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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
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
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[1]

European gas prices extended their premium over Asian LNG marker JKM on Monday, with the front-month TTF and NBP contracts continuing to ride on tight supply and strong gas demand due to lingering cold weather.

The month-ahead NBP contract rallied by 3.7% to settle at the equivalent of USD 7.34/MMBtu – its highest close since 28 January. The month-ahead Dutch TTF contract rallied by 2.4% to settle at USD 7.34/MMBtu – a three-month high.

Monday's rally marked the fourth consecutive day of gains for the European gas markers, which are rallying on tight supply and strong demand as winter weather is still gripping the continent.

In terms of pipeline supply, flows from Norway into Europe average 303 MMcm/d on Monday, according to data compiled by EnergyScan, with the volume still somewhat off the ~348 MMcm/d averaged in early April. Supplies have been hit by planned maintenance. Pipeline volumes from Russia stood at ~328 MMcm/d on Monday, up on the ~320 MMcm/d delivered on Friday.

The rally saw NBP and TTF extend their premium over JKM, with TTF holding a USD 0.37/MMBtu premium over the Asian LNG marker.

The gas price rally failed to lift the European carbon price – which has been rallying in unison with the European markers – with the front-month contract falling by 0.2% to settle at EUR 44.26/tonne.

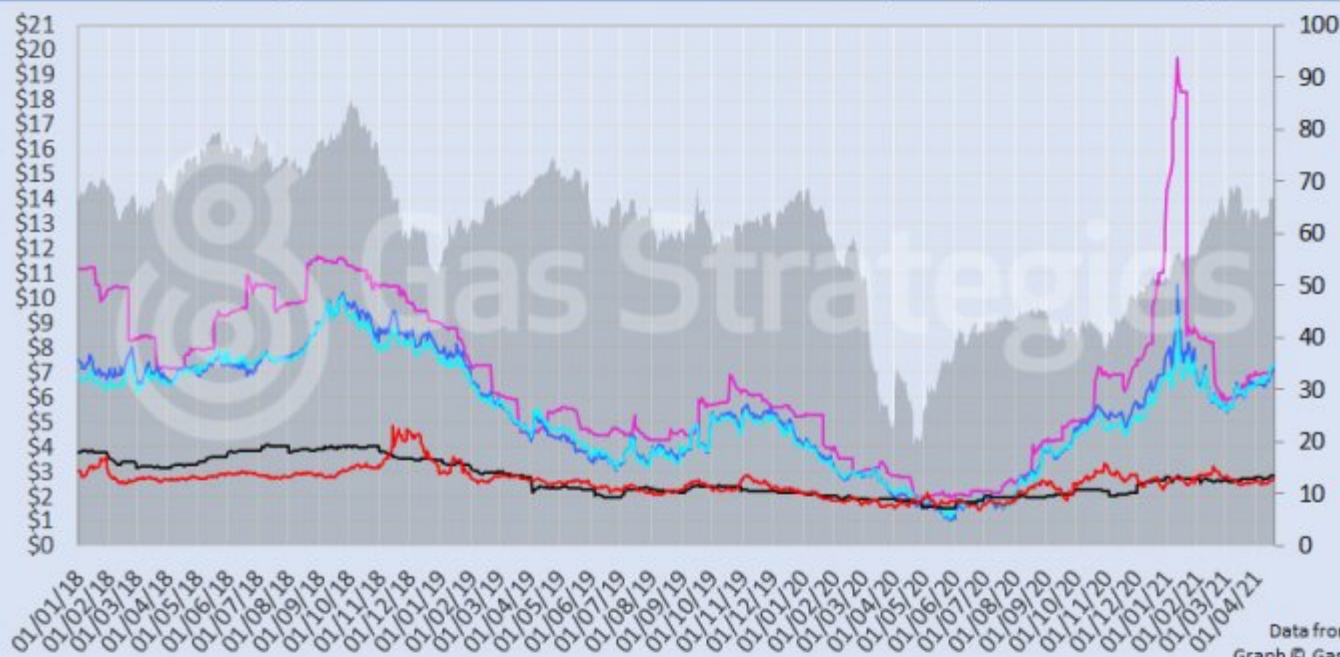
In the US, gas benchmark Henry Hub closed at its highest since 5 March after rallying by 2.6% to settle at USD 2.75/MMBtu.

