

June Market Report

14 July 2025



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

ENERGY MARKET WATCH



Market analysis

June 2025

Commentary

A volatile month, with several directional shifts for both gas and power – some representing the largest movements since the announcement of the Russia-Ukraine ceasefire. The UK, Western (and NW) Europe have seen relatively firm fundamentals which helped mitigate more extreme price spikes. Overall, the net difference between opening and closing rates for June was minimal.

Key drivers

Middle East conflict – The escalation of political change in the Middle East, triggered sharp increases in global gas and power prices. Concerns surrounding the Strait of Hormuz and its potential closure heightened traders fears of major supply disruptions. However, the brokering of a ceasefire between Iran and Israel by the United States reversed market sentiment, risk premiums were rapidly unwound, and prices returned to levels broadly similar to before the conflict.

European fundamentals – Most of Europe faced warm temperatures, peaking at around 10 degrees above the norm for June in certain countries. France and Germany faced significant supply-side strain. In France, nuclear facilities struggled to operate at normal flows (accompanied by signs of stress corrosion at a key EDF facility). Meanwhile Germany's rising risk of droughts led to lower water levels in the Rhine, restricting cargo routes into and out of the country. Strong wind and solar output assisted in curtailing some of the upwards pressure.

Oil volatility – The first half of the month presented uncertainty, with markets spiking to around \$80/bbl – a stark difference from the mid-to-high \$60's we saw during May. Despite this sharp increase, the ceasefire brought market rates back down to more comfortable levels. Additionally, OPEC+ announced that another supply hike was likely to go forward for August, which would see 411,000bpd enter Global Markets, providing more bearish support.

Commodity overview

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

Commodity	Unit	Price – 01/06/25	Price – 30/06/25	% Change
Gas (12-Month profiled*)	p/therm	89.13	90.50	+1.54%
Power (12-Month profiled*)	£/MWh	78.98	78.94	-0.05%
Brent Oil	\$/bbl	64.63	67.77	+4.86%
Coal	\$/tonne	103.21	110.82	+7.37%
Carbon	£/tonne	50.11	48.12	-3.97%

Gas prices rose by:

1.29%

Power prices fell by:

0.33%



Despite June being turbulent in energy markets, driven by the Middle East conflict and extreme weather, power and gas front year average prices have remained similar at the open/close of the month."

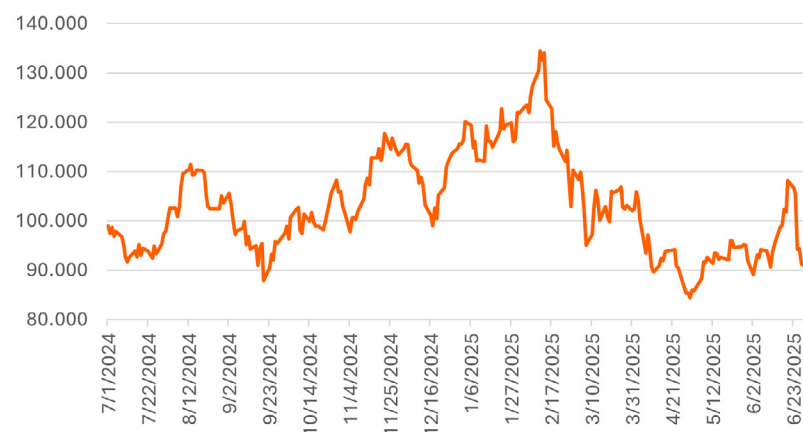
Wholesale market graphs



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



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



Recommendation

The markets into early July are appearing favourable from a pricing perspective for both fixed and flexible offerings. However, we are still urging our customers to adhere to a more risk-averse approach than in usual years (whether that means extending now for fixed customers or reducing price exposure for flexible customers).

The Global dynamic, as evidenced over June, can flip at any time, and you need to be prepared optimally in the event of large increases, due to the volatile nature of the markets through 2025.

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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

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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