

March Market Report

8 April 2025



Keeping you updated
with the latest trends,
news and forecasts in
the UK energy market.

ENERGY MARKET WATCH



Market analysis

March 2025

Commentary

In the first half of the month, we saw the market hit a temporary bottom, driven by improving sentiment and positive developments surrounding the Russia-Ukraine conflict. This, combined with strong UK fundamentals, extended the downward trend that had begun at the end of February. However, in the second half of March, we saw a shift in global geopolitics, mounting concerns around EU gas storage levels, and growing uncertainty around new US tariff impositions set to take effect in early April. Despite these fluctuations, the overall impact was positive, with some reductions being seen, although gas continued to be more volatile than power.

Key drivers

UK fundamentals – March brought a notable improvement in UK weather. Most days saw gas utilisation fall as temperatures remained between 1–4°C above the mean, despite occasional deviations. Renewable generation also saw gains, particularly in the latter half of March, as higher wind speeds drove wind power to regularly support 50–60%+ of UK power demand on given days.

Russia/Ukraine conflict – We did see substantial developments in the first half of the month, with Trump mediating a ceasefire deal and applying pressure to both to get a deal. Positive market sentiment, along with a partial ceasefire in the Black Sea (key shipping route) arose from the situation, which helped stabilise markets in the short term. An energy facility ceasefire was also put in place – but was quickly violated by Ukraine upon further drone strikes.

Liquefied natural gas (LNG) – LNG supply to the UK and Europe remained strong throughout the quarter, significantly outpacing last year's levels. In January, LNG imports increased by 115% when compared to 2024, and a 100%+ increase was seen for February. March followed the same trajectory, with almost 90 cargoes arriving in Europe.

Commodity overview

*Note that the profiled rate differs to the wholesale market rate, taking into account estimated consumption of Zenergi customers.

Commodity	Unit	Price – 01/03/25	Price – 31/03/25	% Change
Gas (12-Month profiled*)	p/therm	108.37	102.09	-5.79%
Power (12-Month profiled*)	£/MWh	89.85	89.94	-4.35%
Brent Oil	\$/bbl	74.75	73.20	-2.07%
Coal	\$/tonne	111.85	101.80	-8.99%
Carbon	£/tonne	45.05	42.85	-4.88%

Gas prices decreased by:

6.00%

Power prices decreased by:

4.42%



March proved to be a particularly interesting month to close the quarter, marked by significant market fluctuations in both directions.

Wholesale market graphs



Graph 1 – Wholesale electricity cost (based on 12-month profiled data)



Graph 2 – Wholesale gas cost (based on 12-month profiled data)



Recommendation

Given the increasingly volatile nature of gas and power markets throughout 2025, we encourage our customers to consider their contracting options and speak with our team to get the best advice on what is available.

Transparency and information are key to accessing the best value from Zenergi's services.

We also continue to see increasing value in our flexible product offerings, enabling us to analyse and assist customers through decision making and achieving cost savings whilst maintaining a strong risk-based approach.

Callum Taylor
Energy Market Analyst
Zenergi

About the Market Watch team

Whether you are looking for a fixed price contract and want to ensure you are buying at the right time, or are embarking on a more flexible arrangement, our team are here to support you.

We are energy industry experts dedicated to continuously monitoring market conditions on your behalf. We play a crucial role in delivering valuable insights and empowering you to make well-informed decisions. With a deep understanding of your needs and risk appetites, we tailor our approach to suit your requirements.



Daily market insights straight to your inbox

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Powering a sustainable future

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About Zenergi

Zenergi supports and empowers organisations' journey to net zero. With a unique range of services, we tailor sustainable solutions for our customers. What sets us apart? We drive major reductions in costs, energy consumption and carbon emissions with our market-leading procurement service; informed advice, and unrivalled engineering expertise.

Let us simplify and accelerate your journey to a more sustainable future, we're here to guide you every step of the way.

Find out more

For more information about Zenergi's Social Value strategy, visit www.zenergi.co.uk/social-value

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