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Crude oil prices continued their recovery yesterday, as July-dated contracts on Brent and WTI gained around 3% on Wednesday to close at USD 35.75/barrel and USD 33.49/barrel, respectively. Most notably, the contango from front month WTI to August and September contracts is now less than a dollar, indicating the heavy premium placed upon storage capacity at Cushing has evaporated as demand returns and supply decreases.

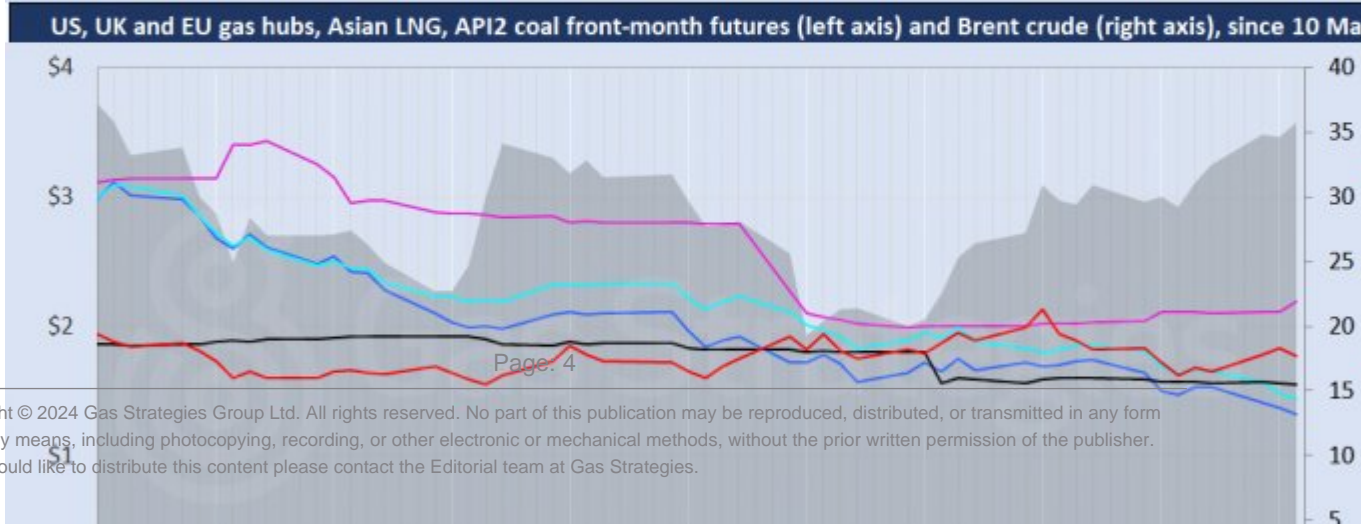
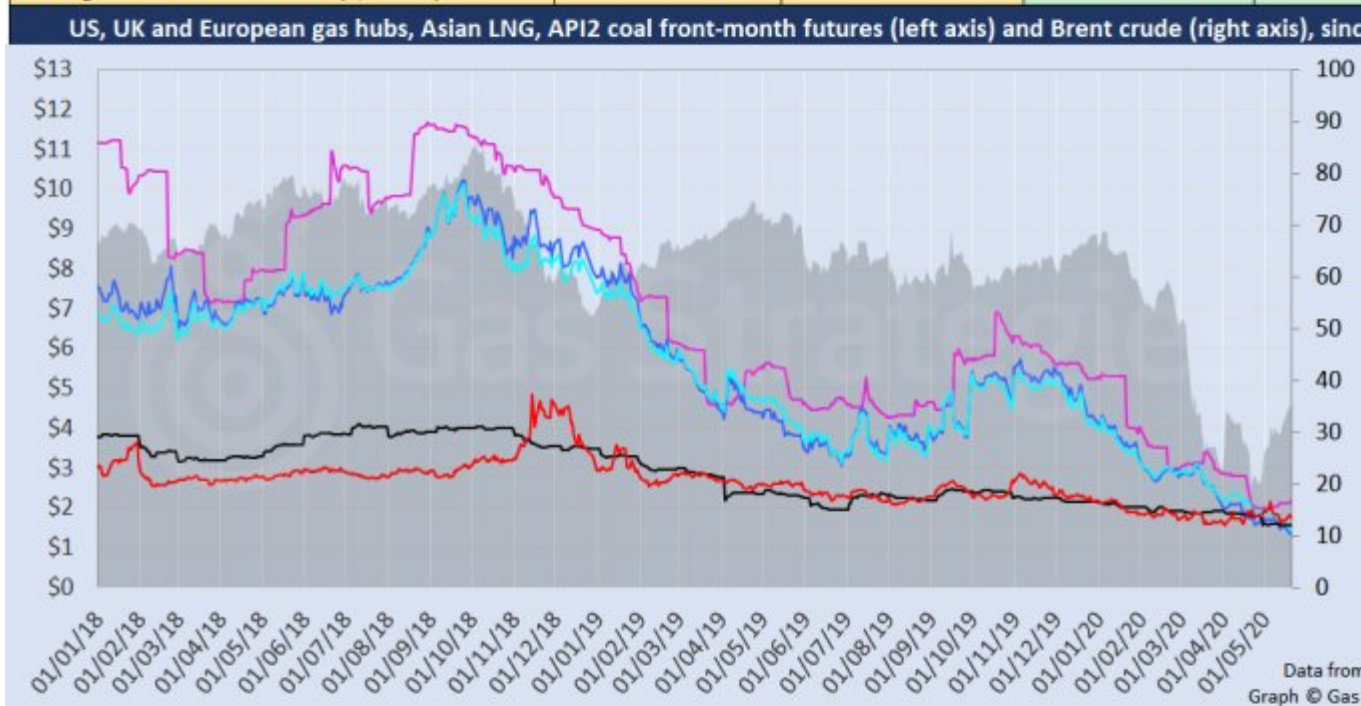
US natural gas price Henry Hub fell in tandem with European benchmarks NBP and TTF on Wednesday, with all three losing around 3% - leaving the 'American premium' over European molecules practically unchanged. Henry Hub closed at USD 1.77/MMBtu, representing a premium of USD 0.45/MMBtu over UK NBP and USD 0.34/MMBtu over Dutch TTF.

