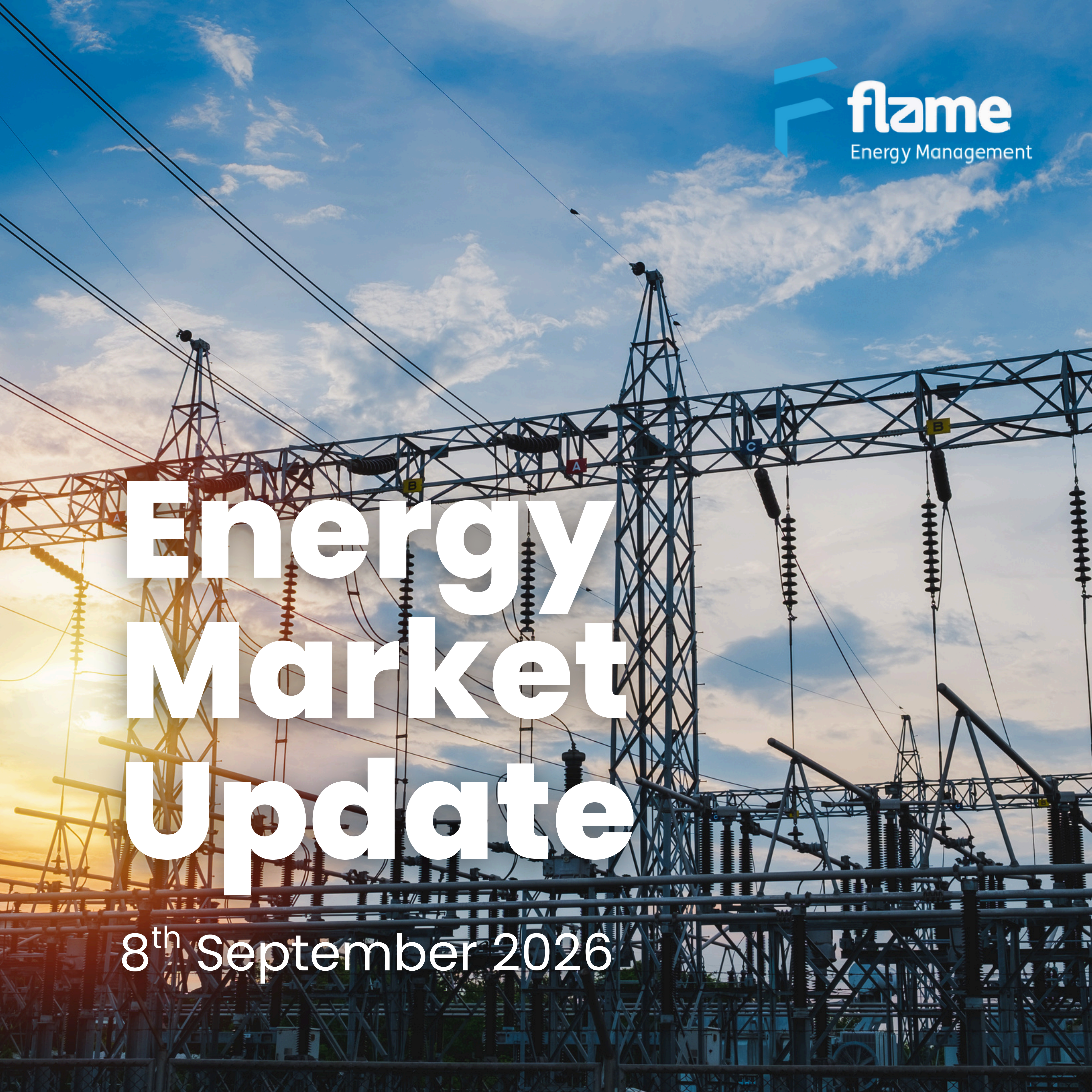

flame
Energy Management
Energy Market Update
8th September 2026

FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

07 September 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	5.10	↑ 52.7%	↑ 29.0%	↑ 88.4%
Oct-26 24m	4.21	↑ 45.0%	↑ 24.4%	↑ 60.9%
Oct-26 36m	3.67	↑ 37.9%	↑ 20.3%	↑ 44.0%
Apr-27 12m	4.03	↑ 44.9%	↑ 22.4%	↑ 54.1%
Apr-27 24m	3.41	↑ 34.8%	↑ 18.6%	↑ 34.7%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-26 12m	12.21	↑ 36.9%	↑ 34.0%	↑ 61.4%
Oct-26 24m	10.35	↑ 30.5%	↑ 24.5%	↑ 39.1%
Oct-26 36m	9.29	↑ 24.7%	↑ 18.1%	↑ 26.4%
Apr-27 12m	9.92	↑ 28.6%	↑ 21.6%	↑ 34.2%
Apr-27 24m	8.67	↑ 22.1%	↑ 14.6%	↑ 18.4%

Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent ($/bbl.)	96.28	↑ 3.4%	↓ -17.2%	↑ 38.3%
Coal ($/t)	139.70	↑ 8.3%	↑ 13.2%	↑ 44.8%
UK Carbon (£/t)	59.73	↑ 7.6%	↑ 44.4%	↑ 2.3%
EU Carbon (€/t)	72.30	↑ 8.8%	↑ 14.3%	↑ 2.1%
€/£	0.859	↑ 1.4%	↓ -1.7%	↓ -1.2%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)

Ukraine's sharply lower gas imports, at just 0.1bcm in H2 so far versus 4.3bcm last year, could improve the European gas balance by 4.4–5.2bcm. High prices and storage reaching its target early have reduced import needs, easing pressure on regional supply.

The European Commission has reiterated that, despite low storage levels, Europe will have sufficient gas supplies this winter without the need for intervention. Citing that it is better prepared for winter than during the 2022 energy crisis, thanks to more diversified gas supplies, greater LNG import capacity and structurally lower gas demand.

Bullish (Rising)

Analysts expects a prolonged US-Iran standoff, punctuated by calibrated military action from both sides, to keep Middle East supply constrained through the rest of 2026. A return to pre-war supply levels is not expected until late Q1 or early Q2-27.

Iran has warned of a new restricted zone in the Gulf in the coming days, alongside maps outlining a new shipping corridor through the Strait of Hormuz. Any vessel entering the designated zone would reportedly be added to Iran's sanctions list, as Tehran expands its list of non-compliant vessels, which now totals 56 ships. These vessels could face fines, confiscation or detention.

Wholesale Price Graphs

UK Baseload Power

Market Drivers

Bearish (Falling)

Meteorologists suggest that El Niño conditions could lead to one of the warmest autumn/winter periods on record in Europe, easing early heating demand.

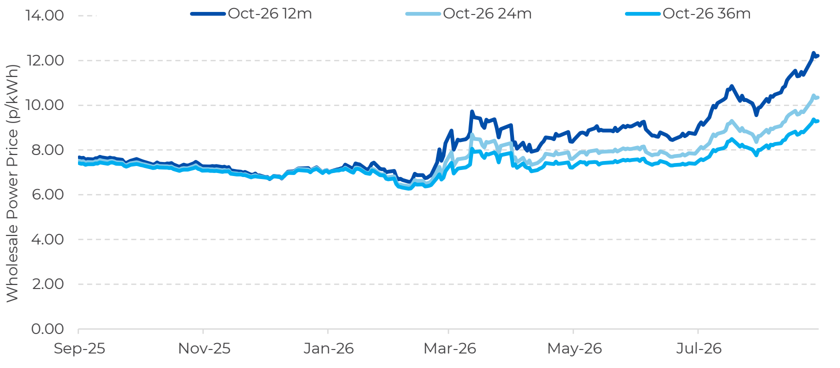
Rising eurozone inflation, driven by higher energy costs, increases the likelihood of further ECB tightening, which could weigh on economic activity and industrial power demand.

Bullish (Rising)

The UN has warned that the 1.5°C climate target is increasingly out of reach, with global temperatures expected to exceed the threshold in the coming years. Meanwhile, the Met Office also confirmed Summer-26 as the UK's hottest on record, highlighting growing weather-related risks to summer power futures.

