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[1]

European gas benchmarks TTF and NBP fell further on Thursday, however prices are set for a strong weekly gain amid expectations of an uptick in gas demand due to a looming cold snap.

The front-month TTF and NBP contracts fell 1.7% and 1.4% respectively on Thursday. The Dutch marker closed at the equivalent of USD 34.11/MMBtu, with NBP settling at USD 31.63/MMBtu.

Strong wind power generation and a recovery in flows from Norway – following unplanned outages at the Asgard and Visund fields – has weighed on European gas prices over the last two days. Flows from Norway dipped below 300 MMcm/d on Monday and Tuesday, however gas nominations for Friday show flows at 321 MMcm/d, according to data compiled by Norwegian TSO Gassco.

While prices dipped further yesterday, TTF and NBP are expected to record strong weekly gains amid forecasts of colder weather across much of Europe over the weekend. TTF closed out last week at the equivalent of USD 29.6/MMBtu, with NBP at USD 26.9/MMBtu.

The cold snap could see an uptick in withdrawals from Europe's gas storage sites, with Monday this week marking the time withdrawals have outweighed injections during the current winter heating season, according to GIE data. Withdrawals have outpaced injections over the first three days of this week, GIE data shows.

While European gas prices dipped, US gas benchmark Henry Hub continued to rally, closing 2.7% higher

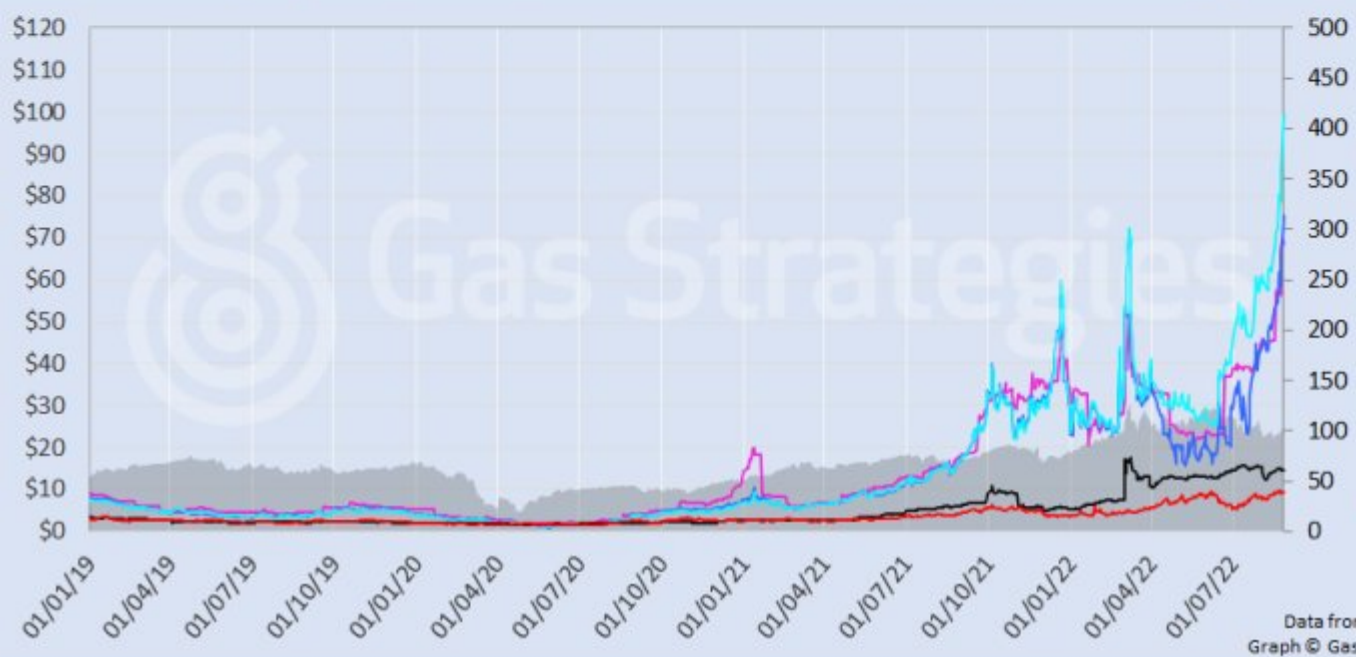
at USD 6.37/MMBtu. Expectations of colder weather across the US north-east has pushed prices higher in recent days, with some market observers expecting withdrawals from US storage sites. US gas storage levels are just shy of the five-year average following a series of strong injections over recent weeks which has weighed on Henry Hub.

Crude prices remained in the red on Thursday amid rising Covid-19 cases in China and reports suggesting US interest rates could be hiked.

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

| Front-month futures/index | 17/11/2022 | 16/11/2022 | Daily +/- (\$) | Daily |
|---|------------|------------|----------------|-------|
| Henry Hub (\$/MMBtu) | 6.37 | 6.20 | 0.17 | |
| NBP (\$/MMBtu) | 31.63 | 32.06 | -0.44 | |
| NBP (£p/th) | 267.85 | 269.73 | -1.88 | |
| Henry Hub-NBP spread | 25.26 | 25.86 | -0.61 | |
| TTF (\$/MMBtu) | 34.11 | 34.70 | -0.59 | |
| TTF (€/MWh) | 112.56 | 113.90 | -1.34 | |
| Henry Hub-TTF spread | 27.74 | 28.50 | -0.76 | |
| JKM (\$/MMBtu) | 27.40 | 27.40 | 0.00 | |
| TTF-JKM spread | -6.71 | -7.30 | 0.59 | |
| Henry Hub-JKM spread | 21.03 | 21.20 | -0.17 | |
| Brent (\$/barrel) | 89.78 | 92.86 | -3.08 | |
| WTI (\$/barrel) | 81.64 | 85.59 | -3.95 | |
| Brent-WTI spread (\$/barrel) | 8.14 | 7.27 | 0.87 | |
| API2 Coal (\$/tonne) | 202.50 | 198.00 | 4.50 | |
| API2 Coal (\$/MMBtu) | 8.10 | 7.92 | 0.18 | |
| EU CO ₂ emissions allowances (€/tonne) | 72.29 | 73.30 | -1.01 | |

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



US, UK and EU 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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