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### **Gas Strategies Group**

10 Saint Bride Street  
London UK  
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900  
W: [www.gasstrategies.com](http://www.gasstrategies.com)  
Twitter @GSInfoServices



### **Editorials**

+44(0) 20 7332 9957  
[editor@gasstrategies.com](mailto:editor@gasstrategies.com)

### **Subscriptions**

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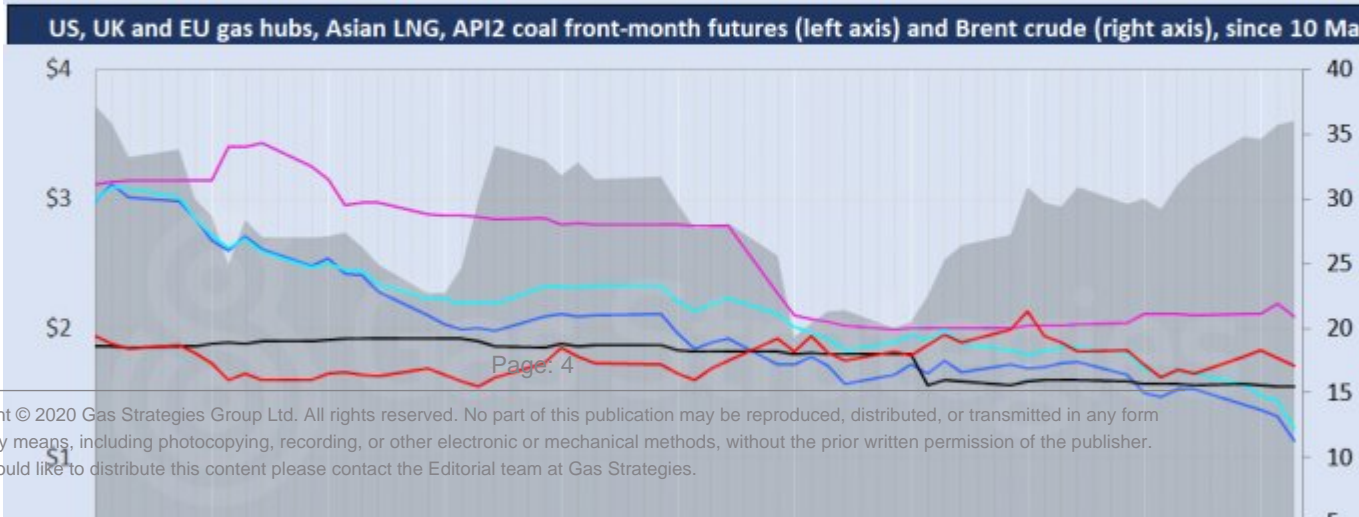
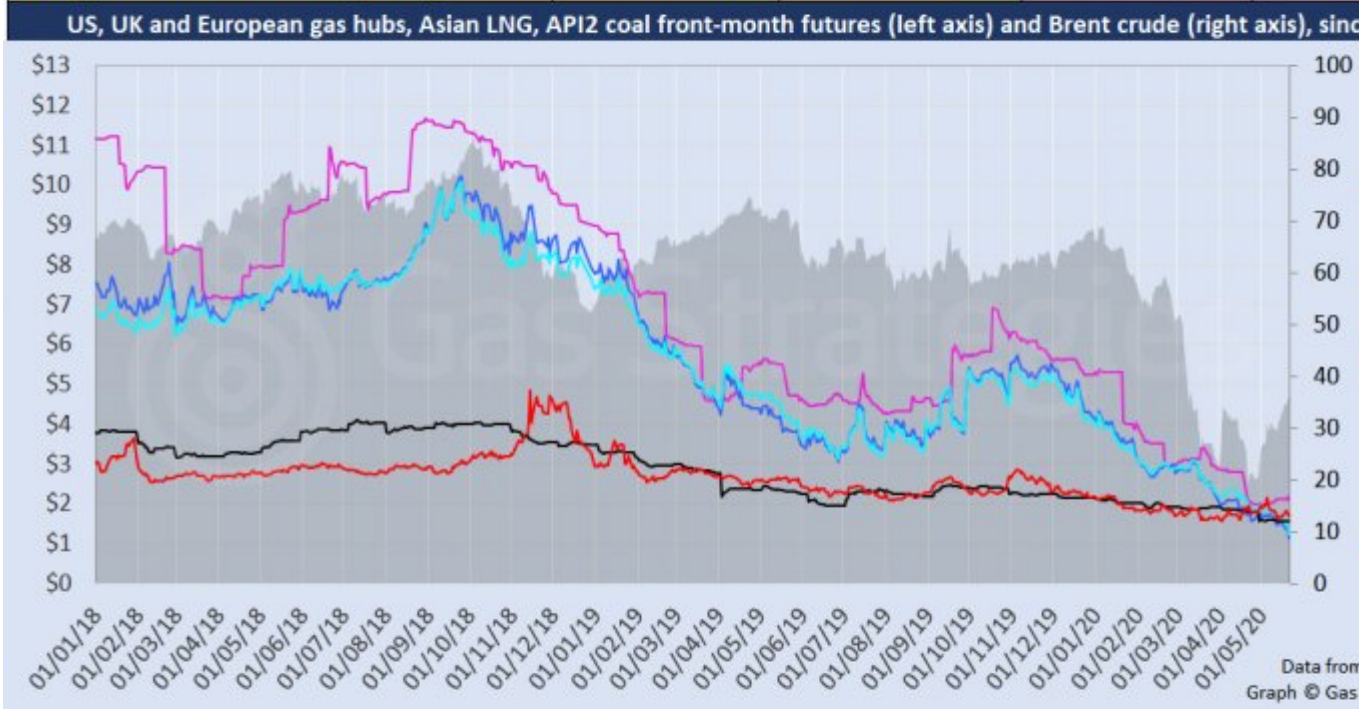
**UK and European wholesale gas prices collapsed on Thursday on lower demand fears.** June-dated contracts on UK NBP and Dutch TTF both lost 14% to settle at the equivalent of USD 1.13/MMBtu and USD 1.23/MMBtu, respectively, plunging them further into record-low territory. Lower gas demand sentiment was fuelled by forecasts of stronger wind power generation and warmer weather across the UK and western Europe, which overshadowed potential support from reports of rising US LNG cargo cancellations.

