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Crude oil prices started this week as they ended the last, with June-dated contracts on global crude price Brent and US benchmark WTI yesterday gaining 7.1% and 8.1%, respectively, to close at USD 34.81/barrel and USD 31.82/barrel. WTI had not settled above USD 30/barrel since 15 March, since when it was plunged into negative territory upon expiration of the May-dated contract. June WTI expires tonight, but chances of a repeat sub-zero price event are seen as slim considering the ongoing price recovery.

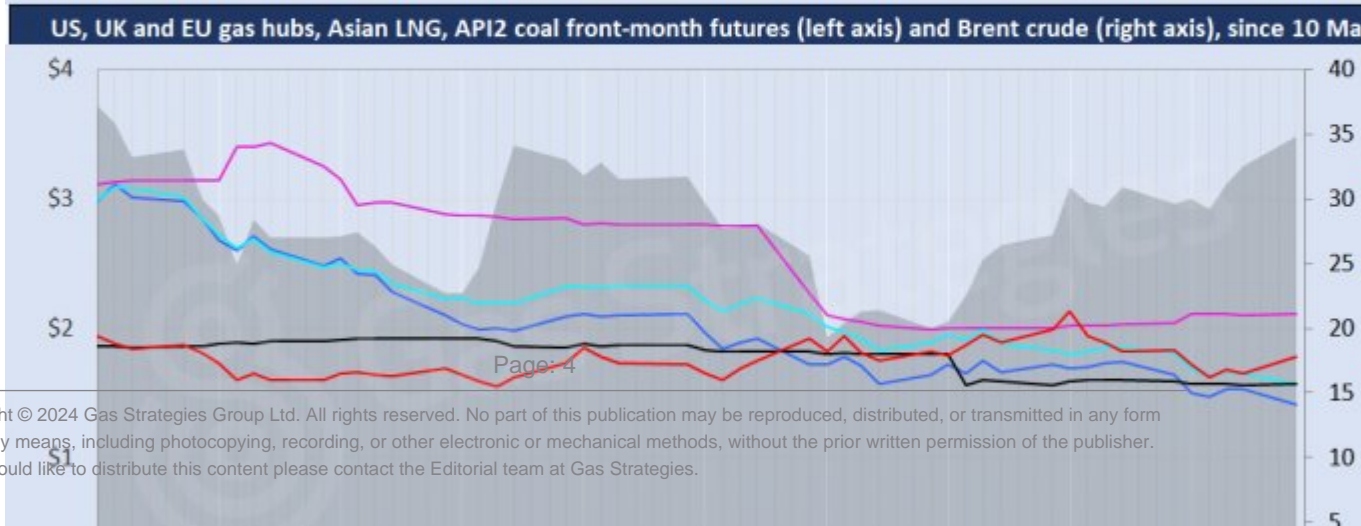
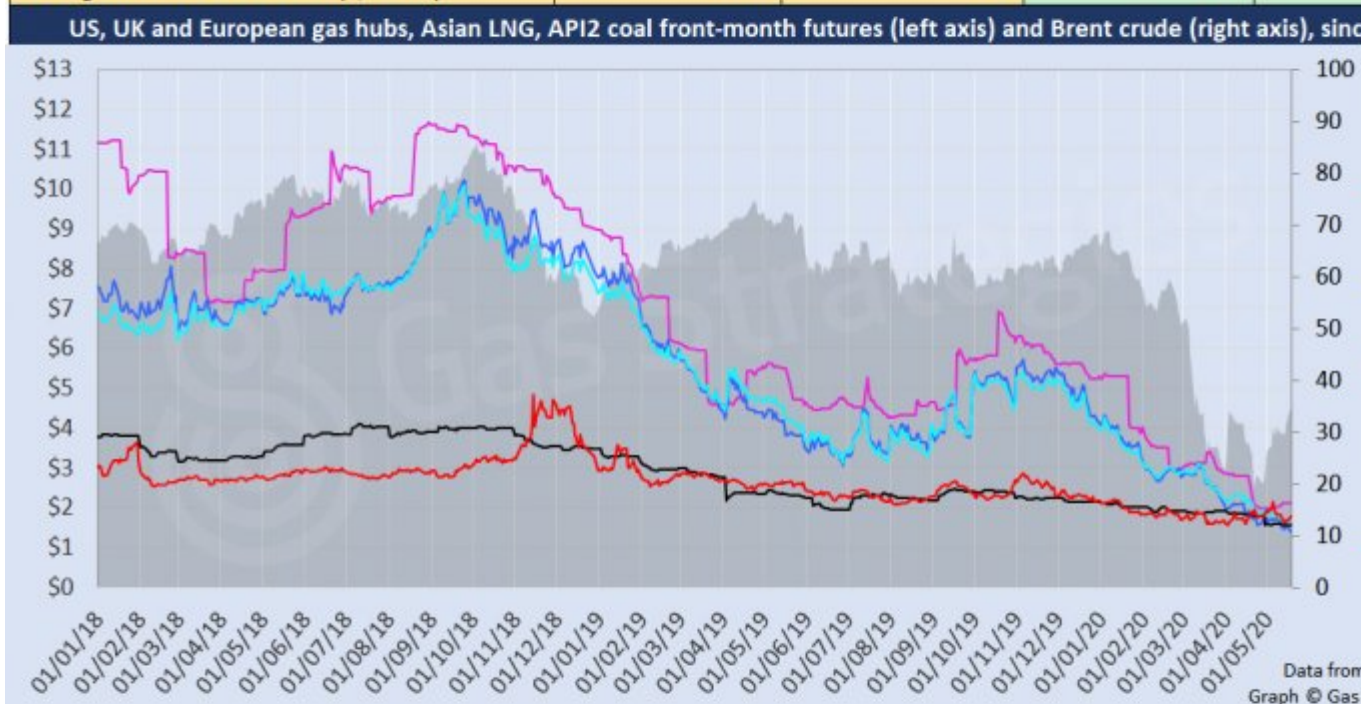
US natural gas price Henry Hub rallied 8.3% on Monday, settling at USD 1.78/MMBtu on declining production of associated gas from oil wells that are being shut-in due to low crude prices.

