Energy Market Update

31st March 2026

FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

30 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	4.70	73.5%	74.1%	73.8%
Apr-26 24m	4.07	63.7%	55.8%	55.7%
Apr-26 36m	3.53	51.7%	39.8%	40.0%
Oct-26 12m	4.12	67.6%	58.1%	57.9%
Oct-26 24m	3.52	53.8%	39.4%	39.7%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Apr-26 12m	10.39	31.2%	38.4%	44.5%
Apr-26 24m	9.25	23.2%	26.1%	32.3%
Apr-26 36m	8.42	16.1%	16.6%	22.1%
Oct-26 12m	9.28	24.8%	26.7%	32.9%
Oct-26 24m	8.33	16.6%	15.9%	21.2%

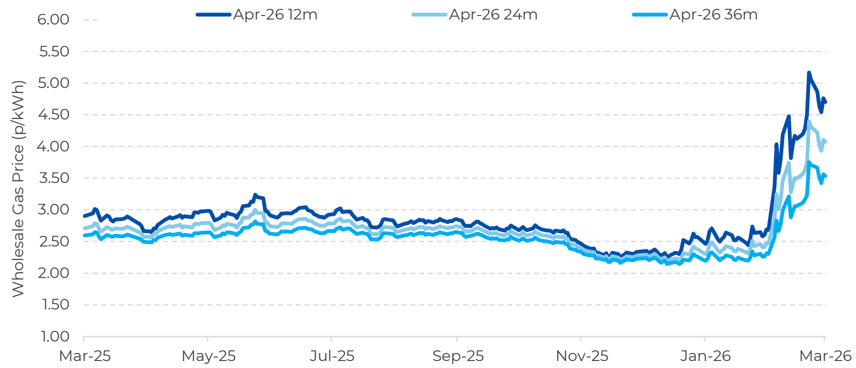
Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent ($/bbl.)	112.57	81.8%	11.5%	14.8%
Coal ($/t)	128.00	33.3%	37.3%	48.1%
UK Carbon (£/t)	37.05	-44.7%	-21.0%	-6.4%
EU Carbon (€/t)	62.20	-18.3%	-13.2%	6.2%
€/£	0.868	-1.6%	-0.3%	3.1%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)	Norwegian pipeline gas exports this summer are expected to total 55bcm, up from 53.7bcm last summer, due to a lighter maintenance programme, according to recent LSEG forecasts. TotalEnergies has stated that it will not declare force majeure to any of its LNG customers and that it will respect all LNG contracts in terms of price and volume, stating that its portfolio is large enough to redirect part of the missing supply from Qatar.
Bullish (Rising)	Iran war-driven gas price surges threaten Ukraine's ability to sustain imports and rebuild storage ahead of winter, whilst Hungary's move to restrict Q3-26 gas shipments to Ukraine raises fresh regional supply concerns. LSEG's recent summer outlook highlights that the original summer LNG supply surplus forecast for this year has been displaced due to events in the Middle East, and could even switch to a deficit.

Wholesale Price Graphs

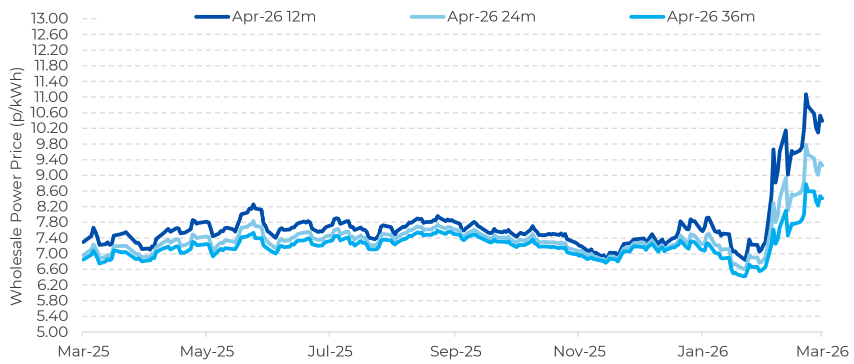


UK Baseload Power

Market Drivers

Bearish (Falling)	French nuclear output is expected to rise 7 TWh year-on-year this summer, offsetting a decline in Belgian output, and rising solar output in the UK and NWE is expected to outpace demand growth. Signals from the UK retail sector point to softer consumer momentum, while higher oil prices driven by the Iran war threat could further squeeze household spending amid an already fragile backdrop for UK energy consumption.
Bullish (Rising)	NOAA's Climate Prediction Center has issued an El Niño watch and gives a 62% chance of an El Niño emerging sometime between Jun-Aug, raising the risk of extreme temperatures and reviving previous summer climate challenges impacting nuclear and renewable output. LSEG forecasts a 46% increase in negative spot power prices this summer, signalling a sustained trend of negative pricing and ongoing renewable cannibalisation.

