

25 April 2024

## Contents

Pricewatch | 1 Jun 2020 | Gas Matters Today  
Publication date: 01 June 2020

### **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 @GasStrategies

### **Editorials**

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

### **Subscriptions**

+44(0) 20 7332 9976  
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# Pricewatch | 1 Jun 2020 | Gas Matters Today

**The price of US crude rose above the global benchmark on Friday for the first time since 2015.**

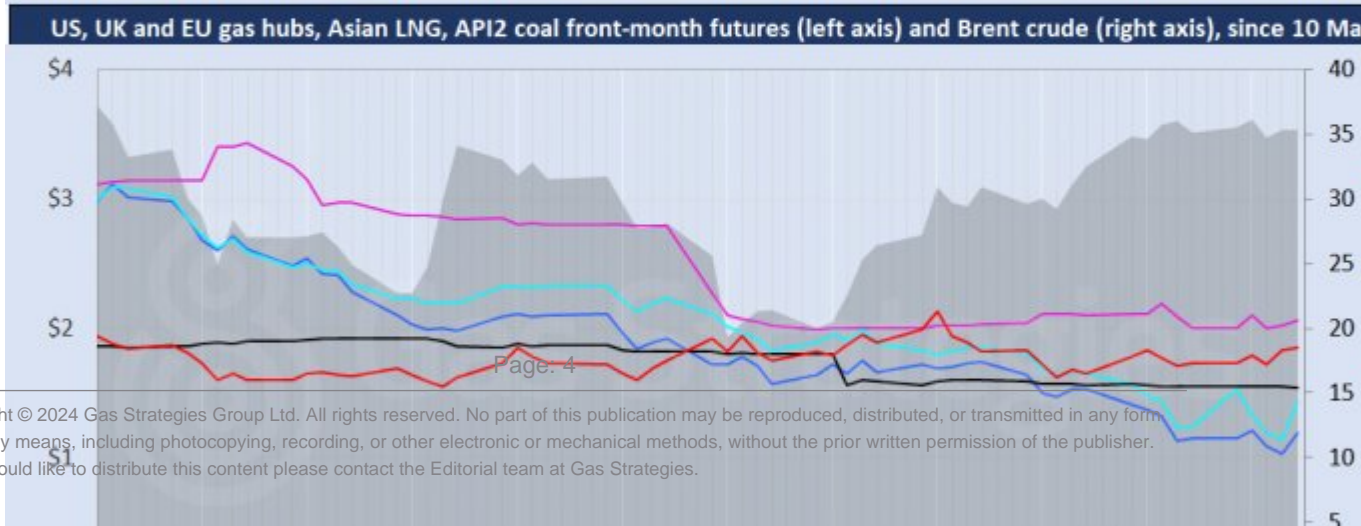
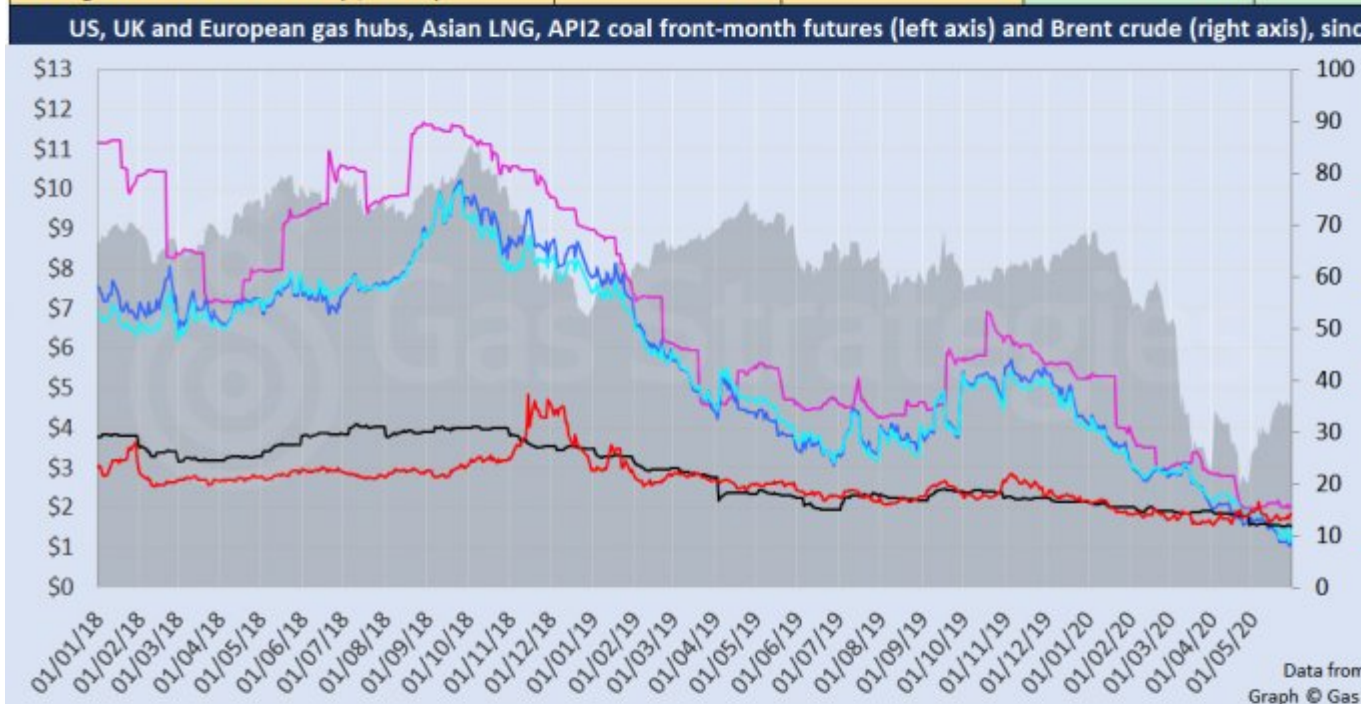
July-dated WTI rose 5.3% to close at USD 35.49/barrel, USD 0.16/barrel above the closing price of Brent, which was virtually unchanged in the session. WTI last settled above Brent in December 2015, which marked the end of a prolonged period of the Texas oil price trading at a discount to the global benchmark that lasted most of the early 2010s.

