
flame
Energy Management
Energy Market Update
25th August 2026

FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

24 August 2026

Wholesale Market Prices and Trends

Wholesale Gas Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-26 12m	4.60	↑ 47.5%	↑ 13.5%	↑ 69.2%
Oct-26 24m	3.81	↑ 36.2%	↑ 9.5%	↑ 45.0%
Oct-26 36m	3.35	↑ 29.0%	↑ 7.9%	↑ 31.2%
Apr-27 12m	3.57	↑ 29.9%	↑ 4.3%	↑ 36.2%
Apr-27 24m	3.09	↑ 22.6%	↑ 4.9%	↑ 22.1%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-26 12m	11.24	↑ 32.6%	↑ 23.5%	↑ 47.2%
Oct-26 24m	9.57	↑ 24.4%	↑ 16.6%	↑ 27.3%
Oct-26 36m	8.70	↑ 19.0%	↑ 12.6%	↑ 16.8%
Apr-27 12m	9.06	↑ 18.8%	↑ 12.7%	↑ 20.8%
Apr-27 24m	8.09	↑ 14.3%	↑ 9.3%	↑ 8.9%

Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent ($/bbl.)	94.39	↓ -8.8%	↓ -13.8%	↑ 30.0%
Coal ($/t)	127.20	↗ 1.0%	↗ 0.4%	↑ 30.4%
UK Carbon (£/t)	59.49	↑ 11.3%	↑ 51.9%	↘ -0.7%
EU Carbon (€/t)	70.68	↑ 6.4%	↑ 12.7%	↑ 2.0%
€/£	0.856	↑ 1.5%	↓ -1.2%	↓ -2.1%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)

The European Commission has trimmed its winter storage target to 80%, 10% below the mandatory 90% level, with sites currently just short of 62% full. Officials insist that supply security is not at risk.

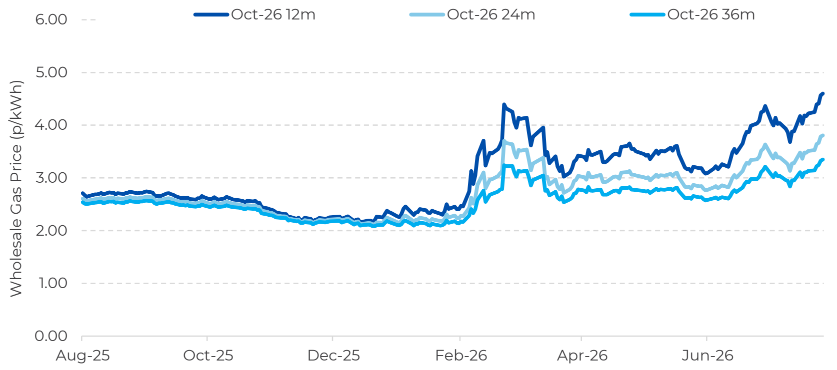
The EU has approved an exemption allowing companies with long-term contracts to continue buying and trading Russian gas until 25 Jul-27, despite the outright ban due in Jan-27, which could ease some winter supply concerns.

Bullish (Rising)

Washington has declared “economic D-Day” on Iran, with Tehran vowing to respond to fresh sanctions with military action and not allow “a drop of oil” to leave the Gulf. This highlights concerns over a protracted war, as a near-term resolution remains elusive.

Asian LNG prices are set to climb above $22/MMBtu in Q4-26, compared with an average of just under $17/MMBtu so far in 2026, their highest level since 2023. This keeps competition for LNG cargoes elevated and provides further support to European gas prices into 2027.

Wholesale Price Graphs



UK Baseload Power

Market Drivers

Bearish (Falling)

Weather outlooks suggest conditions in early Winter-26 could remain dry and warm. While this could alleviate heating demand and reduce gas storage drawdowns in the shoulder months.

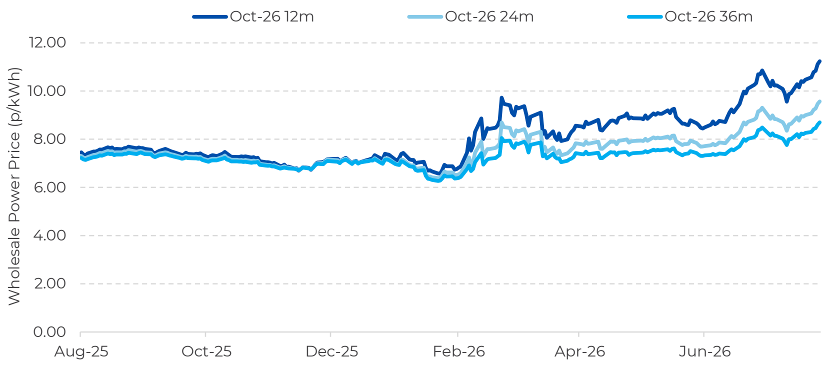
The UK government’s shift towards affordability under Prime Minister Andy Burnham, while maintaining support for nuclear power, could weigh on power prices by placing greater emphasis on reducing energy costs.

