flameUK
Energy Management

Energy Market Update

10th February 2026

FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

09 February 2026

flameUK Energy Management

Wholesale Market Prices and Trends

Wholesale Gas Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Apr-26 12m	2.64	14.1%	-6.8%	-8.6%
Apr-26 24m	2.43	7.0%	-10.9%	-10.5%
Apr-26 36m	2.28	2.7%	-13.3%	-12.6%
Oct-26 12m	2.41	7.4%	-11.4%	-10.5%
Oct-26 24m	2.24	1.6%	-14.4%	-13.1%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Apr-26 12m	7.51	7.9%	-4.6%	-1.0%
Apr-26 24m	7.11	3.5%	-7.3%	-3.5%
Apr-26 36m	6.88	1.0%	-8.5%	-3.8%
Oct-26 12m	7.03	3.5%	-7.9%	-3.9%
Oct-26 24m	6.79	0.3%	-9.4%	-4.6%

Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent ($/bbl.)	68.05	6.9%	6.5%	2.0%
Coal ($/t)	99.90	-0.1%	4.8%	-3.3%
UK Carbon (£/t)	56.69	-2.0%	3.3%	50.1%
EU Carbon (€/t)	68.34	-4.6%	3.1%	17.8%
€/£	0.868	3.6%	0.1%	3.0%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)

There are indications Europe could take a larger share of Qatari LNG post-2030 as Qatar expands capacity from 77 mtpa to 142 mtpa, supporting diversification away from Russian gas and heavy reliance on the US. However, policy and contracting hurdles remain.

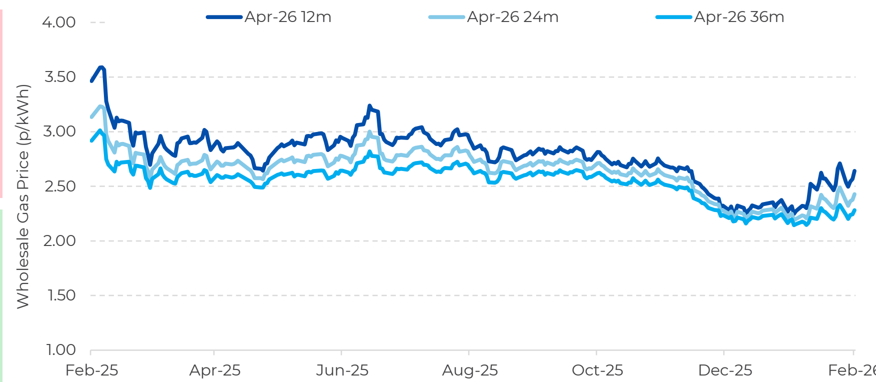
US gas futures fell sharply, down around 30% last week, as weather conditions normalised and near-record LNG feedgas flows signalled ample export supply. This has improved expectations for US cargo availability and eased European supply concerns.

Bullish (Rising)

Lower EU gas storage inventories, currently around 37%, and faster withdrawals lifted European gas benchmarks to a ten-month high, leaving prices more weather-sensitive and supporting the curve on summer refill risk.

Ukraine–Russia talks resumed in Abu Dhabi under the US mediation, but territorial demands and ongoing strikes highlight limited near-term progress, keeping European gas and power risk premiums elevated and volatility risks in focus.

Wholesale Price Graphs



UK Baseload Power

Market Drivers

Bearish (Falling)

EU is considering plans to release Market Stability Reserve allowances and accelerate auctions from 2026, potentially adding 80m permits yearly in 2027–29; the prospect of looser supply sparked a sharp EUA sell-off and traded UKAs lower.

