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Gas Strategies Group

10 Saint Bride Street
London UK
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
subscriptions@gasstrategies.com



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European natural gas futures extended their week-long rally on Tuesday, moving firmly into triple-digit territory – in US dollar terms – amid reports of an outage at the Nyhamna gas processing plant in Norway and ongoing geopolitical tensions in the Middle East. Asian LNG futures jumped even more sharply as the June JKM contract became the front month.

In stark contrast, crude oil prices edged downwards, despite Saturday's attack on Israel by Iran and Israel's vow to retaliate, with the world still waiting to see what form retaliation might take.

In continental Europe, the May TTF contract jumped by 5.6%, from USD 9.79/MMBtu on Monday to USD 10.34/MMBtu on Tuesday, the fourth consecutive rise and the highest front-month close since the first week of 2024. Stripping out currency effects, the rise was 6.4% in EUR/MWh terms.

In the UK, NBP rose even more strongly, by 6.0%, from USD 9.73/MMBtu on Monday to USD 10.32/MMBtu on Tuesday. The rise was 6.9% in p/therm terms.

Both TTF and NBP were in a downwards trend on Wednesday as some traders opted to take profits.

In Asia, front-month JKM closed up 16.2% as the June contract became the front month, following the expiry of the May contract, at USD 9.69/MMBtu, on Monday. It is not uncommon for the JKM price to move sharply when a futures contract expires.

US gas prices also rose, with Henry Hub up 2.4%, from USD 1.69/MMBtu on Monday to USD 1.73/MMBtu on Tuesday, amid reports of a rupture in the NGTL pipeline system in the Canadian province of Alberta that led to a wildfire. The system gathers and exports gas from Western Canada to markets in Canada and the US.

Operator TC Energy quickly isolated the affected section of the system and the fire is reported to be under control.

Crude oil prices edged downwards for the second consecutive day after the weekend attack on Israel by Iran, with Brent down 0.1% to USD 90.02/barrel and WTI also down 0.1% to USD 85.36/barrel.

The US announced further sanctions on Iran, targeting its drone and missile manufacturing capabilities, while Israel continued to weigh up its response to Iran's attack. The country's prime minister, Benjamin Netanyahu, has been uncharacteristically quiet in recent days.

European carbon prices continued to rally, largely in response to the rise in gas prices, with EU emissions allowances up by 4.3% to EUR 71.70/tonne, the highest close since the first week of 2024.

Two months ago they were just above EUR 50/tonne, when EU gas prices reached their trough for the year.

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

Front-month futures/index	16/04/2024	15/04/2024	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	1.73	1.69	0.04	
NBP (\$/MMBtu)	10.32	9.73	0.59	
NBP (£p/th)	82.85	77.50	5.35	
Henry Hub-NBP spread	8.58	8.04	0.55	
TTF (\$/MMBtu)	10.34	9.79	0.55	
TTF (€/MWh)	33.14	31.14	2.00	
Henry Hub-TTF spread	8.60	8.10	0.51	
JKM (\$/MMBtu)	11.26	9.69	1.57	
TTF-JKM spread	0.92	-0.10	1.03	
Henry Hub-JKM spread	9.53	8.00	1.53	
Brent (\$/barrel)	90.02	90.10	-0.08	
WTI (\$/barrel)	85.36	85.41	-0.05	
Brent-WTI spread (\$/barrel)	4.66	4.69	-0.03	
API2 Coal (\$/tonne)	121.50	120.70	0.80	
API2 Coal (\$/MMBtu)	4.86	4.83	0.03	
EU CO ₂ emissions allowances (€/tonne)	71.70	68.74	2.96	

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.



Consulting

+44 (0) 20 7332 9900
consult@gasstrategies.com



Alphatania Training

+44 (0) 20 7332 9910
training@gasstrategies.com



Information Services

+44 (0) 20 7332 9976
subscriptions@gasstrategies.com

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Registered company address: 10 St Bride Street, London, EC4A 4AD