A French power analyst said France is seeing summer peak demand increasingly match winter levels, as cooling demand coincides with heat-related constraints on nuclear and hydro generation

Wholesale Price Graphs



Energy Market News:

Strikes resume over the weekend. In retaliation for Iranian ballistic missile attacks on US Navy warships in the Persian Gulf, the US said on Saturday that it had launched strikes against three Iranian oil tankers, destroying one, including a vessel off the coast of Kharg Island, near Iran's key oil export hub, raising fresh fears of further escalation. Iran's Islamic Revolutionary Guard Corps said on Saturday that its reasoning for targeting the three oil tankers was that they were travelling through unauthorised routes in the Strait of Hormuz, as well as targeting three additional US vessels in other areas. Following this, Iran stated that it would announce a new restricted zone in the Gulf in the coming days, along with maps of a new shipping corridor through the Strait of Hormuz. Few details have been revealed, but the secretary of Iran's Supreme National Security Council said that any ship entering the new zone would be added to a sanctions list. The new restricted zone will begin where the US blockade of Iran starts and extend into areas of the Gulf.

Get In Touch

FLAME UK ENERGY MANAGEMENT - DAILY MARKET INSIGHT

07 September 2026

Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	Change Today	Change Yetserday	3-Month Variance
Day-Ahead	179.00	182.60	2.0%	2.0%	51%
Oct-26	178.81	183.11	2.4%	0.5%	50%
Nov-26	181.66	185.84	2.3%	0.3%	49%
Dec-26	183.05	187.24	2.3%	0.3%	48%
Jan-27	183.92	188.19	2.3%	0.2%	49%
Q4-26	181.17	185.40	2.3%	0.4%	49%
Q1-27	177.60	182.05	2.5%	0.7%	51%
Winter-26	179.40	183.72	2.4%	0.5%	50%
Summer-27	119.72	122.29	2.1%	0.1%	40%
Winter-27	116.33	119.75	2.9%	0.4%	34%
Summer-28	77.84	82.84	6.4%	0.0%	20%
Winter-28	85.34	89.99	5.4%	0.1%	17%
Summer-29	66.08	68.99	4.4%	-0.2%	13%

Baseload (£/MWh)	Close	Indicative Price*	Change Today	Change Yetserday	3-Month Variance
Day-Ahead	133.75	128.50	-3.9%	-18.0%	-24%
Oct-26	139.35	144.40	3.6%	-0.5%	35%
Nov-26	149.12	149.12	0.0%	-0.3%	42%
Dec-26	147.68	147.68	0.0%	-0.4%	39%
Jan-27	150.16	150.16	0.0%	0.8%	47%
Q4-26	145.34	145.34	0.0%	-0.4%	39%
Q1-27	145.65	145.65	0.0%	1.0%	44%
Winter-26	145.49	149.25	2.6%	0.3%	41%
Summer-27	98.71	102.00	3.3%	0.4%	26%
Winter-27	99.75	102.00	2.3%	0.4%	25%
Summer-28	69.98	70.50	0.7%	-0.3%	15%
Winter-28	78.40	79.25	1.1%	0.5%	12%
Summer-29	65.27	65.27	0.0%	-0.3%	7%

Wider Energy Complex	Close	Current Offer	Change Today	Change Yetserday	3-Month Variance
Brent ($/bbl)	95.52	95.06	-0.5%	0.8%	3.4%
Coal ($/t)	134.48	133.20	-1.0%	2.4%	8.3%
UKA Dec-26 (£/t)	59.49	59.90	0.7%	0.6%	7.6%
UKA Dec-27 (£/t)	62.65	63.07	0.7%	0.5%	17.0%
EUA Dec-26 (£/t)	83.53	84.37	1.0%	0.7%	8.8%
EUA Dec-27 (£/t)	86.63	87.51	1.0%	0.7%	9.0%
€/£	0.859	0.86	0.0%	0.0%	-0.6%
€/$	1.162	1.162	0.0%	-0.1%	0.8%

Get in Touch

Current Market Drivers

•UK gas futures are bullish this morning, as fresh strikes over the weekend keep markets cautious, with Iran also stating that it will announce a new restricted zone in the Persian Gulf, heightening concerns over a prolonged supply disruptions in the Middle East.
•ANZ expects a prolonged US-Iran standoff, punctuated by calibrated military action from both sides, to keep Middle East supply constrained through the rest of 2026. A return to pre-war supply levels is not expected until late Q1 or early Q2-27, underpinning prices into 2027.
•The European Commission has reiterated that, despite low storage levels, Europe will have sufficient gas supplies this winter without the need for intervention. Additionally, UK gas shortages this winter are unlikely, but analysts suggest that price volatility remains the key risk.
•Hormuz traffic has fallen to its lowest level since May-26, averaging just 10 commodity vessels per day over the past 10 days. Analysts warn that a further decline in tanker flows could signal a larger supply shock, maintaining upside risk to near-curve prices.
•Wind generation is set to rise further above seasonal levels, while temperatures in France ease from heatwave conditions, offering relief to day-ahead baseload prices. However, bullish geopolitical sentiment remains supportive to prompt energy contracts.

