

18 May 2024

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Pricewatch | 26 March 2024 | Gas Matters Today
Publication date: 26 March 2024

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Prices in global energy markets rose across the board yesterday, except for US natural gas futures, which fell for the fourth consecutive trading session ahead of the expiry of the April contract on Tuesday.

The rises came against the backdrop of several notable geopolitical developments, including the first time the UN Security Council has passed a resolution calling for an immediate ceasefire in the war between Israel and Hamas in Gaza, along with the immediate release of all hostages.

The US, clearly losing patience with Israel's strategy in the Gaza Strip, decided to abstain rather than exercise its veto – causing Israel to cancel a diplomatic visit to the US – with all the other 14 members giving their approval. There were no signs of a lull in fighting on Tuesday morning.

The repercussions of the terrorist attack in Moscow on Friday continued to reverberate, with warnings from several quarters that Russia should not use the attack as a pretext to escalate its war with Ukraine – where a gas storage facility was damaged over the weekend in a coordinated attack on the country's energy infrastructure.

Crude oil prices reacted to these and other developments by rallying after last week's falls. Brent was up 1.5%, from USD 85.43/barrel on Friday to USD 86.75/barrel on Monday, close to last week's five-month high. WTI was up 1.6%, from USD 80.63/barrel to USD 81.95/barrel. Prices continued to edge upwards on Tuesday morning.

In Europe, natural gas futures confirmed their underlying upwards trajectory with a second consecutive rise, despite high storage and warming weather, but failed to reach the highs of last week.

In continental Europe, TTF was up 2.9%, from USD 8.80/MMBtu on Friday to USD 9.05/MMBtu on Monday. Prices opened lower on Tuesday morning and were climbing towards yesterday's close by lunchtime in London.

In the UK, NBP moved in lockstep with TTF, up 2.6%, from USD 9.04/MMBtu to USD 9.28/MMBtu.

UK energy regulator Ofgem opened discussions on the future of the price cap that protects household gas and power consumers, "as the energy market evolves to a smarter, more flexible system".

One headline-grabbing option is a move towards "a more dynamic cap, with time-of-use dependent unit rates to encourage consumer flexibility". However, the suggestion comes amid reports that up to one smart meter in five is not working properly.

In Asia, the JKM LNG price moved back towards USD 10/MMBtu, with a 2.9% rise, from USD 9.45/MMBtu on Friday to USD 9.72/MMBtu on Monday. With TTF up by a similar amount, there was little change in the TTF-JKM spread, at USD 0.67/MMBtu.

In the US, Henry Hub fell by 2.7%, from USD 1.66/MMBtu on Friday to USD 1.62/MMBtu on Monday, the fourth fall in a row.

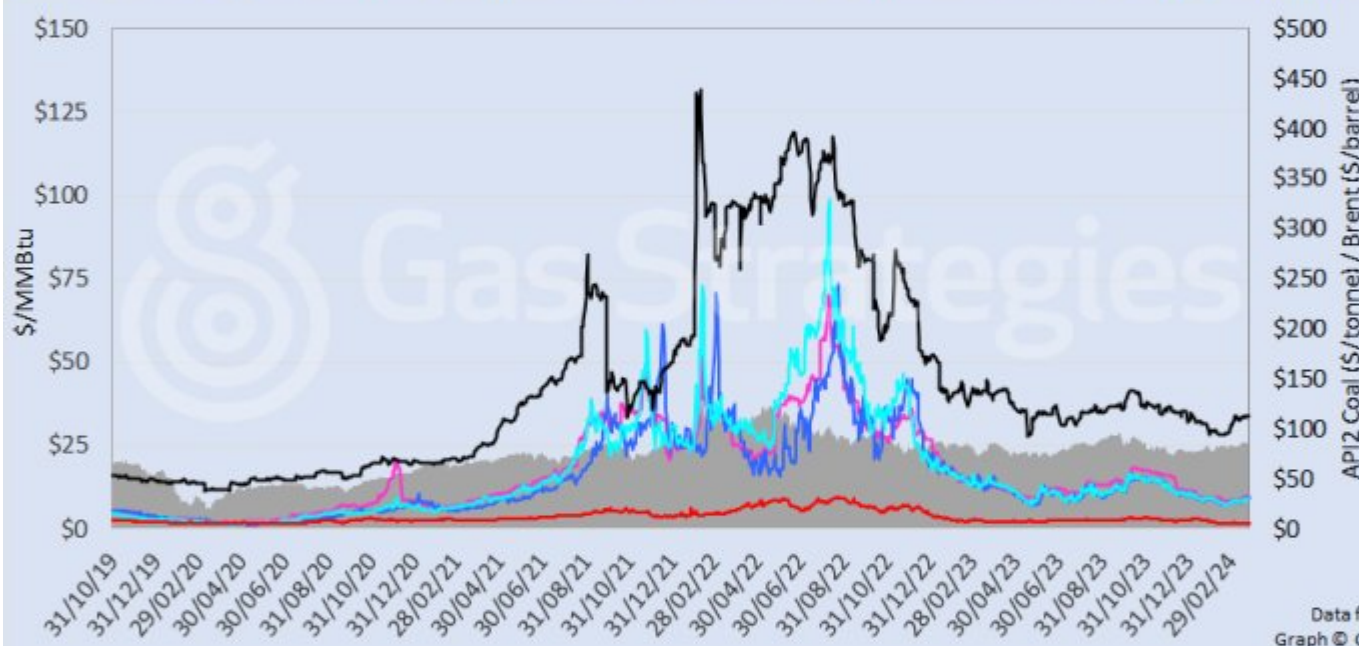
Warming weather continues to impact demand while supply remains robust and storage well above the five-year maximum-minimum range.

European carbon prices jumped sharply, with EU emissions allowances up 5.7%, from EUR 59.95/tonne on Friday to EUR 63.36/tonne on Monday, buoyed by rising energy prices and technical factors.

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

Front-month futures/index	25/03/2024	22/03/2024	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	1.62	1.66	-0.04	
NBP (\$/MMBtu)	9.28	9.04	0.24	
NBP (£p/th)	73.41	71.74	1.67	
Henry Hub-NBP spread	7.66	7.38	0.28	
TTF (\$/MMBtu)	9.05	8.80	0.25	
TTF (€/MWh)	28.49	27.78	0.71	
Henry Hub-TTF spread	7.43	7.14	0.30	
JKM (\$/MMBtu)	9.72	9.45	0.27	
TTF-JKM spread	0.67	0.65	0.02	
Henry Hub-JKM spread	8.10	7.79	0.31	
Brent (\$/barrel)	86.75	85.43	1.32	
WTI (\$/barrel)	81.95	80.63	1.32	
Brent-WTI spread (\$/barrel)	4.80	4.80	0.00	
API2 Coal (\$/tonne)	113.75	113.40	0.35	
API2 Coal (\$/MMBtu)	4.55	4.54	0.01	
EU CO ₂ emissions allowances (€/tonne)	63.36	59.95	3.41	

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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