

The main title "Energy Market Update" is centered on the page in a large, bold, white, sans-serif font. The background of the entire page is a silhouette of high-voltage power lines and pylons against a sunset sky with orange and red hues.

Energy Market Update

27th January 2026

26 January 2026

Wholesale Market Prices and Trends

Wholesale Gas Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Apr-26 12m	2.57 ↑	3.8%	-9.2%	-10.5%
Apr-26 24m	2.38 ↓	-1.2%	-12.3%	-12.1%
Apr-26 36m	2.26 ↓	-3.5%	-13.5%	-13.2%
Oct-26 12m	2.34 ↓	-2.5%	-13.8%	-13.3%
Oct-26 24m	2.21 ↓	-5.2%	-15.1%	-14.6%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Apr-26 12m	7.83 ↑	7.9%	1.9%	9.9%
Apr-26 24m	7.46 ↑	5.4%	-0.2%	7.9%
Apr-26 36m	7.29 ↑	4.4%	-0.6%	6.3%
Oct-26 12m	7.36 ↑	4.7%	-1.3%	6.7%
Oct-26 24m	7.18 ↑	3.5%	-1.6%	4.8%

Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent (\$/bbl.)	65.88 ↔	-0.1%	-9.5%	-16.1%
Coal (\$/t)	98.90 ↔	-0.9%	-0.7%	-0.5%
UK Carbon (£/t)	68.32 ↑	19.8%	23.0%	53.2%
EU Carbon (€/t)	76.62 ↑	9.2%	18.0%	26.1%
€/£	0.867 ↑	3.4%	0.9%	5.4%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)

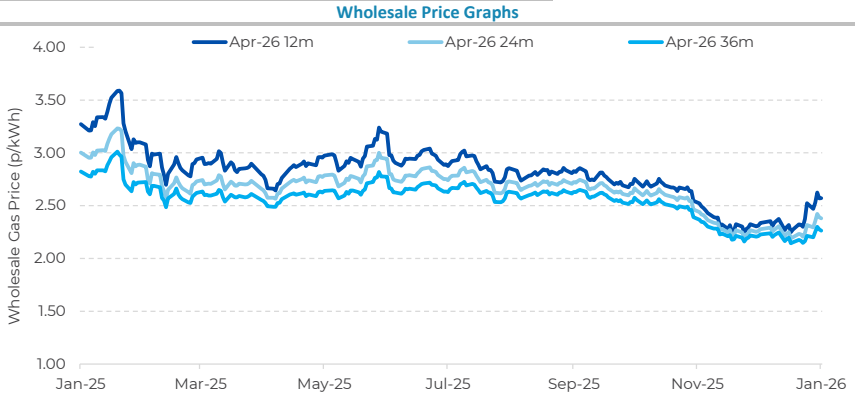
The IEA forecasts that overall European gas demand will decline by 2% in 2026, driven by the expansion of renewables, which is expected to reduce gas-fired generation demand in the power sector by 12%.

Russian LNG and pipeline gas supply to the EU fell 30% year-on-year in 2025; however, higher LNG imports offset the reduction and eased regional tightness, highlighting Europe's resilience and reinforcing market confidence ahead of the full Russian gas phase-out in 2027.

Bullish (Rising)

Despite trilateral peace talks between Russia, Ukraine, and the US in Abu Dhabi, a workable peace deal has yet to materialise. At the same time, Ukraine continues to endure sustained Russian bombardment, with damage to energy infrastructure suggesting that a humanitarian catastrophe is imminent, according to DTEK's CEO.

EU storage levels have fallen to 45% full, 15% below the five-year average, supporting buying pressure. Alongside this, further reinforcing bullish sentiment is a shift in investment funds from net short positions in gas futures around the end of 2025 to net long positions.



