

25 April 2024

## Contents

Pricewatch | 16 Jul 2021 | Gas Matters Today  
Publication date: 16 July 2021

### **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**

+44(0) 20 7332 9976  
[subscriptions@gasstrategies.com](mailto:subscriptions@gasstrategies.com)



# Pricewatch | 16 Jul 2021 | Gas Matters Today

**Get the inside line. Take a free trial of Gas Strategies Information Services:**

- Full access to Gas Matters, Gas Matters Today & LNG Business Review
- Access to our fully searchable archives containing
- Daily, weekly and monthly newsletters bringing the latest news and features to your inbox
- Gas Strategies iOS app

**Free trial code GS21**

**Complimentary access**

[1]

Crude prices continued to fall on Thursday amid expectations that OPEC and its allies will soon agree a deal to increase production – a move which will ease fears over a tight supply outlook as demand continues to recover.

The front-month Brent and WTI contracts fell by over USD 1/barrel on Thursday as reports suggest OPEC is close to agreeing a deal to ramp up production through to the end of the year. Crude prices have been rallying amid expectations of a tight supply outlook after OPEC failed to agree a deal to increase production at the cartel's latest monthly meeting in early July.

However, reports this week suggest Saudi Arabia and the United Arab Emirates (UAE) have reached an agreement regarding production quotas, which should enable OPEC and its allies to increase production.

The UAE opposed the plan announced at the crude cartel's latest monthly meeting, with the Emirates reportedly believing its proposed production quota was too low.

OPEC had proposed increasing production by 400,000 barrels/d each month from August through to the end of 2021. The proposal is likely to remain unchanged, however the UAE's baseline production quota will be revised higher. The proposed deal will need to be cleared by the other members of the OPEC+ alliance.

Gas mirrored crude, with prices in Europe, Asia and the US slipping on Thursday.

European prices fell amid profit taking and lower demand, with the month-ahead TTF and NBP contracts falling by 3% and 2.6% respectively. The loss by the Dutch gas benchmark saw it slip into the USD 11/MMBtu range for the first time since 8 July.

The European carbon price failed to maintain momentum from Wednesday, with the front-month contract falling by 0.7% to close at EUR 52.89/tonne.

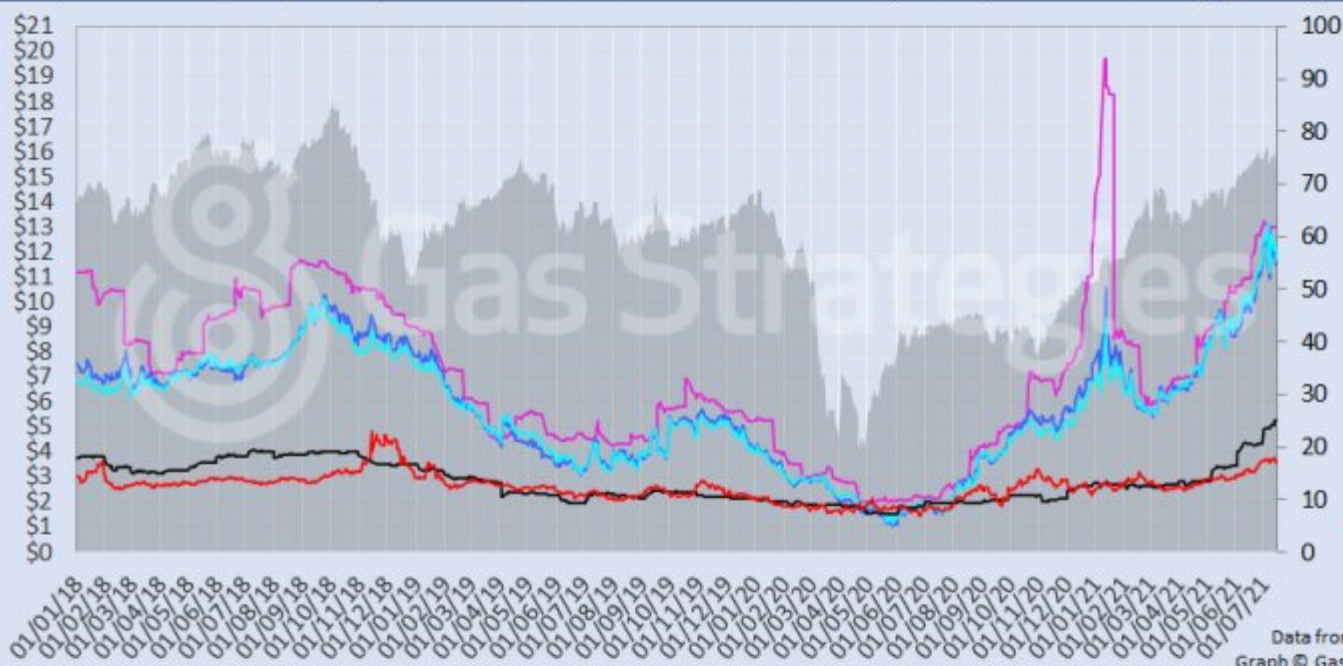
In the US, gas benchmark Henry Hub continued to slide, falling by 1.3% to close at USD 3.61/MMBtu. Prices fell amid cooler weather, easing demand for air conditioning and due to a larger-than-expected injection into US gas inventories last week.

