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Energy prices in markets across the globe rose across the board on Thursday – most notably in the US, where Henry Hub futures rallied strongly after six consecutive declines. Expectations that government gas storage data would show an early injection rather than a withdrawal failed to materialise.

The US Energy Information Administration (EIA) estimated working gas in storage at 2,325 Bcf as of 8 March, down 9 Bcf from the previous week and way above the five-year historical range. The impact of that surprise may, however, be short-lived, given how high stocks are at the end of winter.

Stocks were 336 Bcf higher year-on-year and 629 Bcf – or 37% – above the five-year average of 1,696 Bcf for this time of year.

Perhaps more significantly, the level of storage has now wandered well outside the five-year maximum-minimum range and – with astronomical spring now only a week away – the deviation looks set to grow, given current market fundamentals. The vernal equinox in the northern hemisphere happens on Wednesday next week.

One bullish factor was a growing expectation that Freeport LNG might soon restart the 5 mtpa liquefaction train that has been undergoing repairs.

The front-month Henry Hub futures contract rose by 5.0%, from USD 1.66/MMBtu on Wednesday to USD 1.74/MMBtu on Thursday. It was climbing again, by around 1.5%, on Friday morning.

Natural gas futures were up strongly in Europe, with TTF rising by 4.0%, from USD 7.99/MMBtu on Wednesday to USD 8.31/MMBtu on Thursday, and NBP up 4.2%, from USD 7.99/MMBtu to USD 8.32/MMBtu.

In Asia, the JKM LNG price edged up 0.2%, from USD 8.48/MMBtu to USD 8.49/MMBtu, leading to a TTF-JKM spread of just USD 0.18/MMBtu.

Crude oil prices continued their rally, having well and truly broken out of their rangebound trading of recent weeks.

Front-month Brent crude was up 1.7%, from USD 84.03/barrel on Wednesday to USD 85.42/barrel on Thursday, the highest price since last October, while WTI was up 1.9%, from USD 79.72/barrel to USD 81.26/barrel, also the highest front-month price since last October.

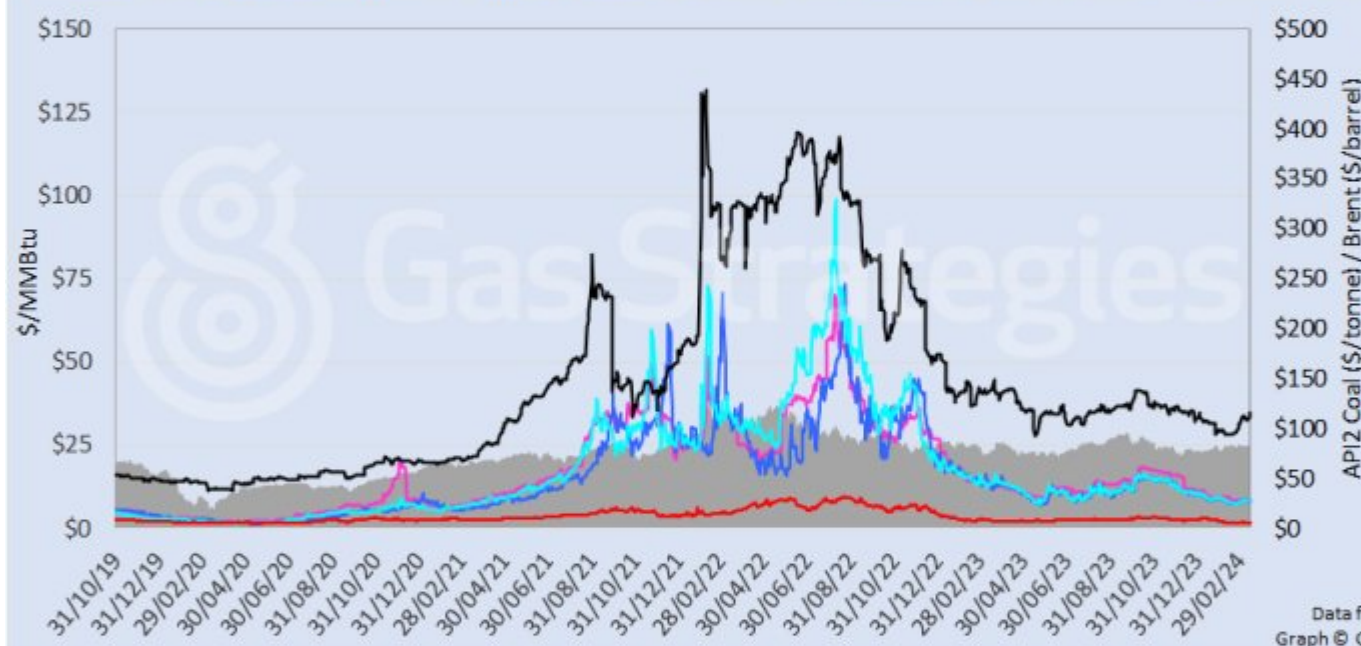
European coal was up for the fourth consecutive session, with API2 rising by 2.2%, from USD 4.39/MMBtu on Wednesday to USD 4.49/MMBtu on Thursday.

European carbon prices rose with the tide, with EU emissions allowances up 4.4%, from EUR 54.31/tonne to EUR 56.68/MMBtu.

Front-month futures and indexes at last close with day-on-day changes:

Front-month futures/index	14/03/2024	13/03/2024	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	1.74	1.66	0.08	
NBP (\$/MMBtu)	8.32	7.99	0.34	
NBP (£p/th)	65.27	62.40	2.87	
Henry Hub-NBP spread	6.58	6.33	0.25	
TTF (\$/MMBtu)	8.31	7.99	0.32	
TTF (€/MWh)	26.05	24.90	1.15	
Henry Hub-TTF spread	6.57	6.33	0.24	
JKM (\$/MMBtu)	8.49	8.48	0.02	
TTF-JKM spread	0.18	0.48	-0.30	
Henry Hub-JKM spread	6.75	6.82	-0.07	
Brent (\$/barrel)	85.42	84.03	1.39	
WTI (\$/barrel)	81.26	79.72	1.54	
Brent-WTI spread (\$/barrel)	4.16	4.31	-0.15	
API2 Coal (\$/tonne)	112.25	109.80	2.45	
API2 Coal (\$/MMBtu)	4.49	4.39	0.10	
EU CO ₂ emissions allowances (€/tonne)	56.68	54.31	2.37	

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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