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[1]

US gas benchmark Henry Hub continued to soar on Monday, closing at its highest level since 5 October amid expectations of colder weather heading into November.

The November-dated Henry Hub contract edged closer to the USD 6/MMBtu range on Monday after closing 11.7% higher at USD 5.90/MMBtu.

The marker has been lifted in recent days by forecasts suggesting cooler weather will sweep across the Lower 48 heading into November. However, forecasts are generally within range for this time of year.

A recovery in feed gas flows to US LNG plants also provided further upside on Monday. Flows increased by ~1 Bcf day-on-day on Monday to hit 10.99 Bcf/d – the highest level since 10 May this year, according to data compiled by RonH Energy.

That said, reports suggest exports from the Freeport LNG plant may be lower through November due to wax build up in pipelines.

Across the pond, gas prices in Europe ticked higher on Monday, lifted by lower pipeline gas exports from Norway and Russia. Prices were also lifted by JKM's rally.

The front-month TTF and NBP contracts rallied by 1.3% and 2% respectively to start the week, with the UK gas benchmark closing at the equivalent of USD 30.75/MMBtu – USD 0.58/MMBtu higher than the Dutch marker.

Asian LNG marker JKM closed 1.1% higher at USD 33.58/MMBtu.

Strengthening coal and gas prices in Europe supported the carbon price, which closed 1.3% higher at EUR 58.99/tonne.

Crude prices touched multi-year highs during Monday's session before softening. Brent hit a high of USD 86.70/barrel on Monday before closing at USD 85.99/barrel – up 0.5% compared to Friday's close.

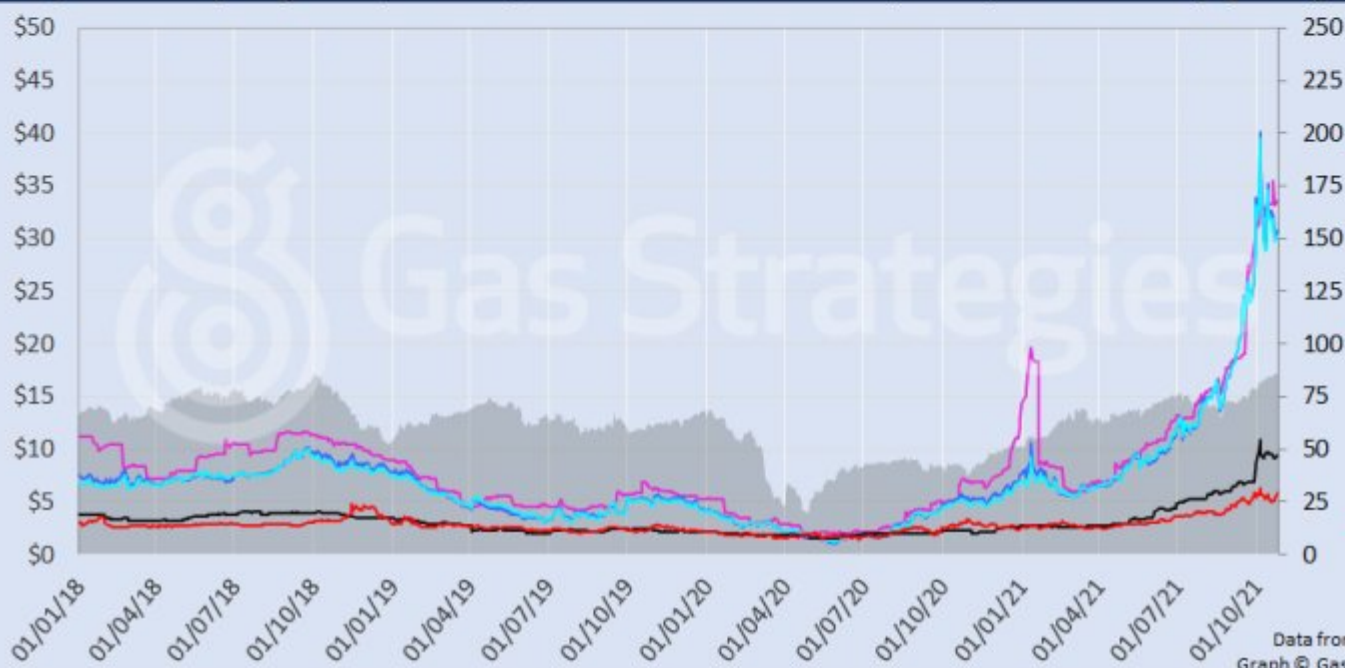
WTI hit USD 85.41/barrel during the session before retreating to close at USD 83.76/barrel – unchanged from Friday.

Supply tightness amid recovering demand continues to support oil prices.

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

Front-month futures/index	25/10/2021	22/10/2021	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	5.90	5.28	0.62	
NBP (\$/MMBtu)	30.75	30.14	0.61	
NBP (£p/th)	223.23	219.22	4.01	
Henry Hub-NBP spread	24.85	24.86	-0.01	
TTF (\$/MMBtu)	30.17	29.78	0.39	
TTF (€/MWh)	88.64	87.34	1.31	
Henry Hub-TTF spread	24.27	24.50	-0.23	
JKM (\$/MMBtu)	33.58	33.23	0.35	
TTF-JKM spread	3.41	3.44	-0.04	
Henry Hub-JKM spread	27.68	27.95	-0.27	
Brent (\$/barrel)	85.99	85.53	0.46	
WTI (\$/barrel)	83.76	83.76	0.00	
Brent-WTI spread (\$/barrel)	2.23	1.77	0.46	
API2 Coal (\$/tonne)	234.15	229.75	4.40	
API2 Coal (\$/MMBtu)	9.37	9.19	0.18	
EU CO ₂ emissions allowances (€/tonne)	58.99	58.24	0.75	

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.



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