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Contents

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[1]

Crude oil prices tumbled to a heavy weekly loss on Friday amid weak macroeconomic signals and indications of fresh lockdown measures due to rising worldwide Covid-19 infections – including that of US president Donald Trump, who was briefly hospitalised over the weekend after announcing early on Friday that he had tested positive for the virus.

The news roiled markets and injected fresh uncertainty into the presidential race ahead of November's election. Brent fell 4.1% in the session and WTI lost 4.3% to close at, respectively, USD 39.27/barrel and USD 37.05/barrel. Brent closed the week down 7.5%, having slipped in each of the five trading sessions.

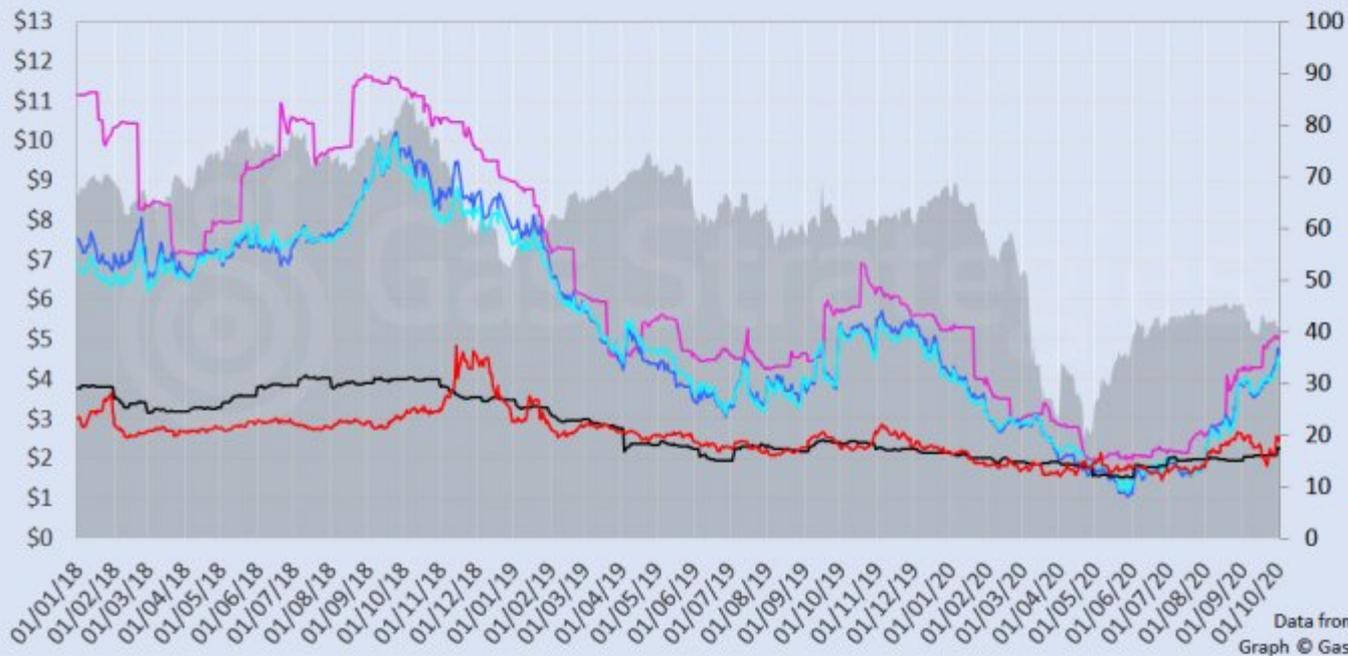
US gas benchmark Henry Hub also fell hard on Friday, with the front month contract losing 3.5% to close at USD 2.44/MMBtu. This outpaced losses on European hubs NBP and TTF, which fell 1% and 1.3% to close at the equivalent of USD 4.69/MMBtu and USD 4.47/MMBtu, respectively. CME's November-dated JKM futures contract fell 0.2% to USD 5.03/MMBtu.

The European carbon price nosed ahead in the session, as month-ahead ETS allowance (EUA) futures gained 2% to close at EUR 27.01/tonne.

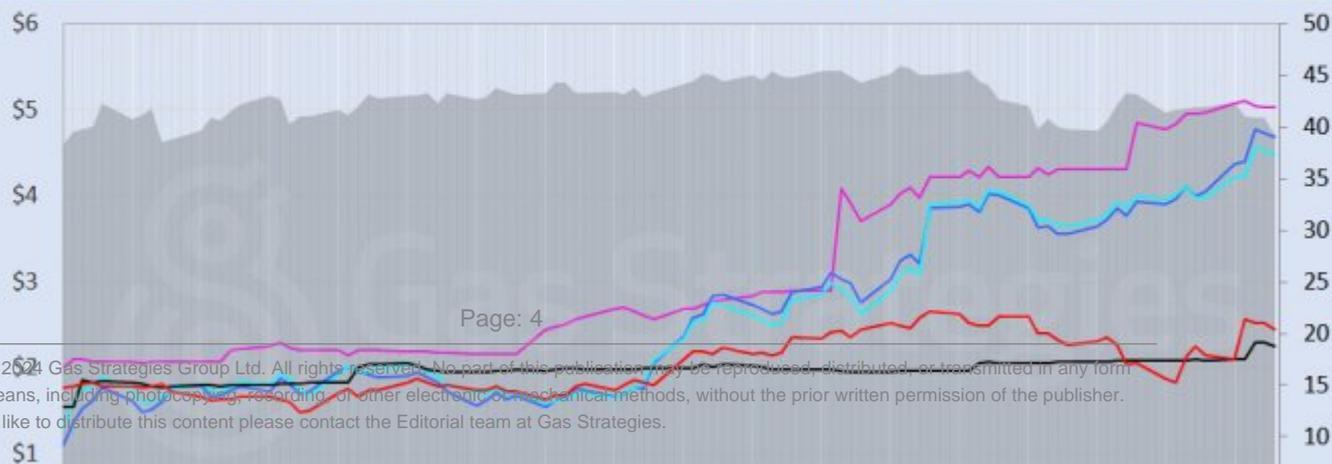
Front-month futures and indexes at last close with day-on-day changes (click to enlarge):

Front-month futures/index	02/10/2020	01/10/2020	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.44	2.53	-0.09	
NBP (\$/MMBtu)	4.69	4.73	-0.05	
NBP (£p/th)	36.25	36.71	-0.46	
Henry Hub-NBP spread	2.25	2.21	0.04	
TTF (\$/MMBtu)	4.47	4.54	-0.07	
TTF (€/MWh)	13.03	13.18	-0.15	
Henry Hub-TTF spread	2.03	2.01	0.02	
JKM (\$/MMBtu)	5.03	5.04	-0.01	
TTF-JKM spread	0.56	0.50	0.06	
Henry Hub-JKM spread	2.59	2.51	0.08	
Brent (\$/barrel)	39.27	40.93	-1.66	
WTI (\$/barrel)	37.05	38.72	-1.67	
Brent-WTI spread (\$/barrel)	2.22	2.21	0.01	
API2 Coal (\$/tonne)	56.40	57.25	-0.85	
API2 Coal (\$/MMBtu)	2.26	2.29	-0.03	
EU CO ₂ emissions allowances (€/tonne)	27.01	26.49	0.52	

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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