 and Hartlepool, by one year to March 2028, securing 2.3 GW of capacity.</p> <p>Ongoing EU electrification signals a sustained reduction in fossil fuel imports, which could be halved by 2040 due to significant growth in solar, wind, and battery capacity across Europe in the coming years.</p>
Bullish (Rising)	<p>The UK carbon benchmark has rallied to a 2-year high, tracking gains in the EU carbon benchmark following anticipation of closer alignment and declining EU carbon allowances into next year.</p> <p>WindEurope has cut its 2025 EU wind capacity forecast by 15% to 14.5 GW, citing slow permitting and grid bottlenecks, highlighting ongoing challenges to renewable buildout.</p>

Wholesale Price Graphs



Energy Market News:

President Trump warns trade deals could unravel as tariff case heads to Supreme Court. Trump has raised the prospect of unravelling recent trade agreements with the EU, Japan and South Korea if his administration loses a key Supreme Court case on tariffs. The appeal follows a ruling last week that many of the duties were unlawful, raising the prospect of tariffs being rolled back. Speaking at the White House, Trump said defeat would cause the US "to suffer greatly", warning that existing agreements could be invalidated if last week's appeals court ruling against his reciprocal tariffs is upheld. Trump argued that rescinding them would be costly, though analysts note tariffs are largely paid by US importers, not foreign exporters, and risk fuelling domestic inflation. A weakening of trade agreements could disrupt flows, weigh on investment decisions, and inject volatility into energy prices already sensitive to geopolitical developments. Markets will now watch the Court's decision closely for its wider economic and energy market implications.



08 September 2025

Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	77.75	80.15	↑ 3.1%	↓ -7%
Oct-25	77.89	80.20	↑ 3.0%	↓ -12%
Nov-25	83.51	85.42	↑ 2.3%	↓ -11%
Dec-25	87.14	88.85	↑ 2.0%	↓ -10%
Jan-26	88.67	90.40	↑ 2.0%	↓ -9%
Q4-25	82.84	84.82	↑ 2.4%	↓ -11%
Q1-26	87.31	89.11	↑ 2.1%	↓ -9%
Winter-25	85.05	86.94	↑ 2.2%	↓ -10%
Summer-26	77.92	79.57	↑ 2.1%	↓ -5%
Winter-26	85.65	87.00	↑ 1.6%	↓ -3%
Summer-27	71.88	72.70	↑ 1.1%	↓ -1%
Winter-27	79.72	81.00	↑ 1.6%	↓ 0%
Summer-28	66.86	67.50	↑ 1.0%	↑ 2%

Baseload (£/MWh)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	79.50	88.00	↑ 10.7%	↓ -14%
Oct-25	74.46	76.00	↑ 2.1%	↓ -8%
Nov-25	84.20	92.35	↑ 9.7%	↓ -1%
Dec-25	84.49	89.70	↑ 6.2%	↓ -3%
Jan-26	86.22	86.22	↔ 0.0%	↔ 0%
Q4-25	81.02	82.25	↑ 1.5%	↓ -4%
Q1-26	85.29	87.00	↑ 2.0%	↓ -1%
Winter-25	83.13	84.75	↑ 1.9%	↓ -2%
Summer-26	73.91	74.50	↑ 0.8%	↑ 3%
Winter-26	81.85	81.85	↔ 0.0%	↑ 2%
Summer-27	69.41	69.75	↑ 0.5%	↑ 8%
Winter-27	78.62	79.75	↑ 1.4%	↑ 4%
Summer-28	67.07	68.50	↑ 2.1%	↑ 7%

Wider Energy Complex	Close	Current Offer	% Change	3-Month Variance
Brent (\$/bbl)	65.50	66.56	↑ 1.6%	↓ -2%
Coal (\$/t)	103.45	103.45	↔ 0.0%	↓ -10%
UK Carbon (£/t)	56.37	56.36	↔ 0.0%	↑ 9%
EU Carbon (€/t)	76.29	76.14	↓ -0.2%	↑ 2%
€/£	0.867	0.868	↑ 0.2%	↑ 3%
€/\$	1.172	1.173	↑ 0.1%	↑ 3%