Wholesale Price Graphs



Energy Market News:

Middle East escalation widens as Yemen joins conflict, energy risks intensify. The Middle East conflict has broadened further, with Yemen's Iran-backed Houthis launching attacks on Israel, marking a new front in the war alongside continued Iranian missile and drone strikes, while Israel expands air operations across Iran and Lebanon. The widening geography of the conflict raises fresh risks to global energy flows, with the Strait of Hormuz still effectively blocked and concerns growing over potential disruption to the Bab el-Mandeb chokepoint. Oil prices have continued to climb, with Brent pushing higher amid expectations of prolonged supply disruption, while global airlines are already raising fares and cutting capacity in response to rising fuel costs. Despite sustained US-Israeli strikes, Iran retains the ability to target regional infrastructure, including petrochemical facilities, underscoring the resilience of its offensive capabilities. The deployment of additional US troops and discussions around potential ground operations further increase escalation risks, reinforcing a persistent geopolitical premium across oil and gas markets and heightening downside risks to global demand as inflationary pressures build.

Get In Touch

FLAME UK ENERGY MANAGEMENT - DAILY MARKET INSIGHT

30 March 2026

Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	Change Today	Change Yetserday	3-Month Variance
Day-Ahead	134.00	138.50	3.4%	-2.0%	79%
Apr-26	136.15	139.89	2.7%	-1.8%	107%
May-26	136.59	140.34	2.7%	-1.8%	110%
Jun-26	135.29	138.91	2.7%	-1.8%	111%
Jul-26	134.15	138.91	3.5%	-1.5%	109%
Q2-26	136.02	139.76	2.7%	-1.1%	102%
Q3-26	135.07	138.31	2.4%	-1.5%	109%
Summer-26	135.54	139.03	2.6%	-1.6%	109%
Winter-26	139.93	144.17	3.0%	-1.0%	98%
Summer-27	101.64	104.99	3.3%	0.1%	70%
Winter-27	100.39	104.99	4.6%	-0.1%	45%
Summer-28	70.49	74.99	6.4%	-0.5%	23%
Winter-28	73.55	79.99	8.8%	-1.3%	11%

Baseload (£/MWh)	Close	Indicative Price*	Change Today	Change Yetserday	3-Month Variance
Day-Ahead	61.00	114.75	88.1%	-45.4%	-32%
Apr-26	99.00	96.45	-2.6%	-0.8%	39%
May-26	101.00	104.00	3.0%	-1.9%	45%
Jun-26	102.86	107.50	4.5%	-1.8%	49%
Jul-26	101.62	101.62	0.0%	-0.8%	48%
Q2-26	100.95	102.00	1.0%	-1.3%	40%
Q3-26	102.01	106.00	3.9%	-0.9%	47%
Summer-26	101.48	103.75	2.2%	-1.2%	45%
Winter-26	106.33	110.00	3.5%	-1.4%	40%
Summer-27	79.23	81.00	2.2%	0.0%	21%
Winter-27	83.15	87.00	4.6%	-0.2%	10%
Summer-28	64.31	66.30	3.1%	-0.1%	0%
Winter-28	70.46	70.46	0.0%	-0.6%	-5%

Wider Energy Complex	Close	Current Offer	Change Today	Change Yetserday	3-Month Variance
Brent ($/bbl)	108.01	109.84	1.7%	4.2%	81.8%
Coal ($/t)	133.08	135.00	1.4%	0.0%	33.3%
UKA Dec-26 (£/t)	38.00	37.83	-0.4%	-2.5%	-44.7%
UKA Dec-27 (£/t)	40.14	40.09	-0.1%	-2.4%	17.0%
EUA Dec-26 (£/t)	71.65	72.32	0.9%	0.4%	-18.3%
EUA Dec-27 (£/t)	74.29	75.05	1.0%	0.4%	-17.8%
€/£	0.865	0.87	0.2%	0.4%	-0.4%
€/$	1.153	1.152	0.0%	-0.2%	-2.0%

Get in Touch

Current Market Drivers

- Day-ahead energy contracts are bullish amid a sharp drop in wind output of around 7GW into tomorrow, though rising temperatures and the expected return of Heysham 1-1 (595MW), which will increase nuclear generation to 92%, are limiting further upside.
- Gas markets remain supported after QatarEnergy extended force majeure on LNG deliveries to Italy through mid-June, removing near-term supply; however, TotalEnergies stated they will honour "in terms of price and volume" LNG contracts despite the Iran war.
- Energy contracts remain volatile as the Iran war continues to strain global financial markets, with reduced liquidity and wider bid-ask spreads amplifying price swings and reinforcing elevated risk premia across energy markets.
- Despite Trump's deadline extension of a further 10 days to 6th April, announced on Friday, markets continue to shift up as uncertainty grows due to dissonant messaging around the next stages of the conflict, keeping geopolitical risk elevated.
- NOAA has forecasted that the transition to El Niño has a 62% chance of occurring between Jun–Aug and persisting through the end of the year; this could signal extreme temperatures over the summer in the UK and Europe, however it could indicate a milder start to winter.