UK Baseload Power

Market Drivers

Bearish (Falling)

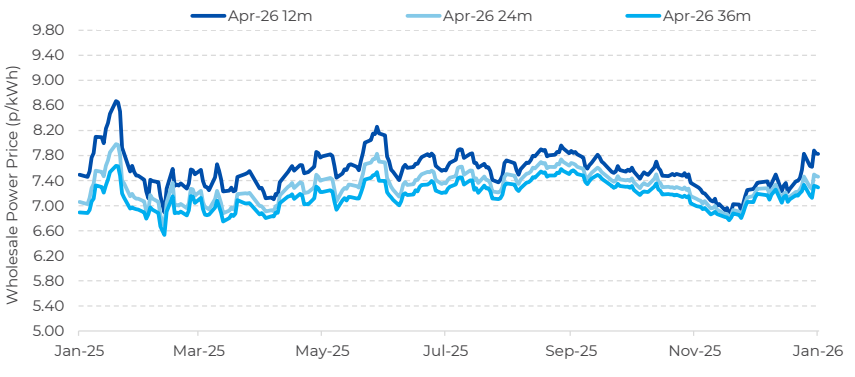
EDF and Centrica are in talks with the UK government to secure investment to extend the life of the 1.25 GW Sizewell B nuclear reactor beyond 2035 by an additional 20 years, in a bid to bridge the gap between the retirement of older plants and the availability of new ones.

In 2025, wind and solar generation in the European Union surpassed fossil fuel generation for the first time, contributing 30% of the power mix, with solar output growing by more than 20% and overtaking both coal and hydroelectric output, signalling a reduction in fossil fuel reliance.

Bullish (Rising)

Trump has reversed his threat to impose 10% tariffs on several European countries and the UK over his push to acquire Greenland, a move that has supported a rise in European equities and signaled a positive shift in market sentiment, which is also boosting carbon markets.

The UK economy is showing signs of recovery after confidence following the Nov-25 budget has improved, after months of uncertainty, with consumer confidence reaching its highest level since Aug-24.



The UK mulls Sizewell B nuclear plant lifespan extension. In a bid to bridge the gap in nuclear generation before new plants come online, the UK is set to extend the lifespan of Sizewell B nuclear reactor by a further 20 years. The 1.25GW plant supplies around 3% of the country's electricity and is the UK's only pressurised water reactor commissioned in 1995. It is the only operational nuclear plant capable of a prolonged lifespan extension. Both EDF and Centrica are in talks with the government for a £800 million investment to be able to extend the operation of the plant from 2035-55. A source familiar with the negotiations said a deal could be agreed in the coming months, subject to securing a long-term price for the electricity it produces. The strike price sought for Sizewell B would be below the recent £89-£91 per MWh secured by offshore wind. EDF have cited that recent volatility in energy markets has underlined the need for government backed price certainty. Sizewell B is expected to be the only remaining nuclear plant online into 2030 before Hinkley Point C and Sizewell C come online in the early to mid-2030's.

Energy Market News:

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26 January 2026

Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	Change Today	Change Yesterday	3-Month Variance
Day-Ahead	103.00	108.93	↑ 5.8%	↑ 3.6%	↑ 31%
Feb-26	104.67	108.23	↑ 3.4%	↑ 3.9%	↑ 23%
Mar-26	93.09	96.32	↑ 3.5%	↑ 5.3%	↑ 14%
Apr-26	80.54	81.52	↑ 1.2%	↑ 2.7%	↑ 3%
May-26	75.90	75.73	↓ 0.2%	↑ 1.0%	0%
Q2-26	76.58	76.62	↑ 0.1%	↓ 0.3%	↓ 9%
Q3-26	72.36	71.74	↓ 0.9%	↓ 0.4%	↓ 5%
Summer-26	74.46	74.14	↓ 0.4%	↓ 0.4%	↓ 3%
Winter-26	76.24	75.54	↓ 0.9%	↓ 0.3%	↓ 9%
Summer-27	60.74	59.99	↓ 1.2%	↓ 1.0%	↓ 14%
Winter-27	67.65	68.00	↑ 0.5%	↓ 0.9%	↓ 14%
Summer-28	54.93	55.00	↑ 0.1%	↓ 1.1%	↓ 16%
Winter-28	64.02	66.00	↑ 3.1%	↓ 0.3%	↓ 13%