Yesterday's Session

UK gas futures remained rangebound in Friday's trading, with gains of less than 1% along the front half of the curve, as markets assessed evolving geopolitical developments. Baseload contracts saw more mixed but similarly muted price action, with marginal gains and losses of up to 1%.

Weather Fundamentals

Temperatures in the UK and NWE have seen slightly warmer revisions into next week, with forecasts continuing to trend above seasonal normal into mid-Oct-26. Wind generation has been revised weaker into next week and along much of the forecast period, remaining below seasonal levels.

Gas Supply/Demand Fundamentals

Temperatures are forecast to decline towards seasonal levels into tomorrow, increasing domestic demand by 5mcm/d to 55mcm/d. Gas-for-power demand is forecast to remain sideways on DA at 23mcm/d, as wind speeds are expected to peak tomorrow before falling below normal levels from Thursday through next week. Norwegian flows to the UK have rebounded by 9mcm/d as maintenance at Oseberg and Åsgård concludes. However, the impact of maintenance at Troll is scheduled to rise from 10mcm/d to 23mcm/d tomorrow.

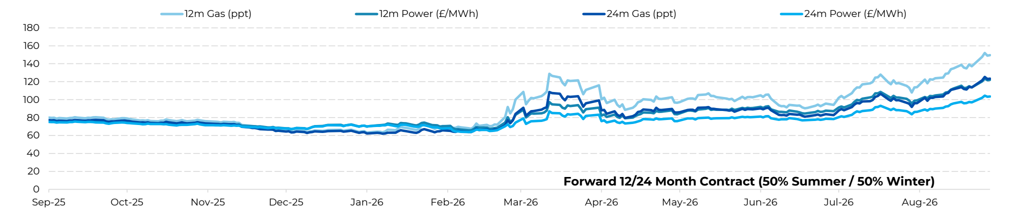
Market Focus

Strikes resume over the weekend. In retaliation for Iranian ballistic missile attacks on US Navy warships in the Persian Gulf, the US said on Saturday that it had launched strikes against three Iranian oil tankers, destroying one, including a vessel off the coast of Kharg Island, near Iran's key oil export hub, raising fresh fears of further escalation. Iran's Islamic Revolutionary Guard Corps said on Saturday that its reasoning for targeting the three oil tankers was that they were travelling through unauthorised routes in the Strait of Hormuz, as well as targeting three additional US vessels in other areas. Following this, Iran stated that it would announce a new restricted zone in the Gulf in the coming days, along with maps of a new shipping corridor through the Strait of Hormuz. Few details have been revealed, but the secretary of Iran's Supreme National Security Council said that any ship entering the new zone would be added to a sanctions list. The new restricted zone will begin where the US blockade of Iran starts and extend into areas of the Gulf.

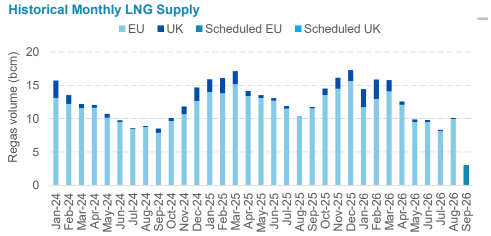
Vance Downplays Iran Conflict as Political Pressure Mounts. US Vice President JD Vance has sparked controversy by insisting the conflict with Iran should not be described as a war, despite renewed military exchanges and rising casualties. Speaking at the White House, Vance said major combat operations ended weeks ago, although recent US strikes on Iranian targets and retaliatory attacks on American bases have intensified tensions. His remarks come as public frustration grows over the conflict's economic toll, including higher fuel prices and mounting military costs. The war has claimed 18 American service members and more than 3,500 Iranian lives, while costing the Pentagon an estimated $37.5 billion so far. Democrats accused the administration of downplaying the conflict ahead of November's midterm elections, with critics arguing the comments diminish the sacrifices of those killed. Trump, however, continues to openly describe the confrontation as a war and has defended US military actions in the region.

