

April Market Report

12 May 2025



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

ENERGY MARKET WATCH



Market analysis

April 2025

Commentary

April brought a period of relative calm to the energy markets and presented multiple opportunities for buying amid a broadly bearish trend in gas and power prices. Notably, gas saw some of the largest decreases of the year so far. Bullish factors – such as EU gas storage concerns, geopolitical tensions and tariff uncertainty persisted – but these factors were largely outweighed by strong UK fundamentals and a rise in gas re-exports from Asia (mainly China).

Key drivers

UK temperatures – April has seen more upwards adjustments to weather fundamentals, which supported downward pressure on prices. The final week saw the largest deviation from the mean across the month, as temperatures soared to around 5 degrees above the mean daily average at its peak. This led to reduced gas consumption for heating and a drop in UK power demand.

UK power generation mix – Solar generation surged throughout most of April, building on the favourable weather conditions. At its peak, solar accounted for up to 75% of all renewable output which more than offset the moderate reductions in wind speeds throughout the month. This shift reduced reliance on gas-fired power, contributing to lower wholesale energy prices across the current summer period. The increased share of renewables in the generation mix, combined with reduced market demand, drove substantial declines in day-ahead prices for both gas and power delivering the most competitive forward rates of the year so far, despite persistent risk premiums linked to EU storage concerns and tariff uncertainty.

General sentiment shift – During April we saw the market sentiment shift into a more positive direction. UK fundamentals have been consistently adequate and supportive. Adding to this, we have seen linked commodity costs like oil fall in price (to below \$60/bbl) on the back of OPEC+ hikes, which could have spurred further reductions in linked commodities due to their moderate correlation with oil.

Commodity overview

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

Commodity	Unit	Price – 01/04/25	Price – 30/04/25	% Change
Gas (12-Month profiled*)	p/therm	102.40	84.41	-17.57%
Power (12-Month profiled*)	£/MWh	85.42	76.47	-10.48%
Brent Oil	\$/bbl	74.75	64.25	-14.05%
Coal	\$/tonne	111.85	105.15	-5.99%
Carbon	£/tonne	45.05	47.60	+5.66%

Gas prices decreased by:

19.20%

Power prices decreased by:

9.70%



April brought a period of relative calm with a broadly bearish trend in gas and power prices. Notably, gas saw some of the largest decreases of the year so far.

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

We are seeing some of the best rates in the past 12 months and, in many cases, the past three years. However, both historical modelling and developing bullish fundamentals suggest potential volatility ahead. We strongly advise our flexible customers to review their current hedge positions to ensure they align with their budget objectives, rather than attempting to time the market's bottom.

Despite the recent positive movements, risks remain. If you are renewing a fixed rate, reach out to one of the team to ensure budget security further out.

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

A decorative orange line graphic that starts as a vertical line on the left, then turns 90 degrees clockwise to become a horizontal line. A small orange circle with a right-pointing arrow is positioned on the horizontal segment, just before the text area.

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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