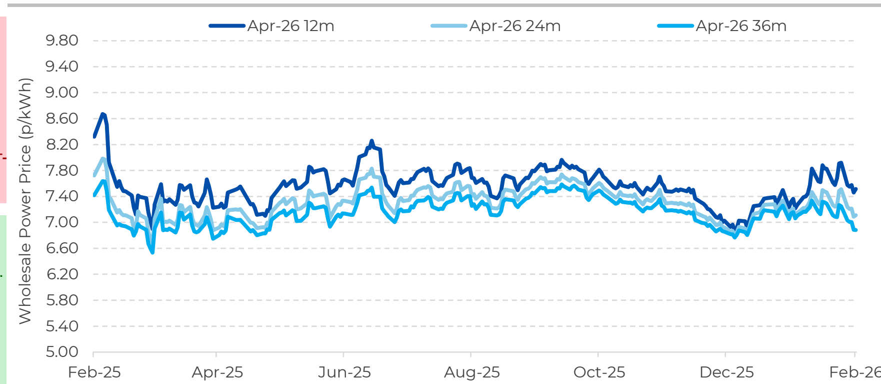
The International Energy Agency (IEA) expects EU electricity demand to recover slowly, not returning to pre-2022 levels until 2028, while rapid solar and wind growth curbs fossil generation, shaping softer longer-dated power and EUA expectations.

Bullish (Rising)

Asia's manufacturing activity improved in January, with Japan, South Korea and China returning to expansion as export orders strengthened despite US tariffs, supporting macroeconomic sentiment globally.

Ukraine's electricity imports rose 40% to a record level in January as Russian strikes strained the grid and colder weather lifted demand. This has tightened the regional balance and sustained stronger Ukranine's import requirements.

Wholesale Price Graphs



Energy Market News:

EU to consider releasing permits from the Market Stability Reserve and amendments to the CBAM to assist domestic industry. After the sharp gains that have been seen across the EU's emissions trading scheme (ETS), EU regulator are considering the release of permits from the Market Stability Reserve and to allow earlier auctioning of permits, beginning in 2026. The measures could introduce an additional 80 million permits annually from 2027-29. Additionally, amendments could be introduced to alleviate some pressure on industry from the adoption of the Carbon Border Adjustment Mechanism (CBAM). The news triggered a sharp sell off in EU carbon markets during yesterday's trading, which in turn influenced the UK carbon market which also saw a sharp drop in pricing. Prior to this statement, many market commentators had been suggesting a continued bull run for carbon in 2026 due to a shortage of allowances, which had in turn been encouraging a strong build in speculative positions. Last Friday saw the first decline in their positions, which is likely to have been extended this week.

Get In Touch

FLAME UK ENERGY MANAGEMENT - DAILY MARKET INSIGHT

09 February 2026

Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	Change Today	Change Yetserday	3-Month Variance
Day-Ahead	87.25	83.00	-4.9%	5.5%	19%
Mar-26	85.16	77.62	-8.9%	5.0%	6%
Apr-26	79.79	74.70	-6.4%	4.2%	4%
May-26	77.25	73.58	-4.8%	3.4%	3%
Jun-26	74.82	71.94	-3.8%	2.9%	1%
Q2-26	77.29	73.41	-5.0%	2.9%	-4%
Q3-26	74.10	71.49	-3.5%	2.7%	-1%
Summer-26	75.68	72.45	-4.3%	3.1%	1%
Winter-26	79.14	76.69	-3.1%	2.7%	-4%
Summer-27	62.04	60.99	-1.7%	2.2%	-11%
Winter-27	67.78	67.99	0.3%	0.7%	-13%
Summer-28	54.05	53.50	-1.0%	0.7%	-16%
Winter-28	62.58	62.99	0.7%	0.3%	-14%

