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[1]

UK and continental European gas hubs continued their resurgence on Monday, as the front-month contract on UK NBP gained another 16.3% to hit USD 2.37/MMBtu and Dutch TTF rose 12.9% to USD 2.34/MMBtu. This marks a four-month high for the UK wholesale price, and a three-month high for its continental equivalent. September-dated NBP and TTF have risen by 35% and 30% in the last two consecutive trading sessions.

Friday's European gas surge left Henry Hub for dust, but this time the US Gulf coast benchmark joined them by soaring 16.8% to USD 2.10/MMBtu, marking the first time it has breached USD 2 since 5 May 2020. CME's JKM futures also rose by 4.9% to USD 2.69/MMBtu.

With gas prices rising in tandem, the spread between the US Gulf coast and north-west European hubs remained relatively stable. But surging NBP, TTF and Henry Hub all narrowed the gap against CME's JKM futures, an indicator of the Asian LNG spot price.

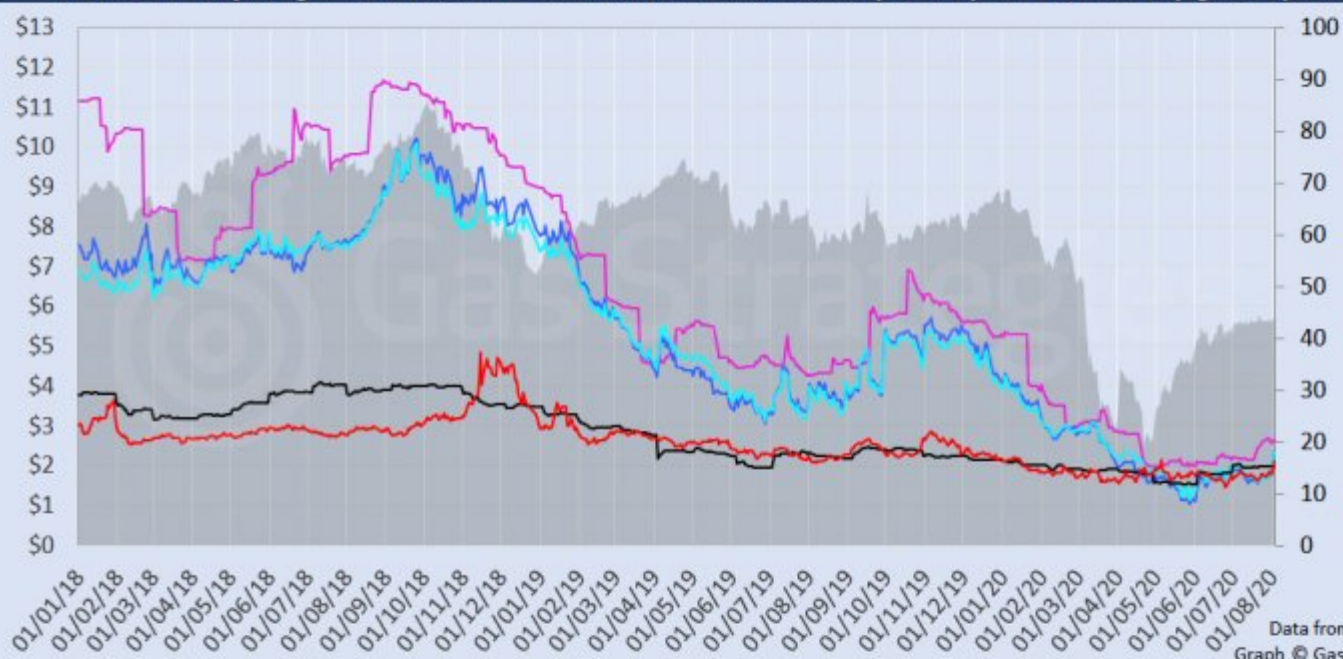
Crude oil prices continued their slow grind higher on Monday, as Brent and US benchmark WTI rose around 2% to close at USD 44.15/barrel and USD 41.01/barrel, respectively, despite opening the session down slightly on Friday's close. Oil prices again appeared to be softening slightly on Tuesday, as both Brent and WTI were down by less than 1% in intra-day trades – but these might again be reversed.

