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### **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**

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[1]

Oil prices failed to maintain strong gains seen on Monday, with prices stagnating on Tuesday amid news that US crude inventories increased by 1 million barrels in the week to 19 February, according to the American Petroleum Institute. Analysts polled by Reuters had expected a draw of ~5.2 million barrels last week, with the inventory increase a surprise given large scale production shut-ins across the US Lower 48 last week due to the winter storm.

The front-month WTI price fell by USD 0.03/barrel, remaining in the USD 61/barrel range, with the month-ahead Brent price recording a gain of USD 0.13/barrel, remaining in the USD 65/barrel range.

Oil prices had surged to a 13-month high on Monday amid reports that refineries along the US Gulf coast could take weeks to recover from last week's severe winter storm. API data supported that theory, showing refinery crude runs fell by 2.2 million barrels/d last week. However, several US shale players are suggesting production will rebound quickly, which could lead to supply outpacing demand if refineries are slow to recover from the winter storm.

As for gas, prices in the US and Europe diverged on Tuesday. US benchmark Henry Hub continued to fall, with the front-month price sliding by 2.5% to close in the USD 2.8/MMBtu range for the first time since 9 February.

In Europe, prices rallied on Tuesday amid reports of tighter supplies in the coming weeks. The month-ahead UK NBP price increased by 1.7% and the front-month Dutch TTF price rallied by 1.8%, with both

markers settling at the equivalent of ~USD 5.7/MMBtu.

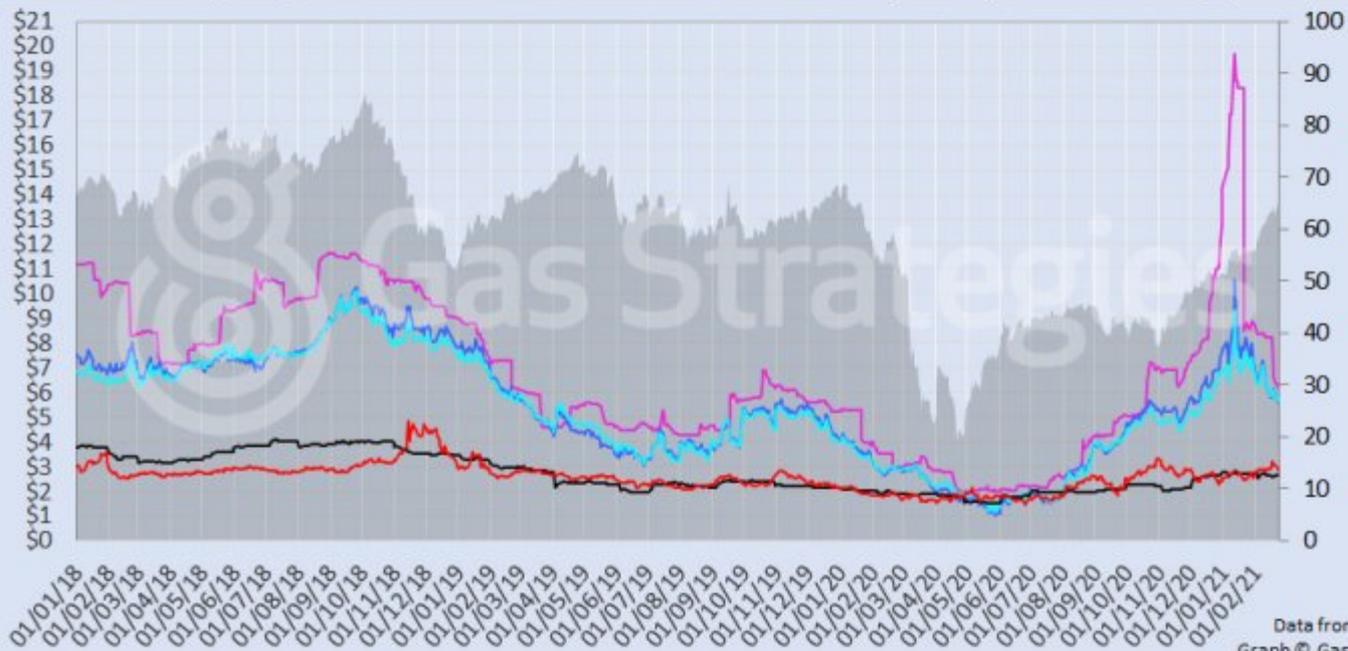
CME's JKM futures contract fell for a third straight day, with the price sliding by 0.4% to settle at USD 6.23/MMBtu.