Markedly lower European gas prices widened the 'American premium' for natural gas, as US benchmark Henry Hub fell less sharply by 3.4% to close at USD 1.71/MMBtu on Thursday. The NBP discount on Henry Hub is now USD 0.58/MMBtu, equivalent to one third of the US gas price and 51% of NBP.

The crude oil price recovery slowed yesterday, as July-dated contracts on Brent and WTI gained 0.9% and 1.3% on Thursday to close at USD 36.06/barrel and USD 33.92/barrel, respectively. This saw both hit new 10-week highs.

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

Front-month futures/index	21/05/2020	20/05/2020	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	1.71	1.77	-0.06	
NBP (\$/MMBtu)	1.13	1.32	-0.19	
NBP (£p/th)	9.27	10.78	-1.51	
Henry Hub-NBP spread	-0.58	-0.45	-0.13	
TTF (\$/MMBtu)	1.23	1.44	-0.21	
TTF (€/MWh)	3.82	4.46	-0.64	
Henry Hub-TTF spread	-0.48	-0.34	-0.15	
JKM (\$/MMBtu)	2.10	2.20	-0.10	
TTF-JKM spread	0.87	0.76	0.11	
Henry Hub-JKM spread	0.39	0.42	-0.04	
Brent (\$/barrel)	36.06	35.75	0.31	
WTI (\$/barrel)	33.92	33.49	0.43	
Brent-WTI spread (\$/barrel)	2.14	2.26	-0.12	
API2 Coal (\$/tonne)	38.75	38.75	0.00	
API2 Coal (\$/MMBtu)	1.55	1.55	0.00	
EU CO <sub>2</sub> emissions allowances (€/tonne)	21.12	21.19	-0.07	



[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.*

**Consulting**

+44 (0) 20 7332 9900  
[consult@gasstrategies.com](mailto:consult@gasstrategies.com)

**Alphatania Training**

+44 (0) 20 7332 9910  
[training@gasstrategies.com](mailto:training@gasstrategies.com)

**Information Services**

+44 (0) 20 7332 9976  
[subscriptions@gasstrategies.com](mailto:subscriptions@gasstrategies.com)