Crude prices rallied on Monday on the back of a weaker US dollar, however spiralling Covid-19 cases in India limited the gains. The front-month Brent contract settled in the USD 67/barrel range after rallying by 0.4%, with WTI pushing into the USD 64/barrel range after rallying by 1.9%.

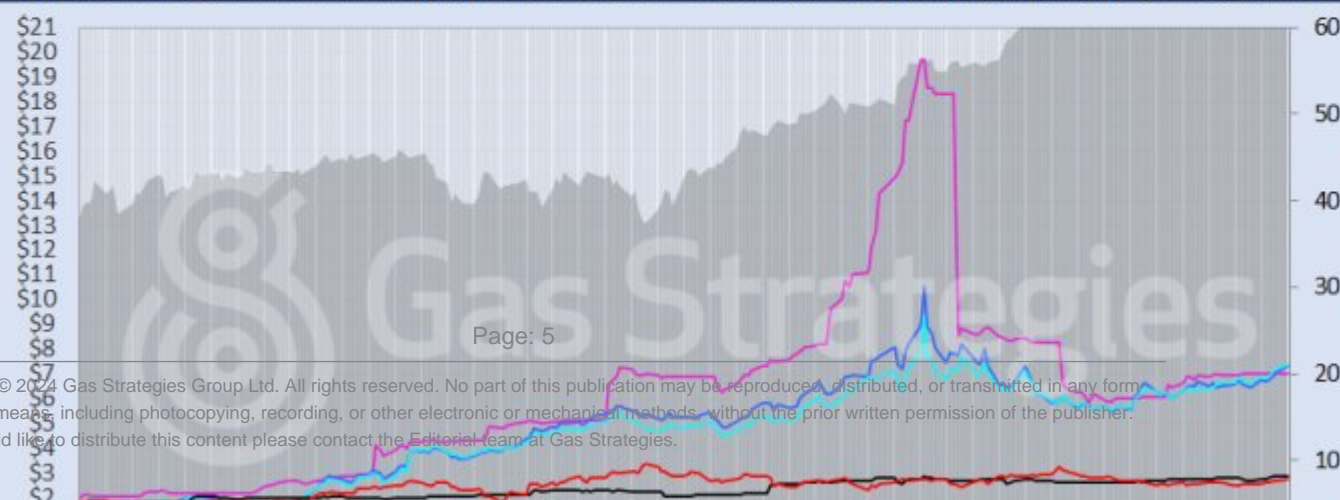
Front-month futures and indexes at last close with day-on-day changes (click to enlarge):

Front-month futures/index	19/04/2021	16/04/2021	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.75	2.68	0.07	
NBP (\$/MMBtu)	7.34	7.07	0.26	
NBP (€/th)	52.48	51.15	1.33	
Henry Hub-NBP spread	4.59	4.39	0.19	
TTF (\$/MMBtu)	7.38	7.21	0.17	
TTF (€/MWh)	20.94	20.54	0.40	
Henry Hub-TTF spread	4.63	4.53	0.10	
JKM (\$/MMBtu)	7.02	7.02	0.00	
TTF-JKM spread	-0.37	-0.19	-0.17	
Henry Hub-JKM spread	4.27	4.34	-0.07	
Brent (\$/barrel)	67.05	66.77	0.28	
WTI (\$/barrel)	64.33	63.13	1.20	
Brent-WTI spread (\$/barrel)	2.72	3.64	-0.92	
API2 Coal (\$/tonne)	71.50	71.70	-0.20	
API2 Coal (\$/MMBtu)	2.86	2.87	-0.01	
EU CO ₂ emissions allowances (€/tonne)	44.26	44.33	-0.07	

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 19/04/2021



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 19/04/2021



[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.



Consulting

+44 (0) 20 7332 9900
consult@gasstrategies.com



Alphatania Training

+44 (0) 20 7332 9910
training@gasstrategies.com



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+44 (0) 20 7332 9976
subscriptions@gasstrategies.com