Trump claims renewed hostilities will be short-lived. After the US military carried out a second round of strikes in three days on Tuesday night, no further strikes on Iran were announced on Wednesday night. Following the biggest exchange of fire between Tehran and Washington since July, Trump told reporters on Wednesday, when asked how long the bombing campaign could last, "I don't think too long", while reiterating his claim that Washington controls the Strait of Hormuz, though he caveated that "we're prepared to do another one any time we want." This comes as sources close to the White House suggest that top Trump aides are pushing to prevent the Iran war from escalating ahead of November's midterm elections, in an effort to staunch potential Republican electoral losses. However, sources claim White House officials could consider ramping up military action after the November 3 vote, while the administration wants to rely on applying greater economic pressure in the meantime. However, analysts suggest that Iran is likely to continue periodic strikes on US and allied Gulf targets, as its leadership remains emboldened by the disruption to Strait of Hormuz traffic and limited domestic unrest.

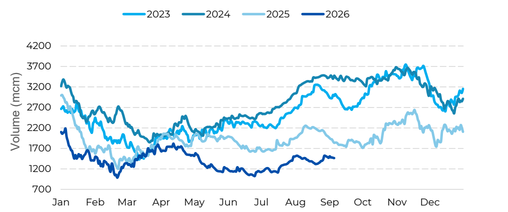
Forward Curve Price Action



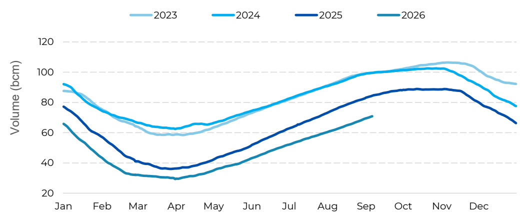
Historical Monthly LNG Supply



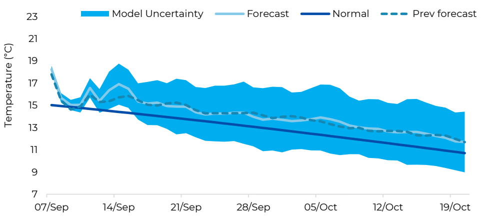
UK Gas and LNG Storage Levels



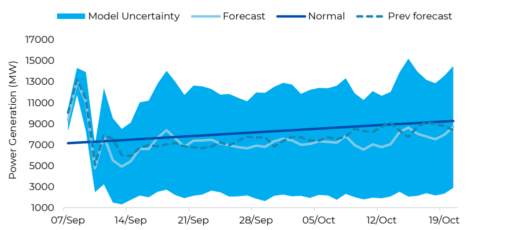
EU Gas Storage Levels



Temperature Forecast

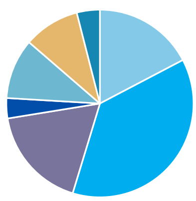


Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)

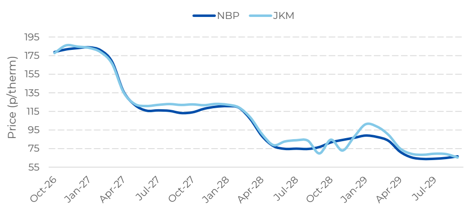
Source	07/09
Gas	17.3%
Wind	37.4%
Nuclear	17.7%
Interconnectors	3.5%
Biomass	10.4%
Solar	9.7%
Other	4.0%



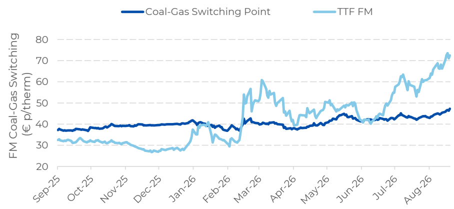
Nuclear Outages

Facility	Capacity (MW)	Start Date	End Date
Hartlepool 1	595	02/06/26	06/09/26
Heyshan	580	04/09/26	23/11/26
waiting confirmation			
Current online capacity	6500 MW		100%

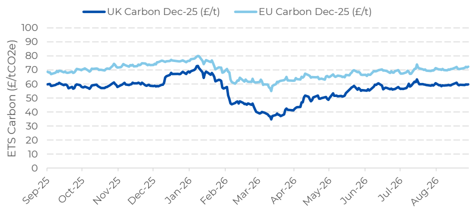
Global Gas Benchmarks



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.