Baseload (€/MWh)	Close	Indicative Price*	Change Today	Change Yesterday	3-Month Variance
Day-Ahead	114.50	97.00	↓ -15.3%	↓ -4.9%	↑ 1%
Feb-26	106.88	112.40	↑ 5.2%	↑ 2.3%	↑ 23%
Mar-26	92.04	94.75	↑ 2.9%	↑ 3.7%	↑ 19%
Apr-26	78.56	78.56	0.0%	↑ 0.9%	↑ 6%
May-26	75.86	75.86	0.0%	↑ 0.1%	↑ 7%
Q2-26	76.31	77.50	↑ 1.6%	↓ 0.4%	↑ 1%
Q3-26	75.70	76.50	↑ 1.1%	↓ 0.1%	↑ 6%
Summer-26	76.00	77.00	↑ 1.3%	↑ 0.1%	↑ 7%
Winter-26	80.54	83.00	↑ 3.1%	↓ 0.2%	↑ 1%
Summer-27	66.57	66.75	↑ 0.3%	↓ 0.2%	↓ 1%
Winter-27	75.43	76.00	↑ 0.8%	↓ 0.3%	↓ 2%
Summer-28	64.77	64.77	0.0%	↓ 0.6%	0%
Winter-28	74.14	74.14	0.0%	↓ 0.3%	↓ 2%

Wider Energy Complex	Close	Current Offer	Change Today	Change Yesterday	3-Month Variance
Brent (\$/bbl)	65.88	65.82	↓ -0.1%	↑ 2.8%	↓ -0.1%
Coal (\$/t)	99.12	98.95	↓ -0.2%	↑ 0.0%	↓ -0.9%
UKA Dec-26 (€/t)	68.32	68.04	↓ -0.4%	↓ -0.6%	↑ 19.8%
UKA Dec-27 (€/t)	71.29	71.03	↓ -0.4%	↓ -0.6%	↑ 17.0%
EUA Dec-26 (€/t)	88.40	88.64	↑ 0.3%	↓ -0.5%	↑ 9.2%
EUA Dec-27 (€/t)	90.87	91.13	↑ 0.3%	↓ -0.5%	↑ 9.3%
€/€	0.867	0.87	↑ 0.1%	↓ -0.4%	↓ -1.4%
€/\$/	1.183	1.186	↑ 0.3%	↑ 0.6%	↑ 2.0%

Current Market Drivers

- The DTEK CEO (Ukraine's largest power producer) has warned that, due to sustained Russian bombardment of energy infrastructure, a humanitarian catastrophe is imminent, and any peace deal must include an immediate halt to attacks on energy infrastructure.
- An Arctic blast in the US has constricted US natural gas supplies, with a continued drop in feedgas to the Sabine Pass and Corpus Christi LNG facilities, providing bullish pressure to near-curve gas contracts amid concerns over global LNG supply disruptions.
- UK and European front-month gas contracts have surged to a 10-month high, as European storage concerns, having fallen to 45%, around 15% below the five-year average, and colder weather into Feb-26 continue to provide upside risk to prices.
- A rebound in wind generation is providing bearish pressure to day-ahead baseload contracts; however, despite revised warmer temperatures for this week and stable Norwegian supply, prompt gas remains bullish, as overall fundamental sentiment supports prices.
- The UK and NWE have lost a number of LNG cargoes for Jan-26 and Feb-26 delivery, supporting a near-term bullish outlook. However, while JKM prices have risen to a 9-week high, they fail to match the recent TTF rally, with European arbitrage for US cargoes still favourable.

Yesterday's Session

On Friday, the front three months continued to move to the upside, spurred by concerns over US LNG exports due to extreme winter weather impacting natural gas supplies in the region. This was further supported by falling EU storage inventories. Front month baseload contracts took direction from gas and from ongoing Norwegian and European hydro concerns.

Weather Fundamentals

Wind and weather outlooks have seen improved forecasts for this week, with temperatures revised warmer and wind generation fluctuating above seasonal norms. Forecasts for Feb-26 remain unchanged, with both wind and temperatures expected to decline below seasonal levels simultaneously.

