

Energy Market Update

17th March 2026

FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

16 March 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	4.12	↑ 63.2%	↑ 51.2%	↑ 43.6%
Apr-26 24m	3.50	↑ 50.8%	↑ 32.6%	↑ 28.8%
Apr-26 36m	3.06	↑ 38.4%	↑ 20.0%	↑ 18.1%
Oct-26 12m	3.46	↑ 52.7%	↑ 31.8%	↑ 28.2%
Oct-26 24m	2.98	↑ 38.0%	↑ 16.9%	↑ 15.7%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Apr-26 12m	9.56	↑ 22.1%	↑ 25.2%	↑ 27.0%
Apr-26 24m	8.49	↑ 13.7%	↑ 13.6%	↑ 18.0%
Apr-26 36m	7.76	↑ 5.8%	↑ 5.6%	↑ 10.3%
Oct-26 12m	8.43	↑ 14.8%	↑ 13.2%	↑ 18.0%
Oct-26 24m	7.59	↑ 5.3%	↑ 3.8%	↑ 8.7%

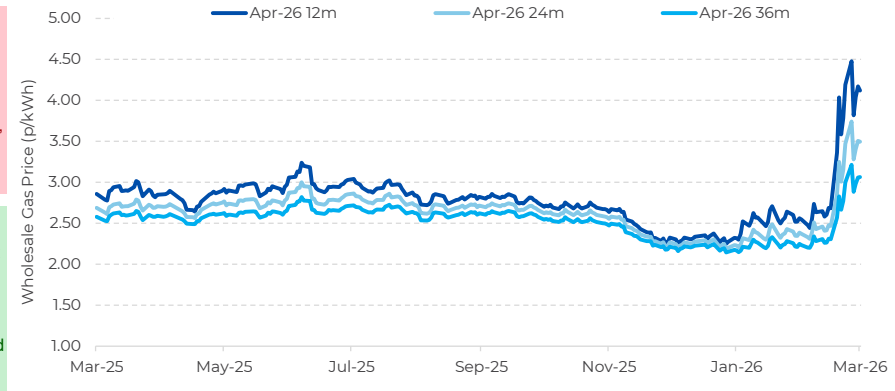
Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent (\$/bbl.)	103.14	↑ 75.1%	↑ 18.7%	↑ 10.1%
Coal (\$/t)	124.00	↑ 29.0%	↑ 43.8%	↑ 34.0%
UK Carbon (£/t)	39.54	↓ -33.5%	↓ -21.8%	↓ -6.7%
EU Carbon (€/t)	59.71	↓ -21.9%	↓ -13.2%	↑ 4.1%
€/E	0.863	↓ -1.1%	↔ 0.7%	↑ 1.8%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)	<p>According to the EC, the EU faces no immediate oil or gas supply risk, helping to calm near-term market concerns despite continued uncertainty around the Strait of Hormuz.</p> <p>The European Commission said EU gas storage can still be refilled by next winter without extra measures, reassuring markets that current inventory levels remain manageable amid strong US LNG availability despite ongoing disruption to global LNG flows.</p>
Bullish (Rising)	<p>Morgan Stanley warns that the previous supply surplus forecasted for 2026 could be erased due to prolonged Qatari output halts. Meanwhile expected delays to QatarEnergy's North Field East LNG project may postpone a 41% supply increase, prolonging global gas tightness.</p> <p>A continued halt to Qatari LNG production could leave Europe 16 bcm short this year. Alongside Dutch TSO Gasunie's warning that a six-month disruption could leave the EU 500 TWh short, this has heightened supply concerns and price-spike risks, reinforcing bullish sentiment across European gas markets.</p>