Yesterday's Session

Prices declined marginally on Friday, with the front half of the curve falling just over 1%, though trading sideways further along the curve. Markets remained cautious regardless of Trump's announcement to extend his deadline by a further 10 days. Power markets showed a similar pattern, with modest declines across the curve.

Weather Fundamentals

Wind forecasts have seen upward revisions in the near term across the UK and Northwest Europe, with the exception of Belgium, which trends lower, while changes further along the curve remain minimal either way. Temperature forecasts are revised notably higher across the region into mid-April before seeing negligible changes thereafter.

Gas Supply/Demand Fundamentals

Warmer revisions are weighing on UK domestic demand, with LDZ down 29mcm/d. Gas-for-power rises sharply, up 22mcm/d, as wind production drops sharply. Norwegian flows to the UK strengthen to 83mcm/d, up 5mcm/d from Friday, while LNG sendout slips to 45mcm/d, with the UK currently only having one cargo scheduled for Apr-26.

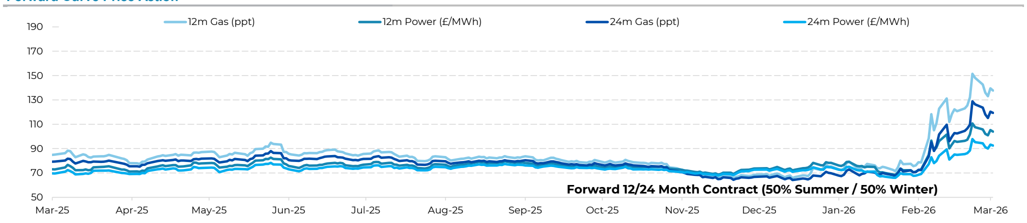
Market Focus

Middle East escalation widens as Yemen joins conflict, energy risks intensify. The Middle East conflict has broadened further, with Yemen's Iran-backed Houthis launching attacks on Israel, marking a new front in the war alongside continued Iranian missile and drone strikes, while Israel expands air operations across Iran and Lebanon. The widening geography of the conflict raises fresh risks to global energy flows, with the Strait of Hormuz still effectively blocked and concerns growing over potential disruption to the Bab el-Mandeb chokepoint. Oil prices have continued to climb, with Brent pushing higher amid expectations of prolonged supply disruption, while global airlines are already raising fares and cutting capacity in response to rising fuel costs. Despite sustained US-Israeli strikes, Iran retains the ability to target regional infrastructure, including petrochemical facilities, underscoring the resilience of its offensive capabilities. The deployment of additional US troops and discussions around potential ground operations further increase escalation risks, reinforcing a persistent geopolitical premium across oil and gas markets and heightening downside risks to global demand as inflationary pressures build.

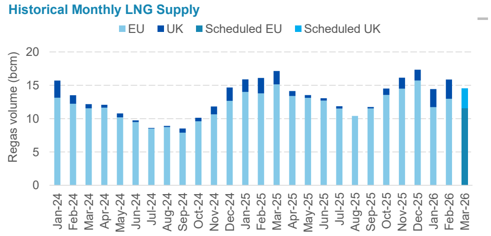
Trump delays threat to Iran's energy plants, but markets remain uneasy. President Donald Trump has extended the deadline for Iran to reopen the Strait of Hormuz to 06-APR before facing potential strikes on its energy infrastructure, offering a brief pause but little real clarity for markets. Tehran has already rejected the latest US proposal as unfair, although Iranian officials indicated diplomacy has not completely collapsed. For energy markets, the delay provides only limited relief. The extension suggests the White House still wants to keep a diplomatic route open, but the wider backdrop remains fragile. Overnight strikes continued across Iran, including reported attacks on residential areas, while Israel said it targeted missile production and air defence systems. At the same time, shipping disruption through Hormuz continues to constrain a route that carries around a fifth of global oil and LNG flows. Energy prices remain highly sensitive, while equities have come under pressure as investors question whether negotiations are progressing in any meaningful way.

