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[1]

The front-month Brent crude contract made it nine straight days of gains on Wednesday, marking Brent's longest rally since December 2018 to January 2019. The price rallied by 0.6% to close at USD 61.47/barrel. WTI made it eight days of gains, closing 0.5% higher but remaining in the USD 58/barrel range.

The crude price rally on Wednesday was supported by news from the US Energy Information Administration (EIA), which announced on Tuesday that US crude inventories fell for a third straight week last week to total 469 million barrels – the lowest since March last year.

The European carbon price hit a record high of EUR 39.28/tonne on Wednesday, with the price hitting EUR 40/tonne during trading on Thursday morning. The price has increased by ~18% since the start of the year, with the surge driven by speculative buying interest, as investors bet on a tighter market over the next ten years.

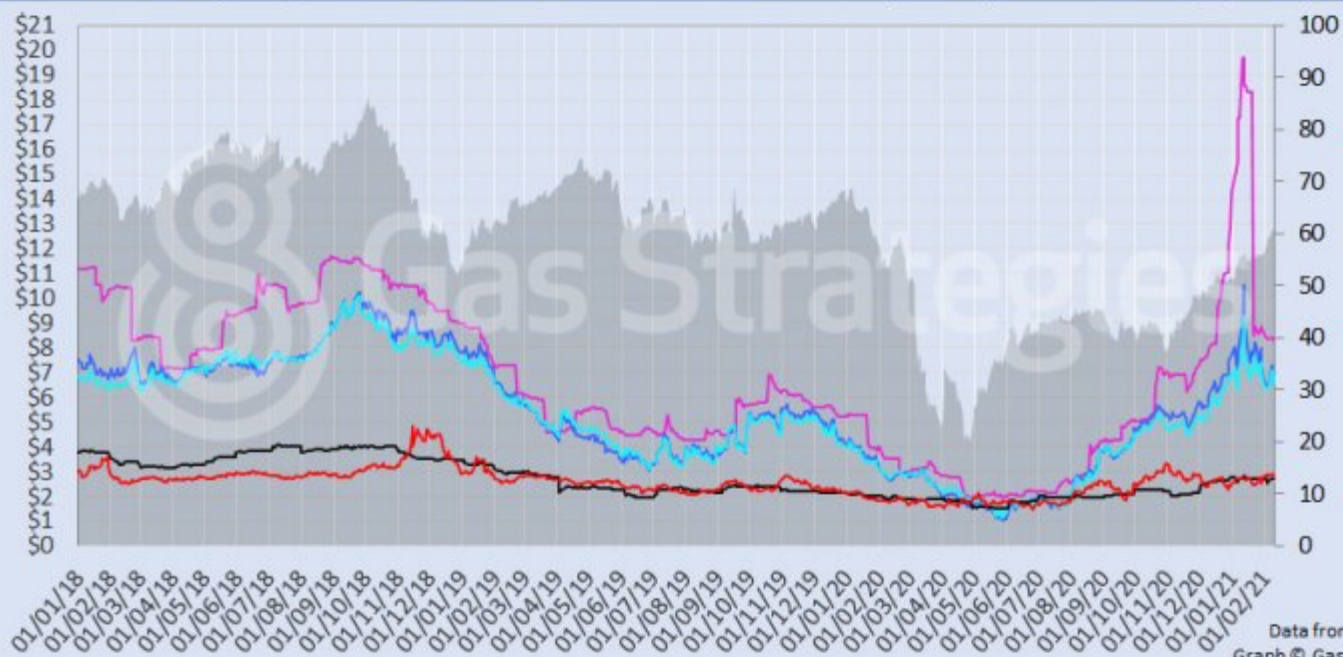
Front-month European gas prices continued to slide amid forecasts of milder weather and ample gas supply. The front-month UK NBP price settled 3.3% lower, and the month-ahead Dutch TTF price slid by 2.3% to settle at the equivalent of USD 6.60/MMBtu. In the US, the front-month Henry Hub price returned to the USD 2.9/MMBtu range after closing 2.7% higher on Wednesday.

CME's JKM futures contract continued to fall, closing 0.3% lower at USD 8.28/MMBtu.

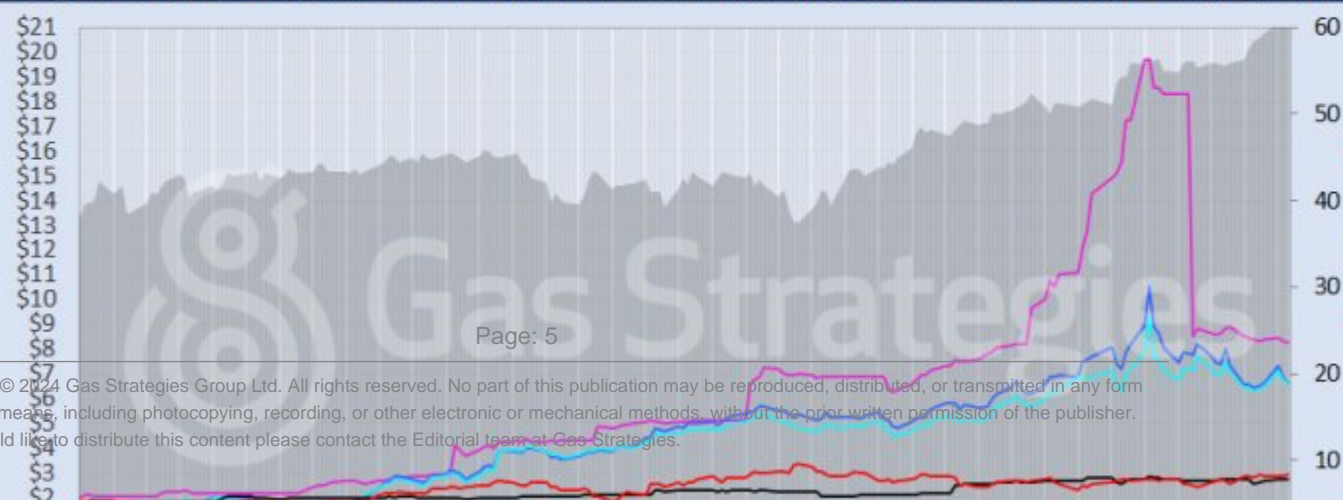
Front-month futures and indexes at last close with day-on-day changes (click to enlarge):

Front-month futures/index	10/02/2021	09/02/2021	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.91	2.84	0.08	
NBP (\$/MMBtu)	6.64	6.86	-0.23	
NBP (£p/th)	47.91	49.73	-1.82	
Henry Hub-NBP spread	3.72	4.03	-0.30	
TTF (\$/MMBtu)	6.60	6.76	-0.16	
TTF (€/MWh)	18.56	19.05	-0.49	
Henry Hub-TTF spread	3.69	3.92	-0.23	
JKM (\$/MMBtu)	8.28	8.31	-0.03	
TTF-JKM spread	1.68	1.55	0.13	
Henry Hub-JKM spread	5.37	5.47	-0.10	
Brent (\$/barrel)	61.47	61.09	0.38	
WTI (\$/barrel)	58.68	58.36	0.32	
Brent-WTI spread (\$/barrel)	2.79	2.73	0.06	
API2 Coal (\$/tonne)	68.05	68.55	-0.50	
API2 Coal (\$/MMBtu)	2.72	2.74	-0.02	
EU CO ₂ emissions allowances (€/tonne)	39.28	38.21	1.07	

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 Jan 2018



[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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