Bullish (Rising)

Nordic power consumption is expected to reach a record 410 TWh in 2026, driven by accelerating demand from data centres and the further electrification of industry, which could constrain cross-border power exports.

Extreme sunset power price spikes are likely to remain a recurring trend in European markets , as energy storage capacity continues to lag behind solar expansion, while increasingly frequent heatwaves add to price volatility.

Wholesale Price Graphs



Energy Market News:

Brussels trims winter storage target as EC insists supply security intact. The European Commission is now targeting 80% gas storage by winter, 10 points shy of the EU's mandatory 90% goal, though officials insist there's no cause for alarm over supply. EC spokeswoman Eva Hrncirova told a briefing on Thursday that refilling has been "a bit slower" than in recent years but is progressing well, with sites currently just short of 62% full, around 13 points below this time last year. Under EU rules, states must hit 90% by 1 December but can drop to 80%, or 75% if conditions stay unfavourable, during difficult market periods. Hrncirova pointed to the "very volatile" backdrop of the US-Israeli war with Iran, which has disrupted Hormuz traffic carrying a fifth of global LNG supplies, alongside recent heatwaves straining the power system, while maintaining the overall picture remains stable. Analysts at Montel put EU storage anywhere between 69% in a downside case and 84% in a more favourable one by 1 November, underlining how wide the range of outcomes still is heading into autumn. UK and EU prices are yet to feel any relief from this statement, though this could limit any potential upside as we approach winter.

Get In Touch

FLAME UK ENERGY MANAGEMENT - DAILY MARKET INSIGHT

24 August 2026

Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	Change Today	Change Yetserday	3-Month Variance
Day-Ahead	164.00	163.00	-0.6%	1.7%	40%
Sep-26	162.58	164.09	0.9%	0.8%	37%
Oct-26	163.46	164.93	0.9%	1.0%	37%
Nov-26	166.61	168.20	1.0%	1.0%	37%
Dec-26	168.30	170.25	1.2%	0.8%	37%
Q4-26	166.12	167.74	1.0%	0.9%	37%
Q1-27	161.85	163.95	1.3%	0.8%	37%
Winter-26	164.01	165.87	1.1%	0.9%	37%
Summer-27	105.67	106.66	0.9%	0.5%	23%
Winter-27	103.38	109.11	5.5%	0.4%	19%
Summer-28	73.22	73.22	0.0%	0.7%	12%
Winter-28	80.39	80.39	0.0%	1.4%	12%
Summer-29	62.36	62.36	0.0%	0.5%	7%

Baseload (£/MWh)	Close	Indicative Price*	Change Today	Change Yetserday	3-Month Variance
Day-Ahead	146.00	131.00	-10.3%	-16.4%	18%
Sep-26	128.80	132.00	2.5%	1.2%	28%
Oct-26	128.64	128.64	0.0%	0.8%	26%
Nov-26	138.75	138.75	0.0%	0.5%	35%
Dec-26	137.44	137.44	0.0%	0.2%	32%
Q4-26	134.90	134.90	0.0%	0.5%	31%
Q1-27	133.97	133.97	0.0%	1.1%	33%
Winter-26	134.44	134.44	0.0%	0.8%	32%
Summer-27	90.29	91.00	0.8%	1.6%	19%
Winter-27	90.99	90.99	0.0%	1.2%	15%
Summer-28	67.03	70.00	4.4%	0.6%	11%
Winter-28	75.30	75.30	0.0%	1.9%	11%
Summer-29	63.98	67.00	4.7%	0.4%	6%

Wider Energy Complex	Close	Current Offer	Change Today	Change Yesterday	3-Month Variance
Brent ($/bbl)	94.39	92.93	-1.5%	0.7%	-8.8%
Coal ($/t)	124.96	126.00	0.8%	1.2%	1.0%
UKA Dec-26 (£/t)	59.49	60.06	1.0%	0.9%	11.3%
UKA Dec-27 (£/t)	62.64	63.21	0.9%	1.0%	17.0%
EUA Dec-26 (£/t)	82.61	84.05	1.7%	0.1%	6.4%
EUA Dec-27 (£/t)	85.54	87.03	1.7%	0.1%	6.5%
€/£	0.856	0.86	0.0%	-0.1%	-0.9%
€/$	1.168	1.166	-0.1%	0.0%	0.7%