Baseload (£/MWh)	Close	Indicative Price*	Change Today	Change Yetserday	3-Month Variance
Day-Ahead	99.00	88.35	-10.8%	-2.1%	-4%
Mar-26	82.94	80.00	-3.5%	1.8%	8%
Apr-26	75.37	74.00	-1.8%	3.6%	5%
May-26	72.05	72.05	0.0%	0.8%	2%
Jun-26	70.58	70.58	0.0%	0.8%	1%
Q2-26	72.66	72.66	0.0%	0.8%	-2%
Q3-26	72.28	72.28	0.0%	-0.5%	3%
Summer-26	72.47	71.70	-1.1%	0.6%	3%
Winter-26	77.81	78.00	0.2%	0.8%	-2%
Summer-27	62.86	62.86	0.0%	0.1%	-5%
Winter-27	71.26	71.50	0.3%	-0.3%	-6%
Summer-28	59.52	60.25	1.2%	-1.1%	-8%
Winter-28	68.99	68.99	0.0%	-0.7%	-7%

Wider Energy Complex	Close	Current Offer	Change Today	Change Yetserday	3-Month Variance
Brent ($/bbl)	68.05	67.87	-0.3%	0.7%	6.9%
Coal ($/t)	102.05	102.00	0.0%	0.0%	-0.1%
UKA Dec-26 (£/t)	56.69	57.73	1.8%	-1.2%	-2.0%
UKA Dec-27 (£/t)	59.12	60.23	1.9%	-1.2%	17.0%
EUA Dec-26 (£/t)	**78.73**	79.97	**1.6%**	0.4%	-4.6%
EUA Dec-27 (£/t)	**80.88**	82.16	**1.6%**	0.4%	-4.7%
€/£	0.868	0.87	0.5%	-0.3%	-1.6%
€/$	1.182	1.186	0.4%	0.3%	1.9%

Get in Touch

Current Market Drivers

- Forecasts of milder temperature and a sharp rise in wind output towards seasonal levels are expected to reduce heating and gas-for-power demand, weighing on day-ahead contracts. Hartlepool 1's (595 MW) return further adds downside to prompt energy.
- Near-curve gas contracts are bearish amid rising US output and milder weather forecasts, whilst near-record LNG feedgas flows are easing European supply concerns. However, firm storage withdrawals, significantly below previous years at 37%, limits downside.
- The International Energy Agency (IEA) expects EU electricity demand to recover slowly, not returning to pre-2022 levels until 2028, while rapid renewables growth reduces fossil generation and weighs on carbon and longer-dated baseload prices.
- Asian spot LNG prices eased from a nine-week high as milder weather and strong Asian storage subdued demand, supporting a comfortable European supply outlook and adding bearish pressure to gas futures contracts.
- Despite bearish price movement today, Russia's mass strikes on Ukraine's energy system and rising emergency import needs from Ukraine have lifted regional demand, sustaining risk premiums across European power and gas markets.

Yesterday's Session

Near-curve and 2026 seasonal gas futures strengthened again on Friday, rising by around 2–5%. Equivalent baseload contracts were mixed, with modest gains in Mar-26 and Apr-26 contracts. Carbon also softened after sharp sell-off on reports the EU may release MSR allowances, prompting a pullback in speculative positioning.

Weather Fundamentals

Temperature revisions across the UK are modest ahead of mid-Feb, but the outlook still shows a sharp drop from around 11-Feb, falling well below seasonal norms and holding cold till almost end of March. North-Western Europe shows a similar pattern, with temperatures also forecast to decline below seasonal-norms through late March. Wind output in UK is revised weaker to mostly below-seasonal norms until around the end of March.

Gas Supply/Demand Fundamentals

Warmer revisions across the outlook are easing UK LDZ demand, falling to 168mcm/d on DA and lower into the weekend. Gas-for-power also declines to 65mcm/d as wind generation stays slightly below seasonal levels. Norwegian flows to the UK are broadly steady at 79mcm/d, with Langeled at 65mcm/d and Vesterled back at 2mcm/d.