As for Asian LNG marker JKM, the front-month contract recorded a minor loss.

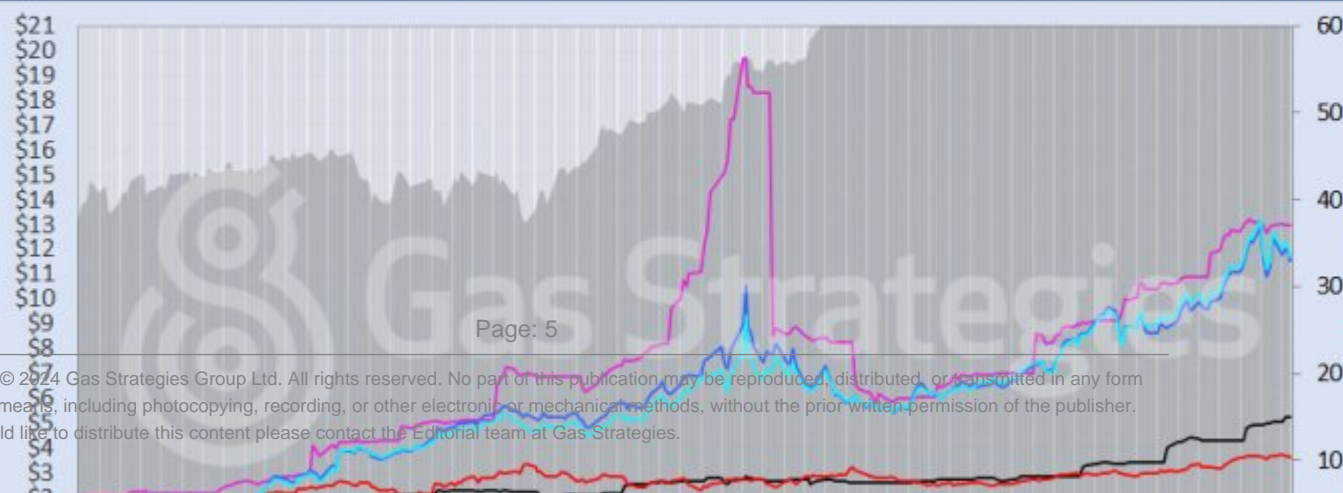
*Front-month futures and indexes at last close with day-on-day changes (click to enlarge):*

| Front-month futures/index                         | 15/07/2021 | 14/07/2021 | Daily +/- (\$) | Daily |
|---|------------|------------|----------------|-------|
| Henry Hub (\$/MMBtu)                              | 3.61       | 3.66       | -0.05          |       |
| NBP (\$/MMBtu)                                    | 11.51      | 11.81      | -0.30          |       |
| NBP (£p/th)                                       | 83.13      | 85.29      | -2.16          |       |
| Henry Hub-NBP spread                              | 7.90       | 8.15       | -0.26          |       |
| TTF (\$/MMBtu)                                    | 11.70      | 12.05      | -0.36          |       |
| TTF (€/MWh)                                       | 33.80      | 34.78      | -0.98          |       |
| Henry Hub-TTF spread                              | 8.08       | 8.39       | -0.31          |       |
| JKM (\$/MMBtu)                                    | 12.97      | 12.98      | 0.00           |       |
| TTF-JKM spread                                    | 1.23       | 0.92       | 0.35           |       |
| Henry Hub-JKM spread                              | 9.36       | 9.32       | 0.04           |       |
| Brent (\$/barrel)                                 | 73.47      | 74.76      | -1.29          |       |
| WTI (\$/barrel)                                   | 71.65      | 73.13      | -1.48          |       |
| Brent-WTI spread (\$/barrel)                      | 1.82       | 1.63       | 0.19           |       |
| API2 Coal (\$/tonne)                              | 131.90     | 131.35     | 0.55           |       |
| API2 Coal (\$/MMBtu)                              | 5.28       | 5.25       | 0.02           |       |
| EU CO <sub>2</sub> emissions allowances (€/tonne) | 52.89      | 53.28      | -0.39          |       |

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1/01/18



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1/01/18



[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](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  
[subscriptions@gasstrategies.com](mailto:subscriptions@gasstrategies.com)

Copyright © 2024 Gas StrategiesGroup Ltd.

Gas Strategies Group Limited is a company registered in England and Wales under company number 2225820.

Gas Strategies is the trading name of Gas Strategies Group Limited.

Registered company address: 10 St Bride Street, London, EC4A 4AD