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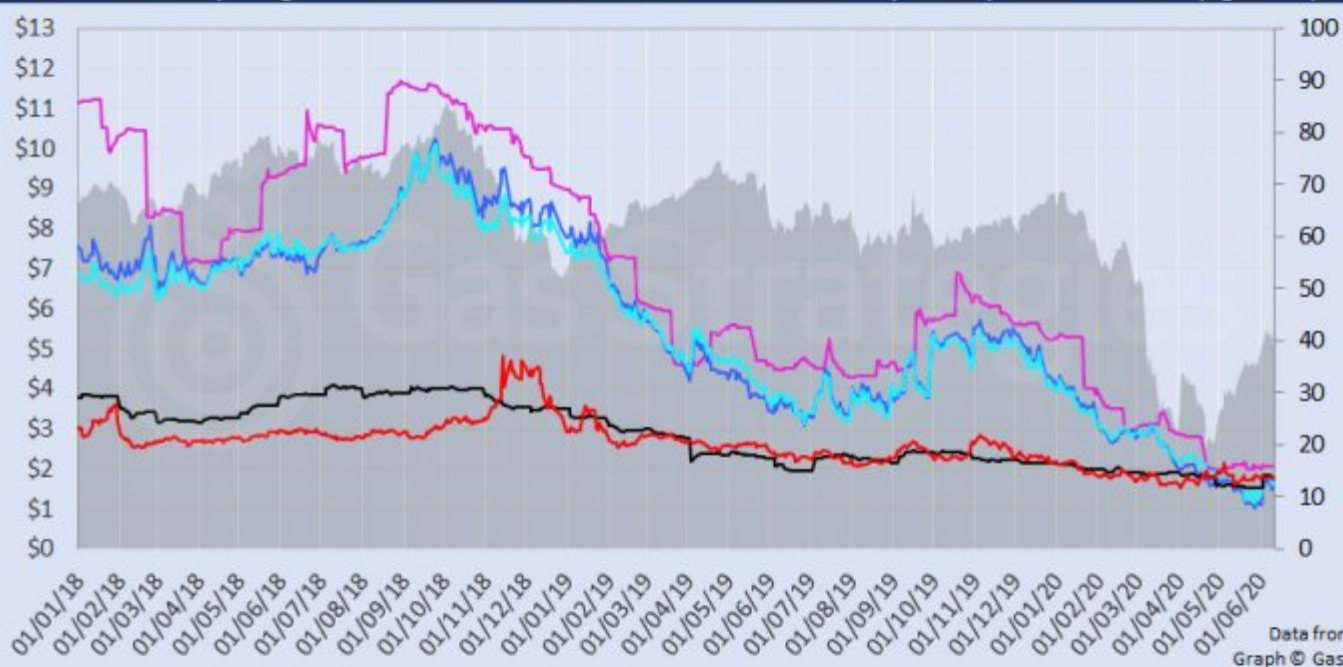
Crude oil prices plunged by over USD 3/barrel on Thursday, with front-month prices falling on US oil inventories hitting a record high and renewed concerns regarding demand destruction as Covid-19 cases increased globally. Month-ahead Brent settled at USD 38.55/barrel – marking the first time Brent has closed below USD 40/barrel in four days, with the front-month WTI closing at USD 36.34/barrel. The European carbon price fell 2.8% to EUR 22.21/tonne, while the API2 price of coal in Rotterdam fell 0.9% to the equivalent of USD 1.77/MMBtu.

Whilst oil tumbled, gas prices flourished on Thursday. European gas prices continued to rally, with front-month contracts on UK NBP and Dutch TTF increasing by 6% and 4% respectively in USD/MMBtu terms. The gains outpaced those of US gas benchmark Henry Hub – settling 1.9% higher at USD 1.81/MMBtu – which helped to soften the ‘American premium’. The ‘Asian premium’ over both US and EU benchmarks also fell, as CME’s JKM futures remained at USD 2.07/MMBtu.

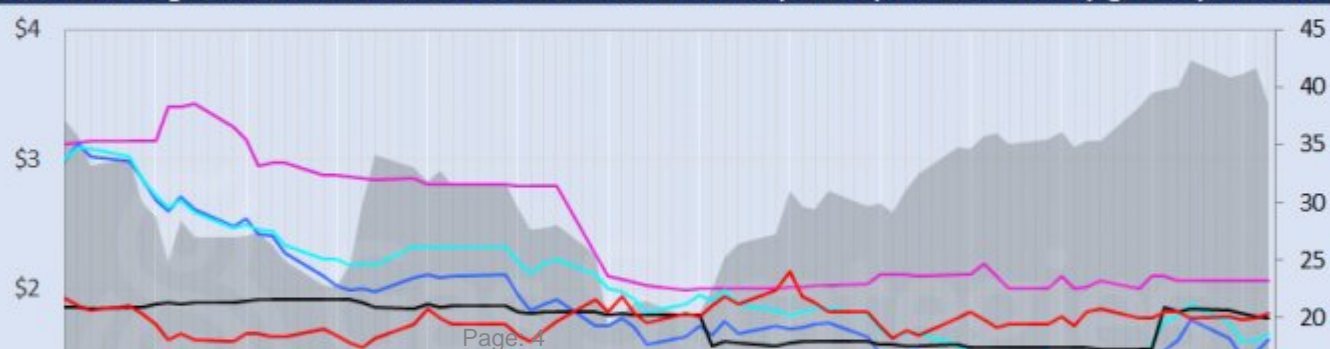
Front-month futures and indexes at last close with day-on-day changes (click to enlarge):

Front-month futures/index	11/06/2020	10/06/2020	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	1.81	1.78	0.03	
NBP (\$/MMBtu)	1.61	1.51	0.09	
NBP (€/th)	12.71	11.86	0.85	
Henry Hub-NBP spread	-0.21	-0.27	0.06	
TTF (\$/MMBtu)	1.66	1.60	0.06	
TTF (€/MWh)	4.99	4.80	0.19	
Henry Hub-TTF spread	-0.15	-0.18	0.03	
JKM (\$/MMBtu)	2.07	2.07	0.00	
TTF-JKM spread	0.41	0.47	-0.06	
Henry Hub-JKM spread	0.26	0.29	-0.03	
Brent (\$/barrel)	38.55	41.73	-3.18	
WTI (\$/barrel)	36.34	39.60	-3.26	
Brent-WTI spread (\$/barrel)	2.21	2.13	0.08	
API2 Coal (\$/tonne)	44.35	44.75	-0.40	
API2 Coal (\$/MMBtu)	1.77	1.79	-0.02	
EU CO ₂ emissions allowances (€/tonne)	22.21	22.85	-0.64	

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 01/01/18



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 10/06/20



[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 reserved.



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