Wholesale Price Graphs

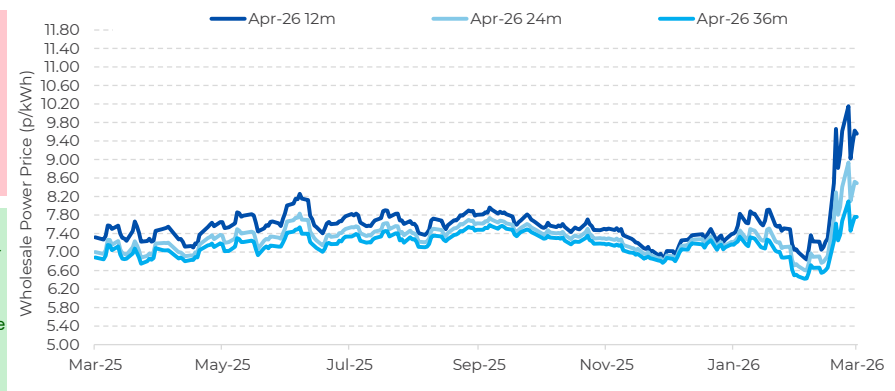


UK Baseload Power

Market Drivers

Bearish (Falling)	<p>Geopolitical risks remain elevated amid the Middle East conflict. A Danish hedging firm's chief analyst warned that a prolonged Strait of Hormuz closure could trigger severe demand destruction, particularly as the US still lacks a clear plan.</p> <p>Reports that the EU Commission may loosen ETS to ease the burden on industry at the 19th March EU Council meeting are sending further bearish policy signals amid ongoing negative macroeconomic sentiment, which is also weighing on carbon.</p>
Bullish (Rising)	<p>The EU is considering short-term cuts to energy taxes, network charges, and carbon cost exposure to support industry, signalling possible policy intervention that could underpin industrial activity amid broader cautious macroeconomic sentiment.</p> <p>Europe's widening data centre power gap and grid bottlenecks are increasing reliance on gas-based onsite generation, raising concerns over future power costs, infrastructure strain, and stronger gas demand across regional energy markets.</p>

Wholesale Price Graphs



Energy Market News:

Trump struggles to build Hormuz coalition as allies resist naval role. Efforts to form an international coalition to reopen the Strait of Hormuz appear to be faltering, after Japan and Australia said they had no plans to send naval vessels to escort shipping through the vital route. President Donald Trump has argued that countries heavily reliant on Gulf energy should do more to protect the route, which carries around 20% of global oil and gas flows. However, the cautious response from key allies suggests Washington may struggle to broaden support as the US-Israeli conflict with Iran enters its third week. Brent crude remained above \$104, while Asian equities weakened as investors weighed the risk of prolonged disruption to Middle East energy exports. Trump has also pressed European and Asian partners and warned China he could delay his planned Beijing visit if it does not help. With drone attacks continuing across the Gulf and tanker traffic still heavily restricted, markets remain uneasy over how quickly normal flows can resume.

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Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	Change Today	Change Yesterday	3-Month Variance
Day-Ahead	126.00	129.20	2.5%	0.2%	82%
Apr-26	127.79	133.01	4.1%	-1.2%	100%
May-26	126.07	131.29	4.1%	-1.2%	100%
Jun-26	122.14	127.65	4.5%	-1.1%	97%
Jul-26	119.26	119.26	0.0%	-1.0%	92%
Q2-26	125.34	130.67	4.3%	-1.2%	79%
Q3-26	119.62	125.20	4.7%	-0.7%	91%
Summer-26	122.47	127.92	4.5%	-1.0%	95%
Winter-26	119.04	124.74	4.8%	-1.5%	73%
Summer-27	84.00	89.99	7.1%	1.2%	43%
Winter-27	84.30	86.25	2.3%	1.0%	25%
Summer-28	61.53	63.99	4.0%	1.9%	9%
Winter-28	67.21	67.21	0.0%	1.1%	2%

Current Market Drivers

- Wind generation eases slightly into tomorrow but remains above seasonal norms, supporting prompt baseload. However, a sharp rise in temperatures limits the upside. Constrained nuclear availability and elevated geopolitical risks further support prices.
- Reports indicate EU gas-fired power costs jumped over 50% as the Middle East war lifted gas prices sharply, exposing the vulnerability of gas-reliant power markets and reinforcing bullish sentiment across near-curve energy contracts.
- The US approval for a 13% export increase at Plaquemines LNG strengthens near-term global supply prospects, offering mild bearish signals to European gas markets by improving Atlantic Basin LNG availability. However, elevated geopolitics limits downside.
- The EC considers that EU storage levels can be filled by Winter-26 without the need for additional flexibility measures. Despite levels falling below 30%, they remain within the historical average, alleviating concerns about further distortion of Summer-26 prices.
- The Brent Crude benchmark is trading bullish this morning, as Iranian threats to Middle Eastern export infrastructure and ongoing disruption in the Strait of Hormuz reinforce supply fears, outweighing reserve releases and keeping risk premiums firmly elevated.

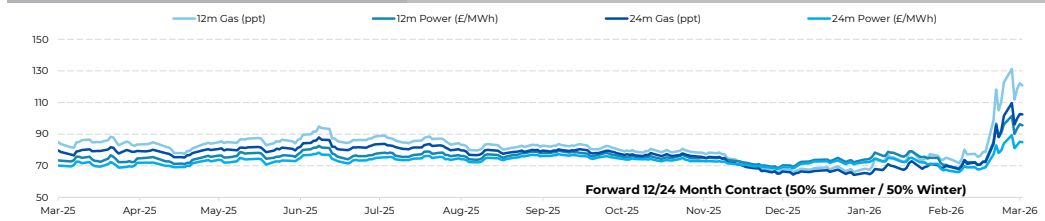
Yesterday's Session

On Friday, along the front half of the curve, gas futures declined modestly by around 1%, while 2027+ rose by 1%. Markets continue to assess shifting geopolitical developments and prolonged disruption concerns. This trend was also reflected in baseload futures.