This rise, combined with significant falls in European hubs NBP and TTF, again flipped the Henry Hub spread to Dutch TTF back into negative territory and widened the premium for US molecules against UK NBP, which is further complicating the economics of US LNG exports [1].

CME's JKM futures were virtually unchanged, at USD 2.11/MMBtu. The European carbon price rose 6.1% in yesterday's session to EUR 20.26/tonne, its first foray above EUR 20/tonne since 29 April.

Front-month futures and indexes at last close with day-on-day changes (click to enlarge):

Front-month futures/index	18/05/2020	15/05/2020	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	1.78	1.65	0.14	
NBP (\$/MMBtu)	1.41	1.53	-0.12	
NBP (£p/th)	11.53	12.59	-1.06	
Henry Hub-NBP spread	-0.38	-0.12	-0.26	
TTF (\$/MMBtu)	1.57	1.65	-0.08	
TTF (€/MWh)	4.92	5.22	-0.30	
Henry Hub-TTF spread	-0.21	0.01	-0.22	
JKM (\$/MMBtu)	2.11	2.11	0.00	
TTF-JKM spread	0.53	0.45	0.08	
Henry Hub-JKM spread	0.32	0.46	-0.14	
Brent (\$/barrel)	34.81	32.50	2.31	
WTI (\$/barrel)	31.82	29.43	2.39	
Brent-WTI spread (\$/barrel)	2.99	3.07	-0.08	
API2 Coal (\$/tonne)	39.20	39.00	0.20	
API2 Coal (\$/MMBtu)	1.57	1.56	0.01	
EU CO ₂ emissions allowances (€/tonne)	20.26	19.09	1.17	



[2]

Time references based on London GMT. Brent, WTI, NBP, TTF and EU CO2 data from ICE. Henry Hub, JKM and API2 data from CME. Prices in USD/MMBtu based on exchange rates at last market close. All monetary values rounded to nearest whole cent/penny. Text and graphic copyright © Gas Strategies, all rights reserved.



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