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Current Market Drivers

Day-ahead baseload contracts are bullish amid revised below-seasonal-normal wind generation into tomorrow, with gas consumption up 12% on DA. Norwegian maintenance continues to support prompt gas prices. UK energy futures are bullish this morning, following Russia's largest air strike against Ukraine, which is supporting geopolitical risk, while Trump fuels speculation over further sanctions, adding to market uncertainty. France's FNME-CGT energy union has extended its call for strikes until at least the end of this week, impacting French nuclear and hydro output and potentially reducing power interconnector availability. Italian gas storage levels are near 90% full, with remaining EU levels comfortably on track to meet the winter target, easing market concerns as we head into winter and limiting upside for near-curve gas contracts. Brent Crude benchmark is pointing up this morning despite OPEC+ agreeing to raise production from Oct-25, with markets anxious over possible further US sanctions on Russia disrupting global crude flows lending support.

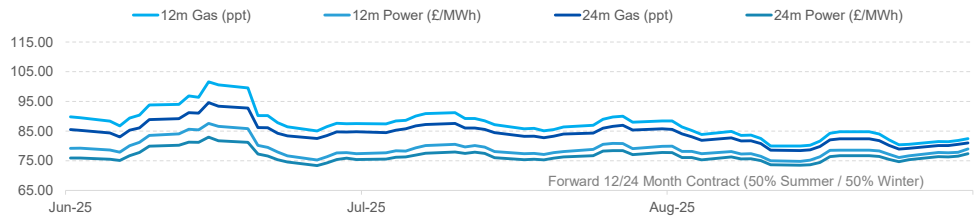
Market Focus

Trump set for second round of Russian sanctions. On Sunday, when asked by a reporter about a second round of sanctions on Russia, Trump said he was ready but denied further elaboration. This is the strongest indication yet that he may escalate measures against Moscow or its oil buyers. Trump has repeatedly threatened Russia with further sanctions, but recently only went so far as to implement an additional 25% on India for Russian oil buying. He has continued to stall rolling out further sanctions in the pursuit of peace talks, though his recent 2-week deadline for Russia to make material progress towards peace is nearly up. Further details could emerge from upcoming talks between Trump and European leaders that are due to occur over the coming days in the US. Trump has reiterated that he was not happy about the status of the RUS-UKR war, with Russia launching its biggest air strike of the war against Ukraine on Sunday. This highlights Putin's limited effort to broker peace and is likely to maintain geopolitical risk along the curve, with further sanctions providing additional support.

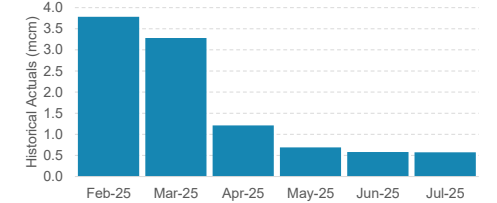
Europe vows Ukraine post-war security guarantees. After a summit meeting on Thursday between European leaders and Ukraine's President Zelenskyy, 26 nations have pledged to provide post-war security guarantees for Ukraine. These include international forces on land, sea, and in the air. US contributions to the guarantees are to be finalized in the coming days, following a call between Trump, Zelenskyy, and European leaders on Thursday. Though Trump has initially ruled out US boots on the ground, US security guarantees remain ambiguous for the time being. However, Putin stated on Friday morning that any Western troops deployed to Ukraine would be a legitimate target for Moscow to attack, with current negotiations at an impasse. When asked, Trump stated that he planned to speak to Putin in the near future, with his sanction threat deadline looming next week. During the call, the US and European leaders also agreed to work more closely on future Russian sanctions on gas and oil, which could include targeting China.