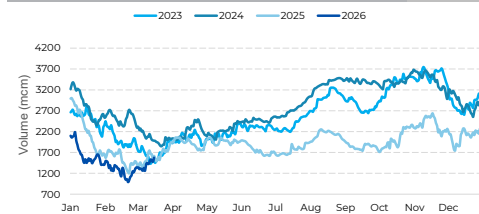
Market Focus

Trump struggles to build Hormuz coalition as allies resist naval role. Efforts to form an international coalition to reopen the Strait of Hormuz appear to be faltering, after Japan and Australia said they had no plans to send naval vessels to escort shipping through the vital route. President Donald Trump has argued that countries heavily reliant on Gulf energy should do more to protect the route, which carries around 20% of global oil and gas flows. However, the cautious response from key allies suggests Washington may struggle to broaden support as the US-Israeli conflict with Iran enters its third week. Brent crude remained above \$104, while Asian equities weakened as investors weighed the risk of prolonged disruption to Middle East energy exports. Trump has also pressed European and Asian partners and warned China he could delay his planned Beijing visit if it does not help. With drone attacks continuing across the Gulf and tanker traffic still heavily restricted, markets remain uneasy over how quickly normal flows can resume.

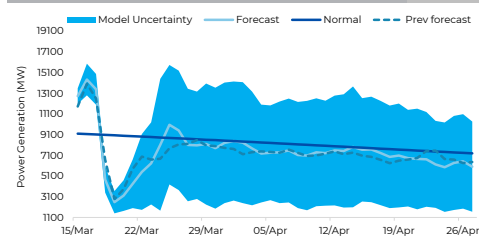
Forward Curve Price Action



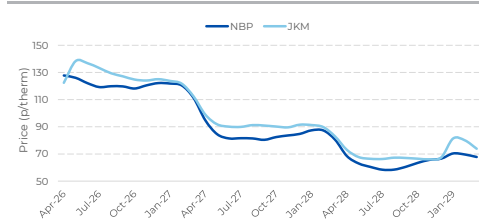
UK Gas and LNG Storage Levels



Wind Power Generation Forecast



Global Gas Benchmarks



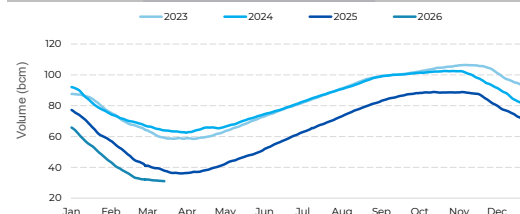
Baseload (€/MWh)	Close	Indicative Price*	Change Today	Change Yesterday	3-Month Variance
Day-Ahead	83.00	88.50	6.6%	88.3%	39%
Apr-26	96.18	102.00	6.1%	-1.2%	44%
May-26	94.87	103.00	8.6%	-0.9%	44%
Jun-26	95.72	95.72	0.0%	-1.2%	46%
Jul-26	93.70	93.70	0.0%	-1.0%	44%
Q2-26	95.58	95.58	0.0%	-0.8%	34%
Q3-26	94.21	101.00	7.2%	-1.0%	43%
Summer-26	94.89	99.50	4.9%	-1.1%	44%
Winter-26	96.30	99.00	2.8%	-0.3%	33%
Summer-27	72.23	73.25	1.4%	-0.6%	16%
Winter-27	76.09	77.75	2.2%	0.6%	5%
Summer-28	59.16	59.16	0.0%	0.8%	-5%
Winter-28	66.97	66.97	0.0%	1.0%	-8%

Weather Fundamentals

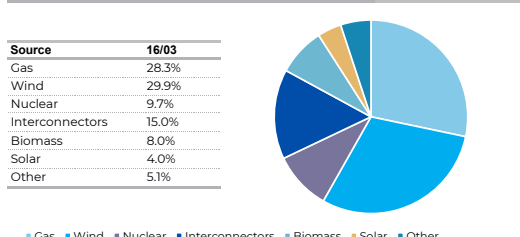
Temperatures in the UK and NWE have been revised cooler for Apr-26, consistently falling below seasonal levels in the current outlook. Wind generation shows minor improvements into next week, though forecasts for Apr-26 remain largely unchanged.