The European carbon price continued to rally, with the price recording a gain of 1.8% to settle at EUR 38.61/tonne.

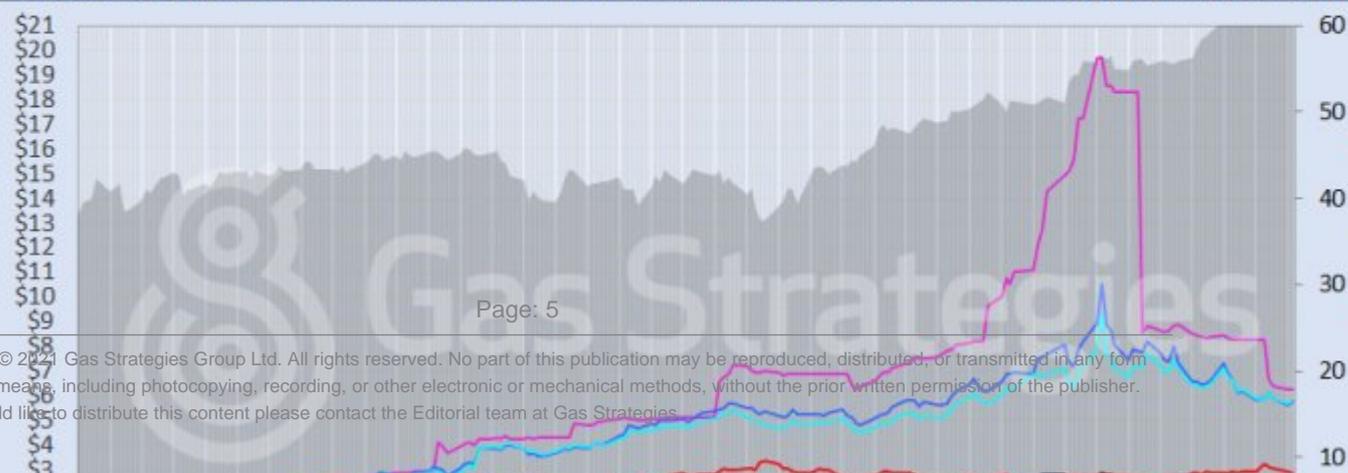
*Front-month futures and indexes at last close with day-on-day changes (click to enlarge):*

Front-month futures/index	23/02/2021	22/02/2021	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.88	2.95	-0.07	
NBP (\$/MMBtu)	5.73	5.63	0.10	
NBP (£p/th)	40.66	40.03	0.63	
Henry Hub-NBP spread	2.85	2.68	0.17	
TTF (\$/MMBtu)	5.78	5.68	0.10	
TTF (€/MWh)	16.25	15.96	0.29	
Henry Hub-TTF spread	2.90	2.73	0.17	
JKM (\$/MMBtu)	6.23	6.26	-0.02	
TTF-JKM spread	0.45	0.57	-0.13	
Henry Hub-JKM spread	3.35	3.30	0.05	
Brent (\$/barrel)	65.37	65.24	0.13	
WTI (\$/barrel)	61.67	61.70	-0.03	
Brent-WTI spread (\$/barrel)	3.70	3.54	0.16	
API2 Coal (\$/tonne)	65.85	66.00	-0.15	
API2 Coal (\$/MMBtu)	2.63	2.64	-0.01	
EU CO <sub>2</sub> emissions allowances (€/tonne)	38.61	37.92	0.69	

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.*



### 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)



### Information Services

+44 (0) 20 7332 9976  
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