WTI began trading at a slight discount to Brent in 2009, at the end of several years of declines in North Sea oil production and at the beginning of what would later become known as the US 'shale revolution'. The WTI discount to Brent widened significantly in 2011, as the US-UK production divergence accelerated. Friday's flip of the spread does not seem likely to last, as prompt Brent – which today rolls over into August – was trading at around USD 37/barrel on Monday.

On Friday, the front month contract on UK NBP and Dutch TTF hubs both rolled over into July. The July-dated contract on both hubs rose by around 9-10%, closing at the equivalent of USD 1.19/MMBtu and USD 1.43/MMBtu, respectively. These prices represent premia of 15% and 25% on the final closing prices of the expiring June-dated NBP and TTF contracts, which narrowed the 'American premium' for natural gas over European hubs.

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

Front-month futures/index	29/05/2020	28/05/2020	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	1.85	1.83	0.02	
NBP (\$/MMBtu)	1.19	1.03	0.16	
NBP (£p/th)	9.63	8.34	1.29	
Henry Hub-NBP spread	-0.66	-0.80	0.14	
TTF (\$/MMBtu)	1.43	1.14	0.29	
TTF (€/MWh)	4.39	3.51	0.88	
Henry Hub-TTF spread	-0.42	-0.69	0.27	
JKM (\$/MMBtu)	2.07	2.02	0.04	
TTF-JKM spread	0.64	0.88	-0.24	
Henry Hub-JKM spread	0.22	0.19	0.02	
Brent (\$/barrel)	35.33	35.29	0.04	
WTI (\$/barrel)	35.49	33.71	1.78	
Brent-WTI spread (\$/barrel)	-0.16	1.58	-1.74	
API2 Coal (\$/tonne)	38.60	38.70	-0.10	
API2 Coal (\$/MMBtu)	1.54	1.55	0.00	
EU CO <sub>2</sub> emissions allowances (€/tonne)	21.33	21.19	0.14	



[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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### **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)



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