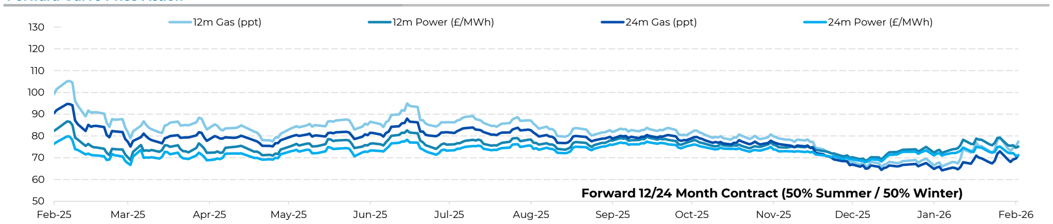
Market Focus

Greece targets long-term US LNG to anchor Southern Europe supply as Russian phase-out nears. A new Greek joint venture, Atlantic Sea LNG Trade, is seeking a 20-year agreement for up to 15 bcm per year of US LNG. They aim to strengthen gas availability for Southern and Central Europe as the region prepares to end Russian imports by late 2027. The company said it is in talks with US suppliers and with prospective buyers along the Vertical Gas Corridor, spanning Albania, North Macedonia, Bulgaria, Romania, Hungary, Moldova, Austria and potentially Ukraine. Chief executive, Alexandros Exarchou, argued that securing long-term contracts is essential to avoid renewed exposure to supply shocks and to support "reasonable" prices, warning that tighter post-2030 fundamentals could lift costs. The group plans to progress negotiations during meetings in Washington on 24-Feb, having already agreed its first US cargo sale to Ukraine for Mar-26 delivery via the Greece's Revithoussa LNG terminal.

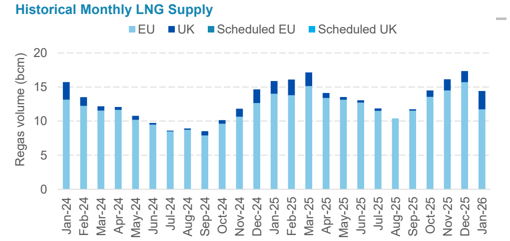
EU to consider releasing permits from the Market Stability Reserve and amendments to the CBAM to assist domestic industry. After the sharp gains that have been seen across the EU's emissions trading scheme (ETS), EU regulator are considering the release of permits from the Market Stability Reserve and to allow earlier auctioning of permits, beginning in 2026. The measures could introduce an additional 80 million permits annually from 2027-29. Additionally, amendments could be introduced to alleviate some pressure on industry from the adoption of the Carbon Border Adjustment Mechanism (CBAM). The news triggered a sharp sell off in EU carbon markets during yesterday's trading, which in turn influenced the UK carbon market which also saw a sharp drop in pricing. Prior to this statement, many market commentators had been suggesting a continued bull run for carbon in 2026 due to a shortage of allowances, which had in turn been encouraging a strong build in speculative positions. Last Friday saw the first decline in their positions, which is likely to have been extended this week.

Ukraine–Russia talks resume in Abu Dhabi, but territorial demands remains key hurdle. Ukrainian and Russian officials ended a "productive" first day of United States-brokered talks, centred on territory and the Russian-occupied Zaporizhzhia nuclear power plant, yet positions remain far apart. Russia is demanding Ukraine withdraw from the whole of Donetsk, while Kyiv insists any ceasefire should freeze the war along current front lines and rejects a unilateral pullback. The meetings follow a week of intense strikes, with President Zelenskiy accusing Moscow of using a US-backed energy truce to stockpile munitions ahead of a record ballistic-missile barrage. Kyiv said it expects a prisoner exchange, and urged partners to intensify pressure on Moscow. Officials reported a deadly attack in eastern Ukraine as negotiations began. United States Secretary of State, Marco Rubio, welcomed the engagement, while cautioning that talks alone are not a breakthrough. Any progress could soften European gas and power risk premiums, but continued hostilities suggest volatility will persist.

