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Contents

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ANALYSIS: ‘US premium’ for gas upends Atlantic LNG flows, spurring optimisation

The price of natural gas on the US Gulf Coast yesterday rose above the indicative spot price of LNG in Asia for delivery in June, meaning Henry Hub now commands an ‘American premium’ over both European and Asian benchmarks – two key demand centres for US LNG. With US feedgas now more expensive than the market price for gas in major Asian and EU destination markets, US LNG cargoes are being swapped in favour of cut-price cargoes from non-US Atlantic Basin producers. These topsy-turvy price signals also bolster the case for US LNG imports, although portfolio optimisation could present a more cost-effective outcome than an armada of homeless cargoes washing up on the US Gulf Coast.

June-dated Henry Hub yesterday closed at USD 2.13/MMBtu, a modest premium on ...



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