Get in Touch

Current Market Drivers

- Near-curve energy contracts remain elevated above previous conflict peaks, with Tehran remaining defiant and threatening further military action in response to fresh US sanctions. The absence of meaningful talks continues to keep the likelihood of a protracted war elevated.
- The EU has approved an exemption allowing companies with long-term contracts to continue buying and trading Russian gas until 25 Jul-27, despite the outright ban due in Jan-27. While this could ease some winter supply concerns, future logistical hurdles remain.
- Aurora Energy Research suggests that the revised EU storage target of 80% remains too ambitious, with weak injection incentives expected to result in storage levels of just 68–73%. Despite these revisions, uncertainty over supply fundamentals heading into winter persist.
- Asian LNG prices are set to climb above $22/MMBtu in Q4-26, compared with an average of just under $17/MMBtu so far in 2026, their highest level since 2023. This keeps competition for LNG cargoes elevated and provides further support to European gas prices into 2027.
- Wind generation rises briefly above seasonal norms tomorrow, providing some mild bearish pressure to day-ahead baseload prices. However, increasingly negative geopolitical sentiment continues to underpin pricing, with additional support from warmer temperatures.

Yesterday's Session

In Friday's session, near-curve gas prices edged marginally higher by up to 1%, with prices now remaining elevated above the previous conflict peak. Baseload contracts also mirrored this sentiment, with gains of up to 1.6% along the curve. Despite the easing of EU storage targets by 10%, market fundamentals remain precarious heading into Winter-26.

Weather Fundamentals

Wind generation has seen higher revisions at the start of this week and into early Sep-26, fluctuating largely around seasonal levels, with forecasts into mid-Sep-26 falling marginally below normal. Temperatures in the UK and NWE are expected to peak this week before following a downward trajectory closer towards seasonal levels into Sep-26.

Gas Supply/Demand Fundamentals

Above-seasonal temperatures keep UK domestic demand subdued at 50mcm/d. Rising wind generation is softening gas-for-power demand by 9mcm/d day-ahead. Norwegian flows have also rebounded by 20mcm/d from Friday to 78mcm/d, supporting 7mcm/d of net injections into mid-range storage.

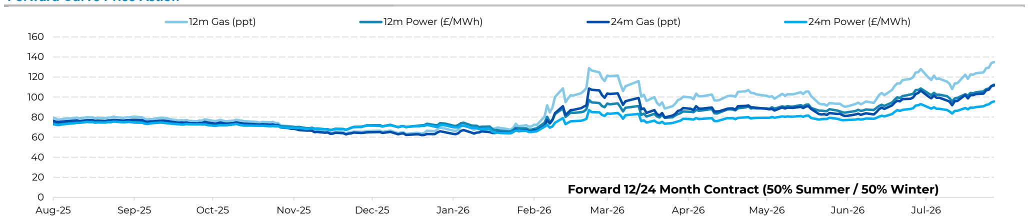
Market Focus

Iran prepares for military response to fresh US sanctions. On Friday, Iran vowed that the consequences would be "devastating" following Washington's pledge to impose the toughest sanctions in history, aimed at toppling the Iranian leadership. Details of the financial penalties are due to be released on Monday, according to US Treasury Secretary Scott Bessent, with Trump also warning of economic consequences for any country providing "any type of lifeline to Iran." Iranian media quoted the chief of staff of Iran's Armed Forces, Major General Ali Abdollahi, as saying: "With preparedness across land, sea, air, air defence and cyberspace, Iran's armed forces will respond to the enemy's new threats with crushing, punishing and devastating responses." While both parties have not conducted military strikes against each other for weeks, these fresh threats and the lack of meaningful engagement in peace talks are adding to concerns over further escalation. Iran has also warned that "not a drop of oil" will flow if the economic war continues, vowing to shut down all oil exports, not just through the Strait of Hormuz but across the Persian Gulf as a whole.

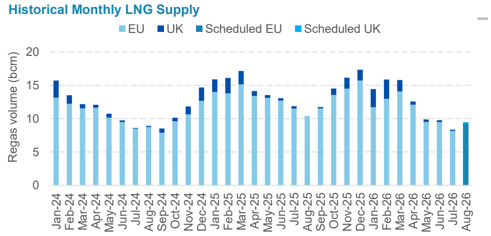
Brussels trims winter storage target as EC insists supply security intact. The European Commission is now targeting 80% gas storage by winter, 10 points shy of the EU's mandatory 90% goal, though officials insist there's no cause for alarm over supply. EC spokeswoman Eva Hrncirova told a briefing on Thursday that refilling has been "a bit slower" than in recent years but is progressing well, with sites currently just short of 62% full, around 13 points below this time last year. Under EU rules, states must hit 90% by 1 December but can drop to 80%, or 75% if conditions stay unfavourable, during difficult market periods. Hrncirova pointed to the "very volatile" backdrop of the US-Israeli war with Iran, which has disrupted Hormuz traffic carrying a fifth of global LNG supplies, alongside recent heatwaves straining the power system, while maintaining the overall picture remains stable. Analysts at Montel put EU storage anywhere between 69% in a downside case and 84% in a more favourable one by 1 November, underlining how wide the range of outcomes still is heading into autumn. UK and EU prices are yet to feel any relief from this statement, though this could limit any potential upside as we approach winter.

