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Crude oil prices soared to levels not seen since October over the Easter weekend as geopolitical concerns escalated following a deadly attack on an Iranian embassy in the Syrian capital Damascus. Iran has blamed Israel and vowed to take revenge. Israel has not commented on the attack.

Monday's air strike killed at least seven Iranians, including two military commanders. Iran's Supreme Leader, Ayatollah Ali Khamenei, said on Tuesday that Israel would be punished, according to a report from the Islamic Republic News Agency.

The attack helped to push the price of the May Brent crude contract towards USD 90/barrel on Tuesday morning. It briefly exceeded USD 89/barrel before falling back. WTI crude climbed to over USD 85/barrel.

Oil markets have been tightened by the extension of OPEC+ output curbs to June and some commentators are suggesting that prices could head towards USD 100/barrel in coming months if Russia cuts production further. OPEC+ members are to hold a review meeting on Wednesday.

US natural gas prices climbed ahead of the holiday weekend, with production expected to fall and cooler weather boosting heating demand. The May contract was up 2.6%, from USD 1.72/MMBtu on Wednesday to USD 1.76/MMBtu on Thursday, and rose another 4% to close at USD 1.84/MMBtu on Monday.

In its weekly gas storage report on Thursday, the US Energy Information Administration (EIA) estimated working gas in storage at 2,296 Bcf as of 22 March, down 36 Bcf from the previous week and above the five-year historical range.

Stocks were 430 Bcf higher year-on-year and 669 Bcf above the five-year average of 1,627 Bcf for this time of year.

European natural gas prices fell ahead of the weekend.

In continental Europe, TTF fell by 1.3%, from USD 8.79/MMBtu on Wednesday to USD 8.68/MMBtu on Thursday, as the April contract expired and May became the front month, and remained unchanged at that level on Monday because of the holiday.

In the UK, NBP was down 1.8%, from USD 8.75/MMBtu on Wednesday to USD 8.59/MMBtu on Monday, with May now the front-month contract.

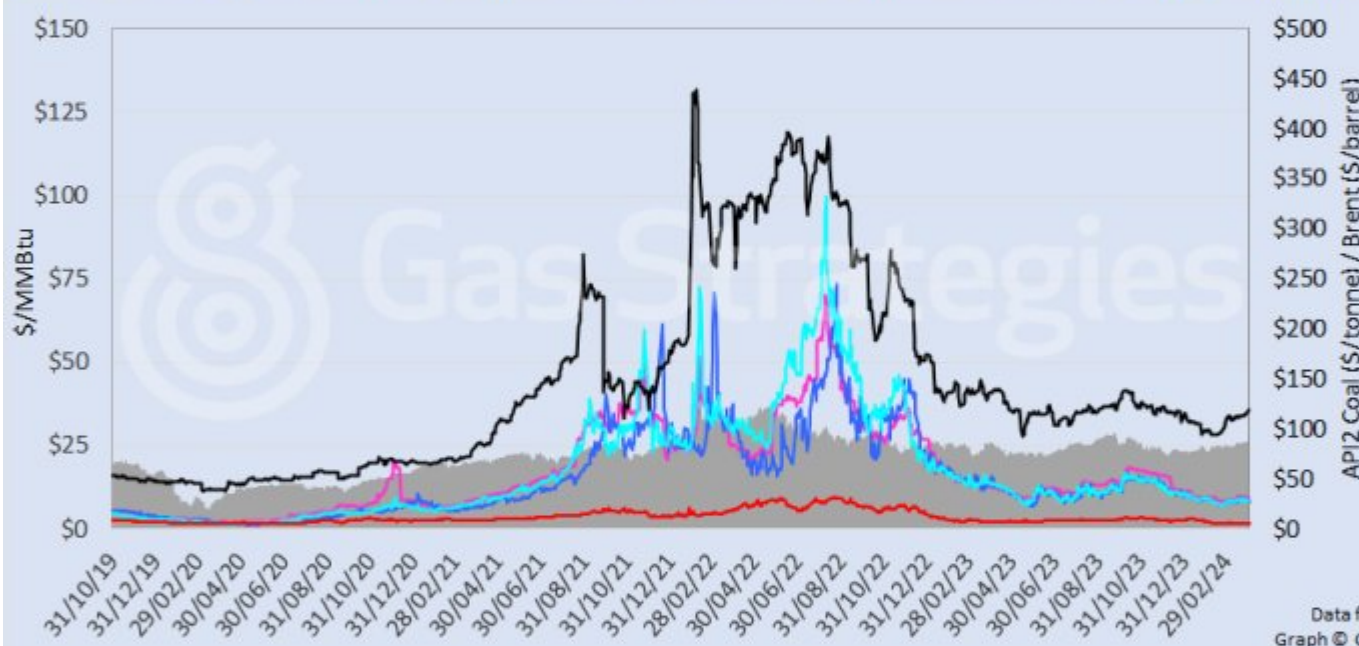
The Asian JKM LNG price moved in the opposite direction to European prices, from USD 9.40/MMBtu on Wednesday to USD 9.54/MMBtu on Monday, widening the TTF-JKM spread to USD 0.86/MMBtu.

Last week's Baltimore bridge accident in the US state of Maryland saw European coal prices rise sharply as the weekend approached, with API2 at USD 4.78/MMBtu on Monday, its highest close since December.

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

Front-month futures/index	01/04/2024	27/03/2024	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	1.84	1.72	0.12	
NBP (\$/MMBtu)	8.59	8.75	-0.16	
NBP (£p/th)	68.05	69.22	-1.17	
Henry Hub-NBP spread	6.75	7.03	-0.28	
TTF (\$/MMBtu)	8.68	8.79	-0.11	
TTF (€/MWh)	27.34	27.69	-0.35	
Henry Hub-TTF spread	6.84	7.07	-0.23	
JKM (\$/MMBtu)	9.54	9.40	0.14	
TTF-JKM spread	0.86	0.61	0.25	
Henry Hub-JKM spread	7.70	7.68	0.02	
Brent (\$/barrel)	87.42	86.09	1.33	
WTI (\$/barrel)	83.71	81.35	2.36	
Brent-WTI spread (\$/barrel)	3.71	4.74	-1.03	
API2 Coal (\$/tonne)	119.55	113.95	5.60	
API2 Coal (\$/MMBtu)	4.78	4.56	0.22	
EU CO ₂ emissions allowances (€/tonne)	60.20	60.83	-0.63	

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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