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[1]

US natural gas prices declined on Thursday, reversing the gains made earlier in the week, as concerns over a possible rail strike have been averted as well as amid reports of a bigger-than-expected boost to gas storage.

The Henry Hub settled 9% lower day-on-day on Thursday at USD 8.32/MMBtu.

The country's railroads and unions secured a tentative deal after 20 hours of negotiations brokered by President Joe Biden's administration to avert a rail shutdown that could have hit food and fuel supplies in the US and abroad.

In addition, the Energy Information Administration (EIA) said utilities added 77 Bcf of gas to storage during the week ended 9 September, exceeding the Reuters forecast of 73 Bcf.

The drop in gas prices also came on expectations output would reach a monthly record this month and that demand would decline when the Cove Point LNG plant in Maryland will shut for a couple weeks of maintenance in October.

European gas prices have also followed suit and declined day on day, with trader reaping profits gained the day before yesterday. The Dutch benchmark TTF seeing a 1.7% fall to USD 62.74/MMBtu, and the UK marker NBP settling at USD 44.36/MMBtu, 6% lower.

NBP declined even despite a fire on the UK's major power cable importing electricity from France, which

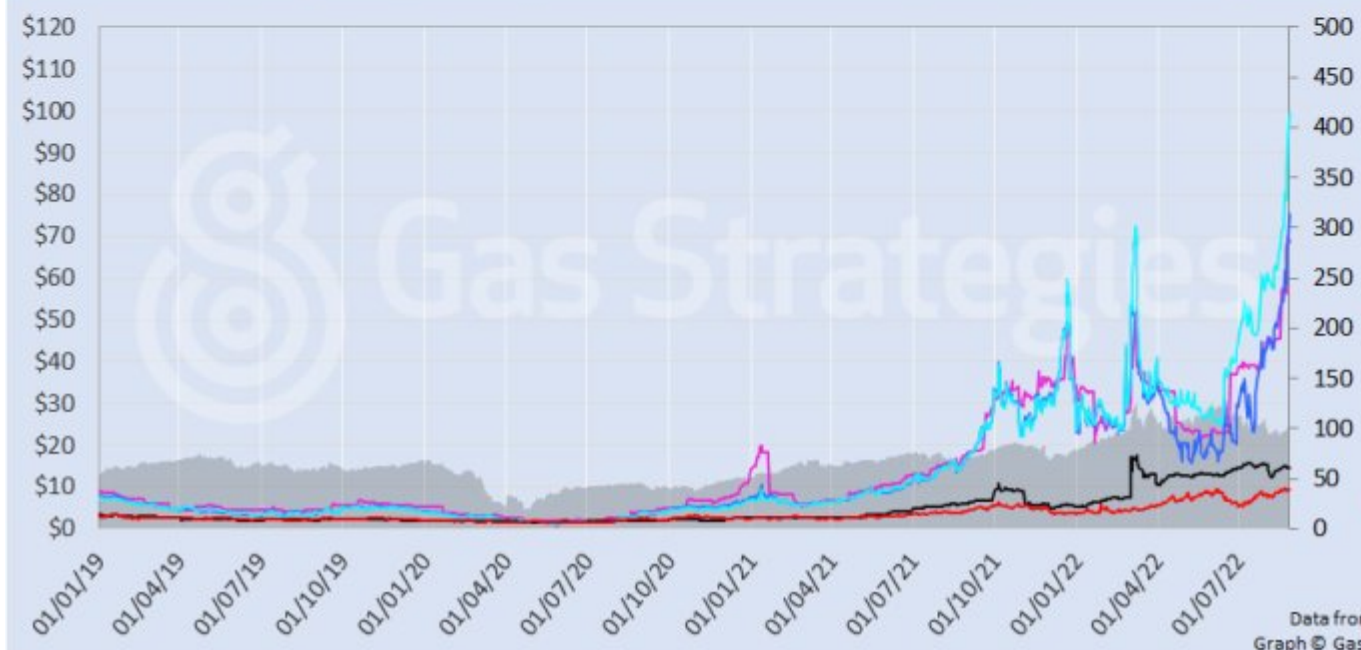
forced National Grid to shut it down. Price relief seen today is the result of an announcement that National Grid expects to increase the amount of electricity available on the network to normal levels from 13 October.

Meanwhile in oil, futures fell as much as 4% on Thursday to their one-week low. Brent futures fell 3.5%, to settle at USD 90.84/barrel, while US WTI ended 3.8% lower at USD 85.10/barrel. The downward trend has been driven by the International Energy Agency (IEA) expectation of lower oil demand in Q4'2022 that was announced earlier this week.

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

Front-month futures/index	15/09/2022	14/09/2022	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	8.32	9.11	-0.79	
NBP (\$/MMBtu)	44.36	47.20	-2.84	
NBP (£p/th)	386.55	408.20	-21.65	
Henry Hub-NBP spread	36.04	38.09	-2.05	
TTF (\$/MMBtu)	62.74	63.80	-1.06	
TTF (€/MWh)	214.28	217.88	-3.60	
Henry Hub-TTF spread	54.42	54.69	-0.27	
JKM (\$/MMBtu)	53.51	53.08	0.43	
TTF-JKM spread	-9.24	-10.73	1.49	
Henry Hub-JKM spread	45.18	43.96	1.22	
Brent (\$/barrel)	90.84	94.10	-3.26	
WTI (\$/barrel)	85.10	88.48	-3.38	
Brent-WTI spread (\$/barrel)	5.74	5.62	0.12	
API2 Coal (\$/tonne)	337.00	336.00	1.00	
API2 Coal (\$/MMBtu)	13.48	13.44	0.04	
EU CO ₂ emissions allowances (€/tonne)	71.45	72.14	-0.69	

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



[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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