CME's front month JKM futures yesterday contract rolled over into July. The July contract yesterday fell USD 0.20/MMBtu to USD 2.20/MMBtu, although this price represents a 4.2% premium on the final closing price of the expiring June-dated contract.

Elsewhere, the European carbon price popped 6.5% to hit EUR 21.19/tonne, its highest price since 20 April 2020.

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

Front-month futures/index	20/05/2020	19/05/2020	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	1.77	1.83	-0.06	
NBP (\$/MMBtu)	1.32	1.37	-0.05	
NBP (£p/th)	10.78	11.17	-0.39	
Henry Hub-NBP spread	-0.45	-0.46	0.01	
TTF (\$/MMBtu)	1.44	1.48	-0.04	
TTF (€/MWh)	4.46	4.61	-0.15	
Henry Hub-TTF spread	-0.34	-0.35	0.02	
JKM (\$/MMBtu)	2.20	2.11	0.09	
TTF-JKM spread	0.76	0.63	0.13	
Henry Hub-JKM spread	0.42	0.28	0.15	
Brent (\$/barrel)	35.75	34.65	1.10	
WTI (\$/barrel)	33.49	32.50	0.99	
Brent-WTI spread (\$/barrel)	2.26	2.15	0.11	
API2 Coal (\$/tonne)	38.75	38.90	-0.15	
API2 Coal (\$/MMBtu)	1.55	1.56	-0.01	
EU CO ₂ emissions allowances (€/tonne)	21.19	19.90	1.29	



[1]

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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