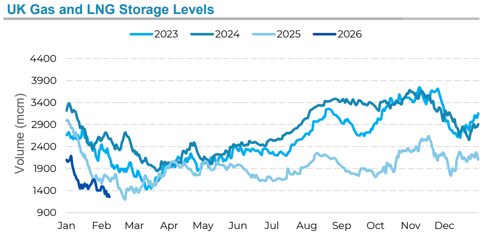
Forward Curve Price Action



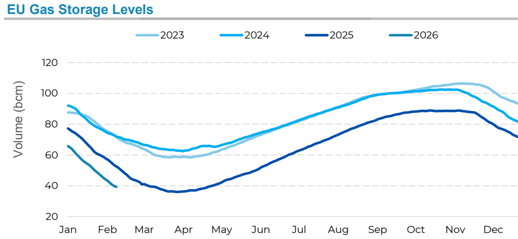
Historical Monthly LNG Supply



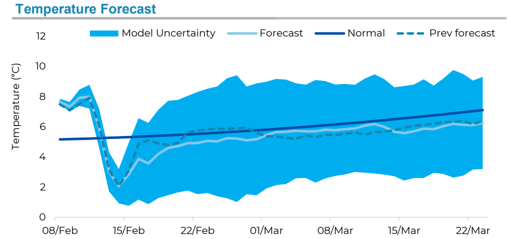
UK Gas and LNG Storage Levels



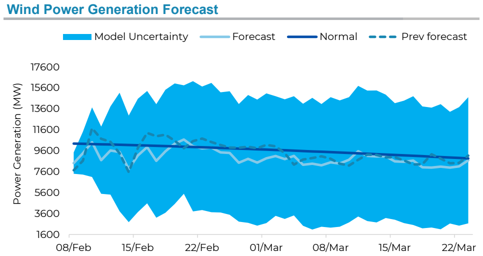
EU Gas Storage Levels



Temperature Forecast

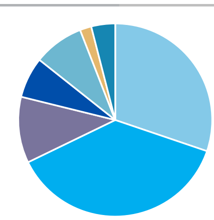


Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)

Source	09/02
Gas	33.0%
Wind	41.0%
Nuclear	12.1%
Interconnectors	7.5%
Biomass	9.2%
Solar	2.1%
Other	4.4%

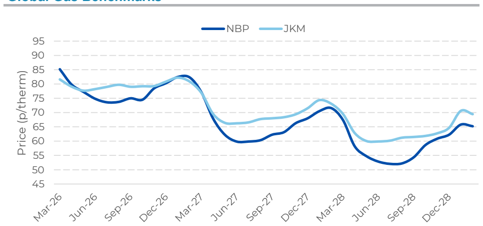


Gas · Wind · Nuclear · Interconnectors · Biomass · Solar · Other

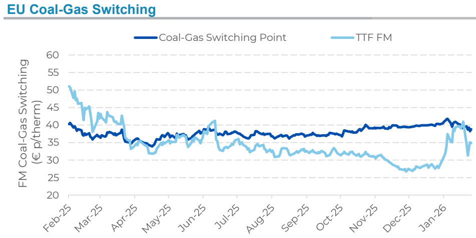
Nuclear Outages

Facility	Capacity (MW)	Start Date	End Date
Hartlepool 2	595	04/06/25	22/02/26
Torness 2	595	21/01/26	09/04/26
Current online capacity	6500 MW		100%

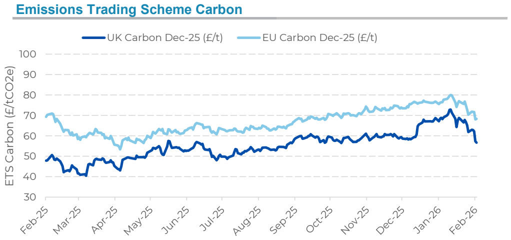
Global Gas Benchmarks



EU Coal-Gas Switching



Emissions Trading Scheme Carbon



*Indicative prices represent the market's view of the contract offer price at time of writing. This price may not be achieved in trading at any time after report publication.