Gulf conflict escalates as oil prices hold near \$100 amid Hormuz disruption. Fighting between the US, Israel and Iran intensified as the conflict approached the two week mark, with continued missile and drone exchanges across Iran, Israel, Lebanon and the Gulf while Tehran reaffirmed plans to keep the Strait of Hormuz closed. The strategic waterway normally carries around one fifth of global oil supply, and tanker attacks, strikes on energy infrastructure and widespread shipping disruptions have pushed crude prices back toward \$100/bbl while weighing on global equities. Israel said it struck more than 200 targets in Iran in the past day, while Iranian missile barrages continue despite earlier claims that much of its arsenal had been degraded. Governments are attempting to contain the market impact through emergency measures including strategic reserve releases and temporary policy changes to ease supply constraints, but the prospect of a prolonged closure of Hormuz and further attacks on tankers or Gulf infrastructure continues to underpin a significant geopolitical risk premium in global energy markets.

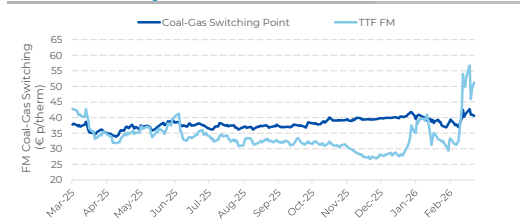
EU Gas Storage Levels



Power Generation Mix (Last 24 Hours)



EU Coal-Gas Switching



Wider Energy Complex	Close	Current Offer	Change Today	Change Yesterday	3-Month Variance
Brent (\$/bbl)	103.14	105.46	2.2%	2.7%	75.1%
Coal (\$/t)	123.33	124.00	0.5%	0.0%	29.0%
UKA Dec-26 (€/t)	39.54	39.17	-0.9%	-0.6%	-33.5%
UKA Dec-27 (€/t)	41.38	41.24	-0.3%	-0.6%	17.0%
EUA Dec-26 (€/t)	69.16	69.38	0.3%	0.7%	-21.9%
EUA Dec-27 (€/t)	71.48	71.73	0.3%	0.7%	-21.6%
€/€	0.863	0.86	0.1%	0.1%	-1.3%
€/€	1.142	1.145	0.3%	-0.8%	-2.5%

Get in Touch

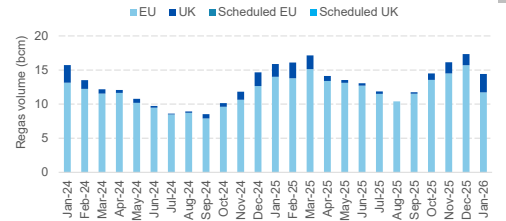


Gas Supply/Demand Fundamentals

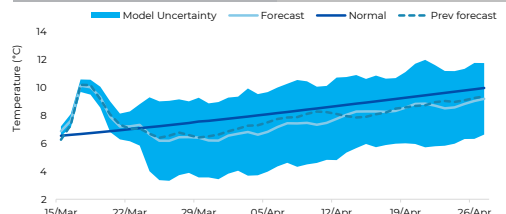
UK domestic (LDZ) demand is forecast to drop by 41 mcm/d to 135 mcm/d on DA as temperatures rise into tomorrow. Stable wind is also weighing on gas-for-power demand. Norwegian flows to the UK strengthen, with Langedale up to 73 mcm/d and Vesterled remaining muted, while LNG sendout remains broadly steady at 60 mcm/d. Injections into mid-range storage continue.

Tanker attacks push oil higher as Gulf conflict intensifies. Oil prices surged back above \$100/bbl after suspected Iranian strikes set two fuel tankers ablaze in Iraqi waters and damaged several vessels across the Gulf, highlighting the growing risk to global energy flows as the US-Iran conflict escalates. The attacks come as shipping through the Strait of Hormuz remains effectively blocked, raising fears of a prolonged supply shock. Iran warned that crude could reach \$200/bbl if regional security deteriorates further, while Saudi Arabia intercepted drones targeting its Shaybah oilfield, and strikes were also reported on energy infrastructure in Bahrain and Oman. Governments are attempting to limit the impact on markets, with the International Energy Agency recommending a record strategic reserve release and the US authorising a draw from the Strategic Petroleum Reserve, though continued attacks on tankers and storage facilities underline the fragile outlook for energy supply security in the Gulf.

Historical Monthly LNG Supply



Temperature Forecast



Nuclear Outages

Facility	Capacity (MW)	Start Date	End Date
Hartlepool 2	595	04/06/25	15/03/26
Torness 2	595	21/01/26	09/04/26
Heysham 2-7	615	13/02/26	16/03/26
Heysham 1-1	595	09/03/26	25/03/26

Current online capacity: 6500 MW, 100%

Emissions Trading Scheme Carbon