Ceasefire hopes fade as Iran reviews US proposal but resists direct talks. Hopes for a diplomatic breakthrough weakened after Iran said it was reviewing a US ceasefire proposal while making clear that no direct talks were planned. President Donald Trump insisted Tehran's leadership wanted a deal, but the conflicting messages underlined how fragile any path to de-escalation remains. The gap between public rhetoric and private exchanges has kept markets uneasy, especially as the wider economic damage from the conflict continues to spread. The Strait of Hormuz remains central to the crisis, with restricted flows sustaining pressure across oil, gas and broader supply chains. Businesses and governments are already affected with higher fuel costs and tighter logistics, while renewed missile and drone exchanges across the Gulf continue to cloud the outlook. The Brent Crude benchmark prices resumed their climb reflecting scepticism over near-term peace progress. Until there is firmer evidence of a workable ceasefire, energy markets are likely to remain highly reactive to both headlines and military developments.

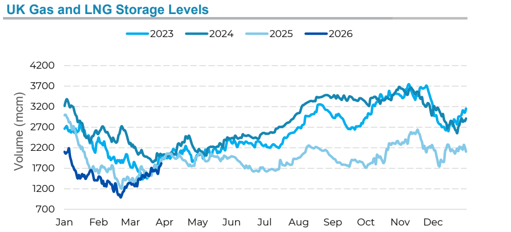
Forward Curve Price Action



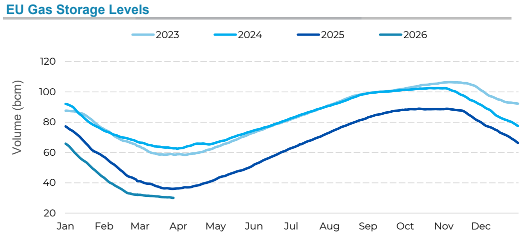
Historical Monthly LNG Supply



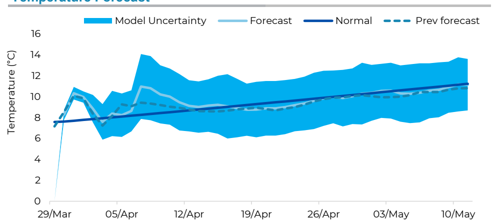
UK Gas and LNG Storage Levels



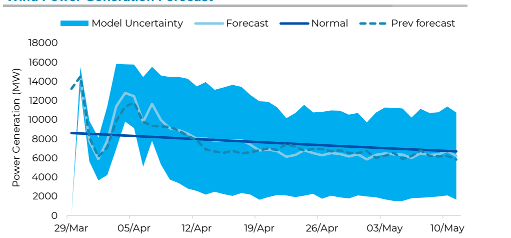
EU Gas Storage Levels



Temperature Forecast

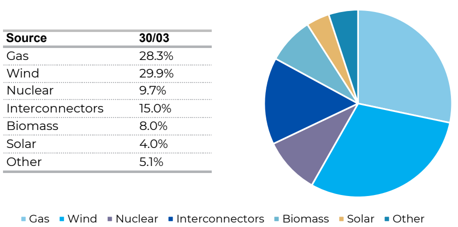


Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)

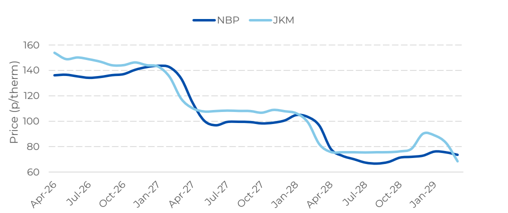
Source	30/03
Gas	28.3%
Wind	29.9%
Nuclear	9.7%
Interconnectors	15.0%
Biomass	8.0%
Solar	4.0%
Other	5.1%



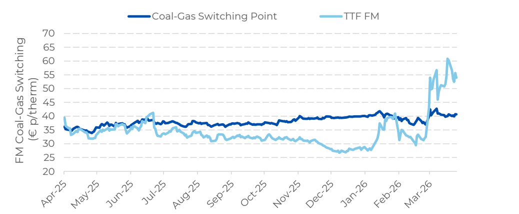
Nuclear Outages

Facility	Capacity (MW)	Start Date	End Date
Torness 2	595	21/01/26	09/04/26
Heysham 1-1	595	09/03/26	27/03/26
Current online capacity	6500 MW		100%

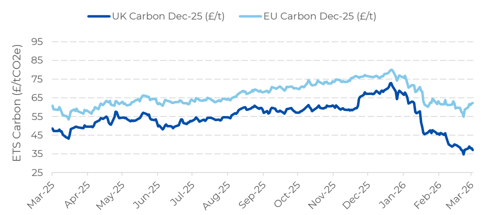
Global Gas Benchmarks



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.