The European carbon price softened slightly, as the month-ahead futures contract for ETS carbon allowances (EUAs) fell 0.6% to close at EUR 26.06/tonne.

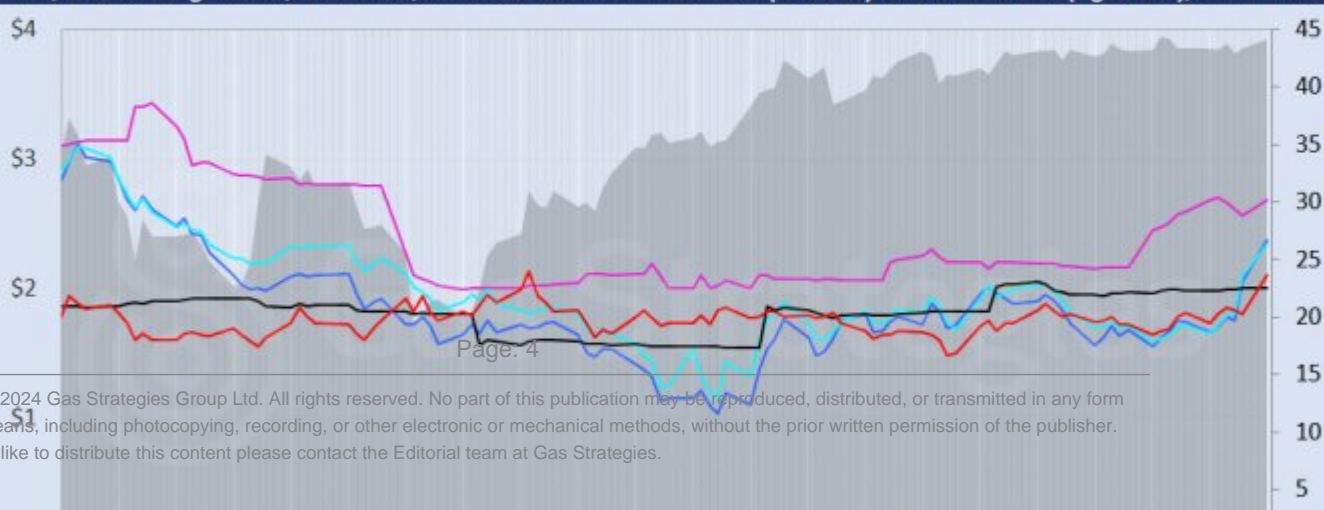
Front-month futures and indexes at last close with day-on-day changes (click to enlarge):

Front-month futures/index	03/08/2020	31/07/2020	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.10	1.80	0.30	
NBP (\$/MMBtu)	2.37	2.05	0.32	
NBP (£p/th)	18.19	15.64	2.55	
Henry Hub-NBP spread	0.27	0.25	0.02	
TTF (\$/MMBtu)	2.34	2.09	0.26	
TTF (€/MWh)	6.80	6.02	0.78	
Henry Hub-TTF spread	0.24	0.29	-0.05	
JKM (\$/MMBtu)	2.69	2.56	0.13	
TTF-JKM spread	0.34	0.47	-0.13	
Henry Hub-JKM spread	0.58	0.76	-0.18	
Brent (\$/barrel)	44.15	43.30	0.85	
WTI (\$/barrel)	41.01	40.27	0.74	
Brent-WTI spread (\$/barrel)	3.14	3.03	0.11	
API2 Coal (\$/tonne)	49.91	49.90	0.01	
API2 Coal (\$/MMBtu)	2.00	2.00	0.00	
EU CO ₂ emissions allowances (€/tonne)	26.06	26.22	-0.16	

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 9 Mar



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 9 Mar



[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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