Gas Supply/Demand Fundamentals

Both gas-for-power and heating demand are down by a combined 25cm/d on day-ahead, as wind generation ramps up and temperatures are forecast to be warmer. Despite an unplanned outage at Norway's Asgard facility, flows to the UK and the Continent remain stable, with the system opening up oversupplied this morning. After injections last week, UK mid-range storage is 52% full, 30% higher than 2025 levels.

Get in Touch



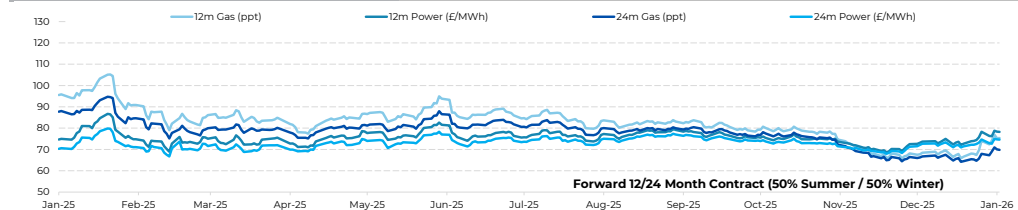
Market Focus

No peace deal reached, Ukraine sustains heavy Russian bombardment. Over the weekend, US-brokered peace talks between Russia and Ukraine in Abu Dhabi concluded without a deal. Statements from both countries after the talks did not indicate that any agreement on reaching a peace deal had been made. Discussions are set to continue next Sunday in Abu Dhabi, a US official stated. They also implied that both parties got down to real granular detail and that they feel next Sunday could push this deal towards its final culmination using elements of Washington's peace framework. However, no meeting between Zelensky and Putin has been broached, and Moscow stays committed to Ukraine ceding territory in the Donbas region, while Ukraine has made it clear that territorial integrity must be upheld, with the US trying to find a compromise. Zelensky has also confirmed that a US document on security guarantees for Ukraine is 100% ready and that they are waiting for it to be signed. Despite this, Kyiv and Kharkiv have come under heavy Russian bombardment over the weekend.

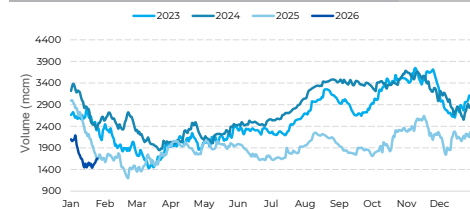
Territory remains a key issue as Putin agrees next steps with US envoys. On Friday, Russia is set to hold security talks with Ukraine and the US in Abu Dhabi, the first trilateral meeting of its kind in four years of the war, but has reiterated that lasting peace will not be possible unless territorial issues are resolved. A Kremlin representative present at the previous meeting between Russian and US envoys stated that, while outlining the next steps, it fell short of hailing a major breakthrough. Russia remains steadfast in its previous approach regarding territorial issues, stating that unless the formula agreed upon in Anchorage last August during the Trump-Putin summit is upheld, there is no hope of achieving a long-term peace settlement. Meanwhile, Zelensky and Trump met on Thursday in Davos, finalising terms for security guarantees for Ukraine, with a deal for Ukraine's economic recovery after the war also close to being finalised. During the meeting, it is not clear whether territorial issues were discussed, and neither Trump nor Zelensky has made any further comments on the matter. Markets will remain poised over the coming days for any further developments.

Trump reverses EU tariff threat over Greenland. On Wednesday at the Davos summit, Trump backed down for now on his push to acquire Greenland, after suggesting that a deal could be in sight for the Danish territory. He also ruled out the use of force and repealed his threat to impose a 10% tariff on several EU nations and the UK. Trump's proposed deal with Western Arctic allies over Greenland is intended to satisfy his desire for a "Golden Dome" missile defence system and access to critical minerals, while blocking Russian and Chinese ambitions in the Arctic, with suggestions that this would be a long-term agreement. However, NATO's Secretary General stated after the meeting that the issue of whether Greenland would remain with Denmark was not discussed during his meeting with Trump. Despite Trump's sudden shift in tone, European diplomats remain wary that this does not resolve the dispute but does help defuse tensions between the transatlantic allies. It remains unclear what sort of deal may yet be made, with negotiations between Denmark, Greenland, and the US ongoing, but Greenland remains resolute that it is not for sale.