President Trump warns trade deals could unravel as tariff case heads to Supreme Court. Trump has raised the prospect of unravelling recent trade agreements with the EU, Japan and South Korea if his administration loses a key Supreme Court case on tariffs. The appeal follows a ruling last week that many of the duties were unlawful, raising the prospect of tariffs being rolled back. Speaking at the White House, Trump said defeat would cause the US "to suffer greatly", warning that existing agreements could be invalidated if last week's appeals court ruling against his reciprocal tariffs is upheld. Trump argued that rescinding them would be costly, though analysts note tariffs are largely paid by US importers, not foreign exporters, and risk fuelling domestic inflation. A weakening of trade agreements could disrupt flows, weigh on investment decisions, and inject volatility into energy prices already sensitive to geopolitical developments. Markets will now watch the Court's decision closely for its wider economic and energy market implications.

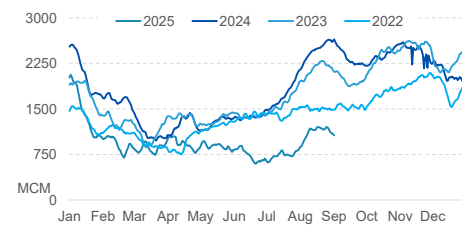
Forward Curve Price Action



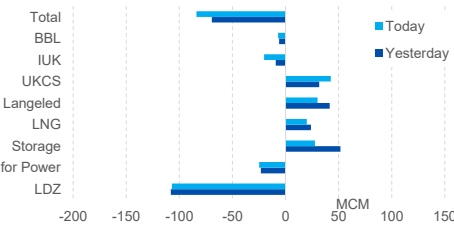
Historical Monthly LNG Supply



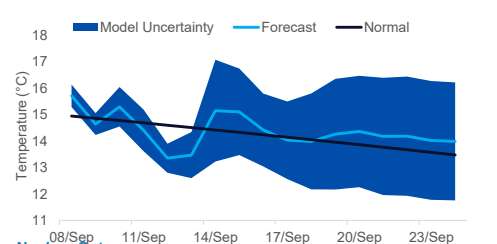
UK Gas Storage Level



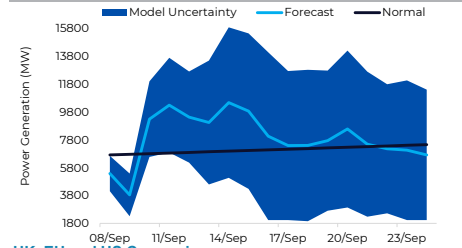
UK Gas Supply/Demand Sources



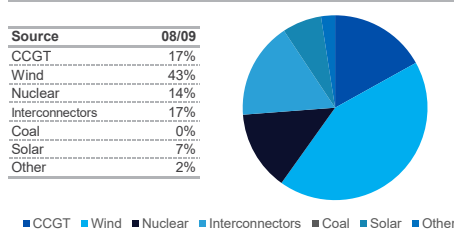
Temperature Forecast



Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)

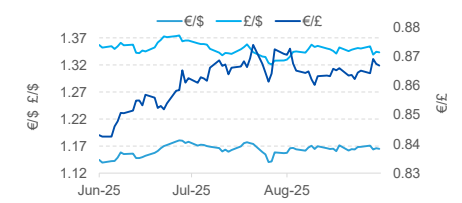


Nuclear Outages

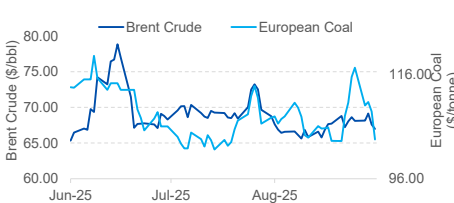
Facility	Capacity (MW)	Start Date	End Date
Hartlepool 1	595	28/04/25	09/09/25
Hartlepool 2	595	04/06/25	27/09/25
Heysham 2-7	615	07/08/25	14/09/25

Current online capacity: 4695 MW (72%)

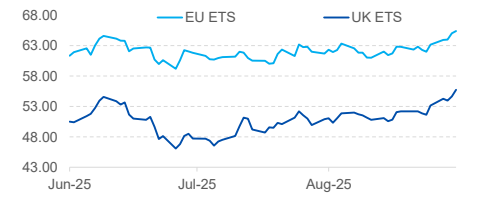
UK, EU and US Currencies



Brent Crude vs European Coal



Emissions Trading Scheme Carbon



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