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# Pricewatch | 15 March 2024 | Gas Matters Today

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 <sub>2</sub> 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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