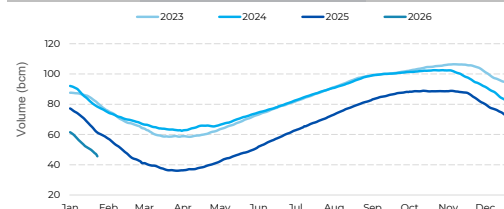
Forward Curve Price Action



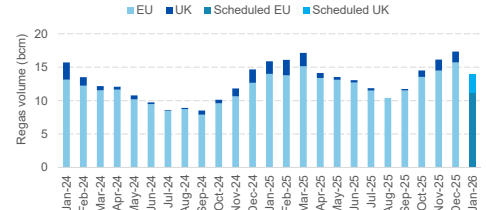
UK Gas and LNG Storage Levels



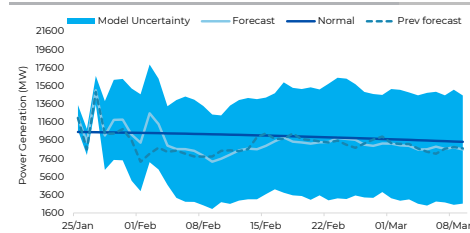
EU Gas Storage Levels



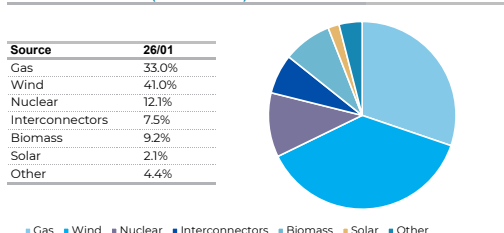
Historical Monthly LNG Supply



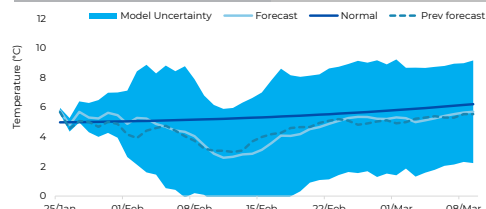
Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)



Temperature Forecast

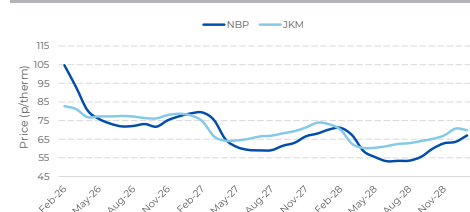


Nuclear Outages

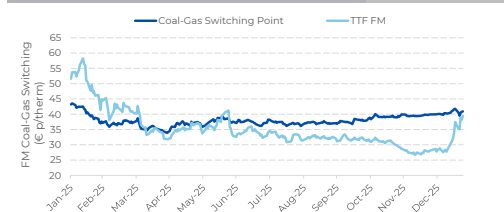
Facility	Capacity (MW)	Start Date	End Date
Hartlepool 2	595	04/06/25	01/02/26
Hartlepool 1	595	31/10/25	26/01/26
Heysham 2-8	615	15/01/26	26/01/26
Torness 2	595	21/01/26	09/04/26

Current online capacity: 6500 MW | 100%

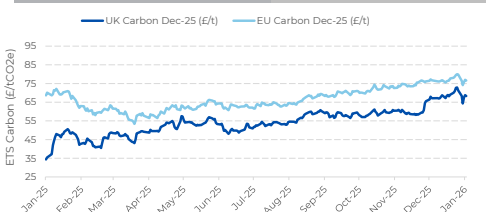
Global Gas Benchmarks



EU Coal-Gas Switching



Emissions Trading Scheme Carbon



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