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Oil and gas prices rose across the board on Monday, boosted by optimism that the Covid-19 Omicron variant may be less harmful than feared, while supply concerns persisted in Europe.

An exception to Monday's bull run was Henry Hub, which fell back again, by nearly half a dollar to USD 3.66/MMBtu, as early season demand for heating in the US has yet to pick up due to record high temperatures in the lower 48 US states.

In Europe, the Dutch TTF front-month contract gained 8 cents to USD 29.74/MMBtu, with sentiment still led by gas supply concerns for this coming winter, exacerbated by news that Russia has moved thousands of troops near Ukraine's eastern borders, escalating Moscow's tensions with Kyiv but also Western powers.

In Asia, ongoing competition with Europe for LNG cargoes kept the JKM above the USD 34/MMBtu mark, with the marker gaining 21 cents from Friday to settled at USD 34.40/MMBtu, though temperatures in many parts of East Asia were forecast to be above average for this time of year this week. Beijing was forecast to experience 9 degrees Celsius on Tuesday and 11 degrees by Friday, while 13 degrees was forecast for Seoul and 15 degrees for Tokyo.

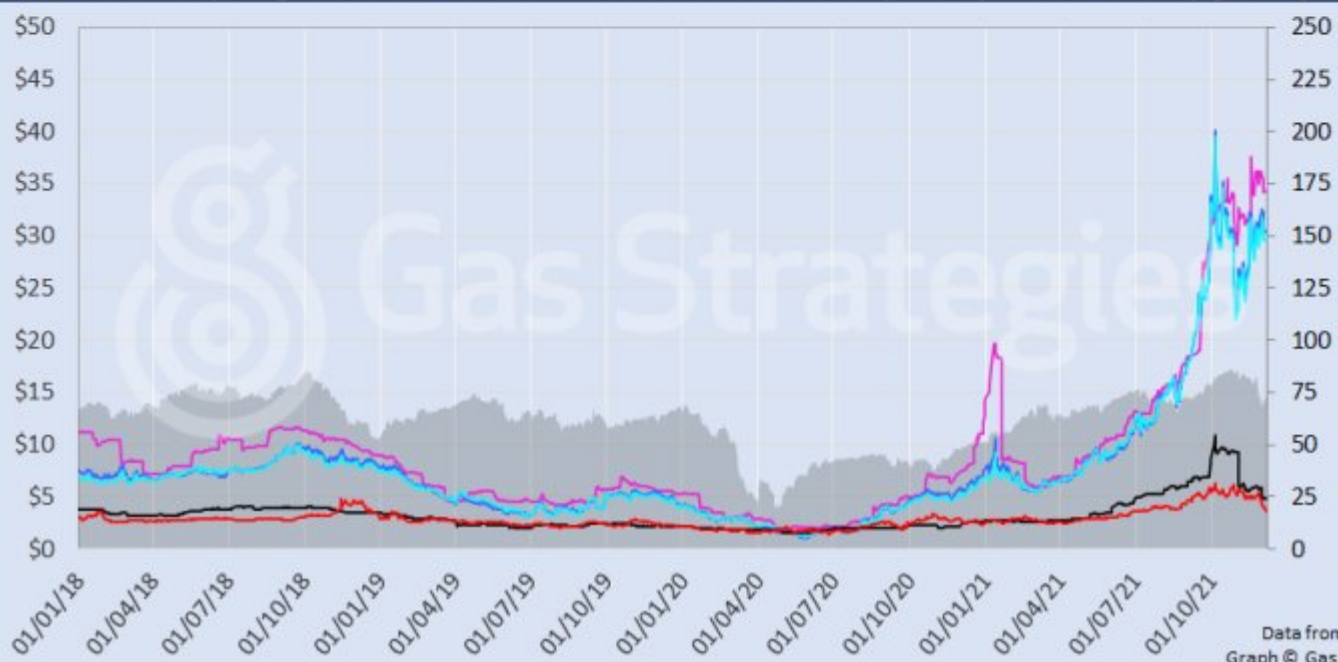
Meanwhile, crude gains were more pronounced on Monday, with Brent rising by USD 3.20/barrel to USD 73.08/barrel as, based on scientific reports, traders now expected the Omicron variant to have less of an impact on energy demand than feared a week ago.

Compared to a year earlier, Brent was stronger by nearly 25 dollars, having settled at USD 48.79/barrel on 7 December 2020.

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

Front-month futures/index	06/12/2021	03/12/2021	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	3.66	4.13	-0.48	
NBP (\$/MMBtu)	30.49	30.29	0.21	
NBP (€/th)	230.08	228.90	1.18	
Henry Hub-NBP spread	26.83	26.15	0.68	
TTF (\$/MMBtu)	29.74	29.65	0.08	
TTF (€/MWh)	89.93	89.48	0.45	
Henry Hub-TTF spread	26.08	25.52	0.56	
JKM (\$/MMBtu)	34.40	34.19	0.21	
TTF-JKM spread	4.66	4.54	0.12	
Henry Hub-JKM spread	30.74	30.06	0.68	
Brent (\$/barrel)	73.08	69.88	3.20	
WTI (\$/barrel)	69.49	66.26	3.23	
Brent-WTI spread (\$/barrel)	3.59	3.62	-0.03	
API2 Coal (\$/tonne)	122.00	121.00	1.00	
API2 Coal (\$/MMBtu)	4.88	4.84	0.04	
EU CO ₂ emissions allowances (€/tonne)	81.25	78.25	3.00	

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



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



[1]

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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