Trump declares "economic D-Day" on Iran. Writing on Truth Social, Trump announced what he called "the most crushing economic operation ever taken against any country," threatening severe consequences for any nation whose banks, businesses or government bodies offer Iran a financial lifeline, singling out oil smuggling, ship registries, swap lines and shell companies without naming any country besides Iran. The move builds on Operation Economic Fury, launched in April to sanction foreign firms trading with Tehran, and follows US Treasury Secretary Scott Bessent's warning last week of "economic isolation like the world has never seen." It lands a day after the UAE cut all financial ties with Iran over a missile incident, and as China, the top buyer of Iranian crude, faces the prospect of further pressure on its "teapot" refineries despite Beijing's insistence such sanctions won't be recognised. With the 60-day ceasefire now expired and Trump separately threatening to bomb Oman if it obstructs his own Hormuz talks, the standoff shows no sign of easing, keeping the risk premium on oil and gas, roughly a fifth of which normally transits the strait, firmly intact heading into the US midterms.

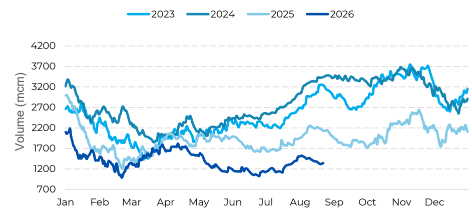
Forward Curve Price Action



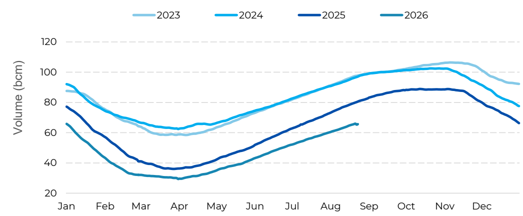
Historical Monthly LNG Supply



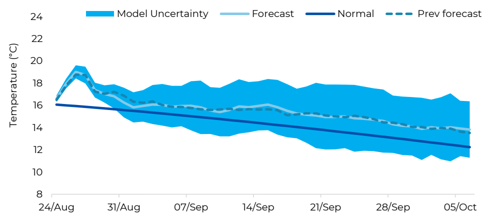
UK Gas and LNG Storage Levels



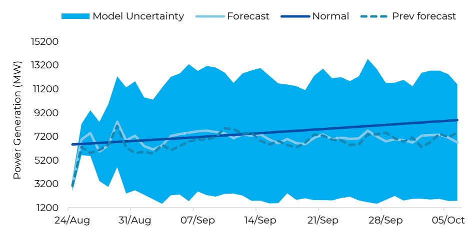
EU Gas Storage Levels



Temperature Forecast

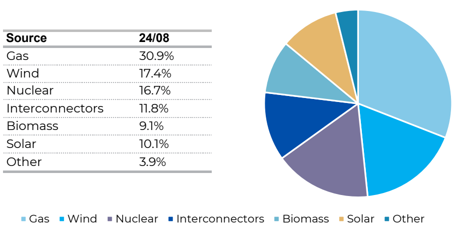


Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)

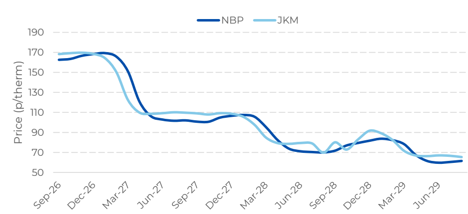
Source	24/08
Gas	30.9%
Wind	17.4%
Nuclear	16.7%
Interconnectors	11.8%
Biomass	9.1%
Solar	10.1%
Other	3.9%



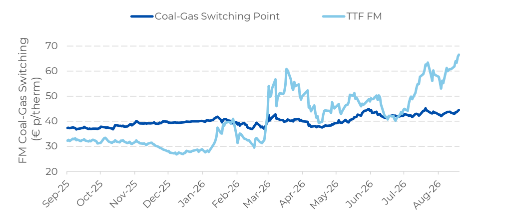
Nuclear Outages

Facility	Capacity (MW)	Start Date	End Date
Hartlepool 1	595	02/06/26	29/08/26
Heysha[illegible]	580	28/07/26	28/08/26
[illegible]waiting confirmation			
Current online capacity	6500 MW		100%

Global Gas Benchmarks



EU Coal-Gas Switching



Emissions Trading Scheme Carbon