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Natural gas prices had a day of respite from recent volatility on Thursday, with European and US prices remaining broadly flat while Asian prices showed a small decline. Oil prices continued their falling trend after a brief rally early in the week.

In Europe, TTF was flat in Euro terms but currency effects meant that in dollar terms it fell 0.5% from USD 11.25/MMBtu on Wednesday to USD 11.20/MMBtu.

In the UK, NBP showed a small increase of 0.2% in sterling terms but a fall of 0.7% in dollar terms from USD 10.16/MMBtu to USD 10.09/MMBtu.

With demand muted and ample supplies of LNG available, European gas prices are on track for a sixth consecutive week of decline and, with gas prices in May looking significantly cheaper than coal, the expectation is that there will be stronger fuel switching in electricity generation.

In Asia, the JKM LNG marker fell by 0.4% from USD 11.21/MMBtu on Wednesday to USD 11.16/MMBtu, with some Asian buyers looking to sell surplus supply.

In the US, Henry Hub front-month was flat at USD 2.19/MMBtu.

The weekly gas storage report from the US Energy Information Administration (EIA), released yesterday, estimated working gas in storage was 2,141 Bcf as of May 5, up 78 Bcf from the previous week and within the five-year historical range. Stocks were 509 Bcf higher than this time last year and 332 Bcf above the five-year average of 1,809 Bcf.

Oil prices continued their weeks-long downward trajectory, amid concerns about the global economy and, in the US, the possibility of more bank failures and wrangles over the debt ceiling. Brent was down 1.9% from USD 76.41/barrel on Wednesday to USD 74.98/barrel and WTI down 2.3% from USD 72.56/barrel to USD 70.87/barrel.

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

Front-month futures/index	11/05/2023	10/05/2023	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.19	2.19	0.00	
NBP (\$/MMBtu)	10.09	10.16	-0.07	
NBP (£p/th)	80.75	80.56	0.19	
Henry Hub-NBP spread	7.90	7.97	-0.07	
TTF (\$/MMBtu)	11.20	11.25	-0.05	
TTF (€/MWh)	34.99	34.99	0.00	
Henry Hub-TTF spread	9.01	9.06	-0.05	
JKM (\$/MMBtu)	11.16	11.21	-0.05	
TTF-JKM spread	-0.04	-0.04	0.00	
Henry Hub-JKM spread	8.97	9.02	-0.05	
Brent (\$/barrel)	74.98	76.41	-1.43	
WTI (\$/barrel)	70.87	72.56	-1.69	
Brent-WTI spread (\$/barrel)	4.11	3.85	0.26	
API2 Coal (\$/tonne)	119.35	121.50	-2.15	
API2 Coal (\$/MMBtu)	4.77	4.86	-0.09	
EU CO <sub>2</sub> emissions allowances (€/tonne)	86.30	87.39	-1.09	

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



#### EU carbon allowances (EUAs) on the Emissions Trading System (ETS)



[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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