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[1]

Oil prices nosedived on Friday amid a deteriorating macroeconomic environment and ongoing doubts around crude demand recovery. Brent fell 3.2% to settle at USD 42.66/barrel – its lowest closing price since 9 July 2020. US benchmark WTI fell 3.9% to USD 39.77/barrel, its first foray below USD 40 since 30 July 2020.

US natural gas benchmark Henry Hub leapt 4.2% to close at USD 2.59/MMBtu on hopes of a resumption in exports from US Gulf Coast LNG facilities in the wake of Hurricane Laura. Some major liquefaction plants have struggled to return to service due to challenges re-establishing power supplies, but feed gas volumes being delivered to Sabine Pass resumed on Friday.

The anticipated uptick in US LNG flows weighed on the Asian LNG price, with CME's October JKM futures contract losing 2.6% to settle at USD 4.23/MMBtu. European gas hubs diverged slightly, with Dutch TTF losing 0.4% and NBP gaining 0.4%. Both are still above USD 4/MMBtu.

The European carbon price failed to hold onto recent gains, with the month-ahead futures contract for ETS carbon allowances (EUAs) losing 4.8% to hit EUR 27.34/tonne – a two-week low.

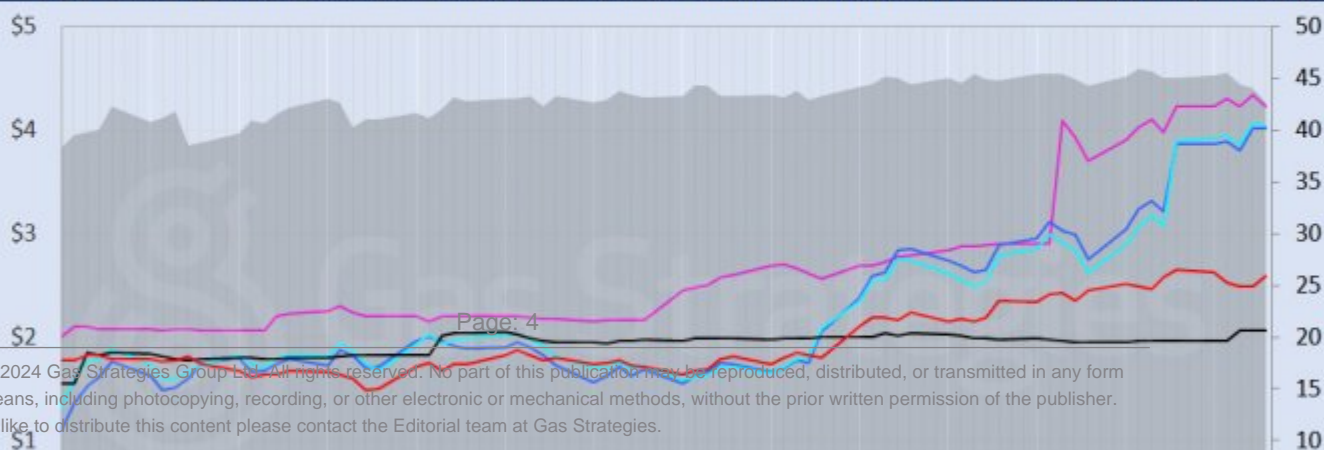
Front-month futures and indexes at last close with day-on-day changes (click to enlarge):

Front-month futures/index	04/09/2020	03/09/2020	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.59	2.49	0.10	
NBP (\$/MMBtu)	4.01	4.02	-0.01	
NBP (£p/th)	30.31	30.19	0.12	
Henry Hub-NBP spread	1.42	1.53	-0.11	
TTF (\$/MMBtu)	4.05	4.07	-0.02	
TTF (€/MWh)	11.68	11.73	-0.05	
Henry Hub-TTF spread	1.46	1.58	-0.13	
JKM (\$/MMBtu)	4.23	4.34	-0.12	
TTF-JKM spread	0.18	0.27	-0.09	
Henry Hub-JKM spread	1.64	1.85	-0.22	
Brent (\$/barrel)	42.66	44.07	-1.41	
WTI (\$/barrel)	39.77	41.37	-1.60	
Brent-WTI spread (\$/barrel)	2.89	2.70	0.19	
API2 Coal (\$/tonne)	51.50	51.60	-0.10	
API2 Coal (\$/MMBtu)	2.06	2.06	0.00	
EU CO ₂ emissions allowances (€/tonne)	27.34	28.72	-1.38	

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1 Jan 2018



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1 Jun 2020



[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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