

17 June 2021

Contents

Pricewatch | 27 Apr 2021 | Gas Matters Today
Publication date: 27 April 2021

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[1]

The European carbon price surged to a fresh record high on Monday, with compliance buying once again driving the rally.

The May-dated contract on the EU ETS hit a record EUR 47.13/tonne to start the week, with the benchmark December 2021 contract settling at EUR 47.2/tonne. Compliance buying ahead of the 30 April deadline was once again the main driving force behind the rally.

Gas prices in Europe diverged on Monday, with the front-month NBP contract strengthening further to settle 2.1% higher at the equivalent of USD 7.17/MMBtu. The benchmark European gas marker TTF recorded a marginal loss of 0.1% to settle at the equivalent of USD 7.08/MMBtu.

As for JKM, the Asian LNG marker stopped the rot after recording a 0.6% gain to settle at USD 8.25/MMBtu to start the week.

In the US, Henry Hub remained in the USD 2.7/MMBtu range after recording a 2.2% gain on Monday.

Crude prices fell on Monday amid surging Covid-19 cases in India. The Organization of the Petroleum Exporting Countries and its allies, collectively known as OPEC+, indicated that it is monitoring the rise in Covid-19 cases in India, with the surge expected to hit the nation's oil demand.

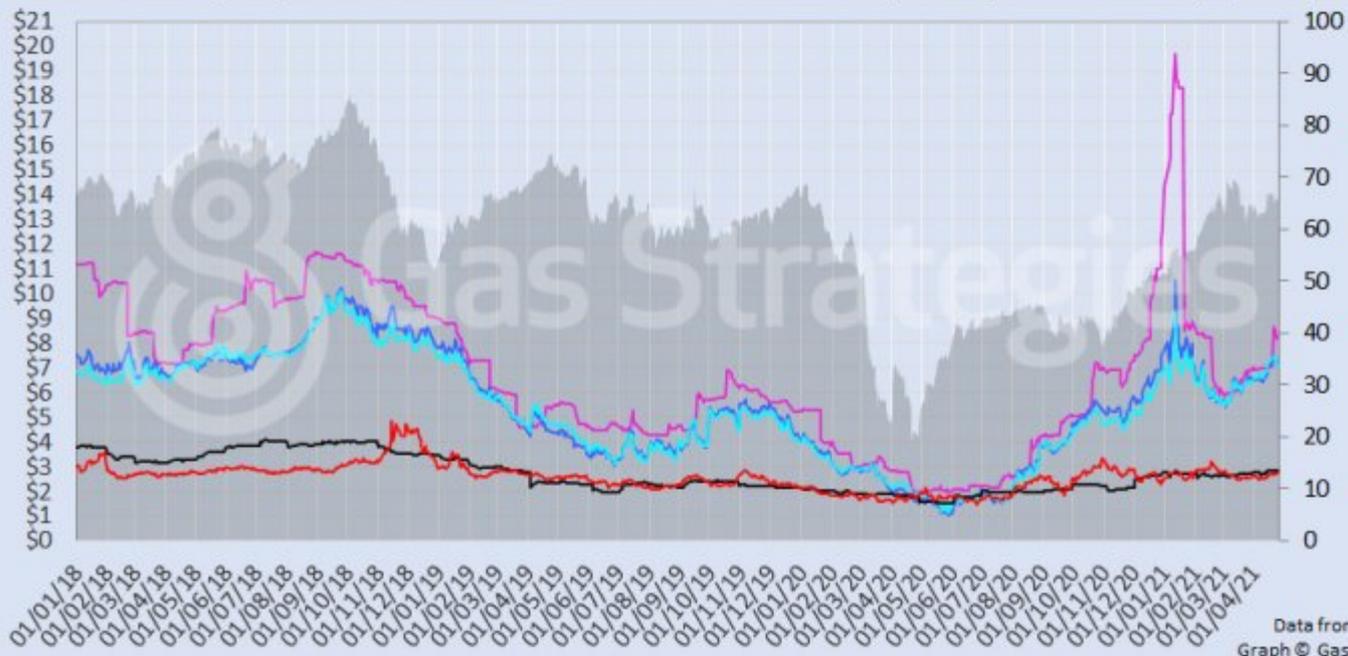
All eyes are on the OPEC+ meeting on Wednesday, with the cartel to discuss its production policy. Earlier this month, OPEC+ agreed to relax production curbs starting next month and increase output by

350,000 barrels/d. The cartel said it would add a further 350,000 barrels/d in June and 400,000 barrels/d in July.

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

Front-month futures/index	26/04/2021	23/04/2021	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.79	2.73	0.06	
NBP (\$/MMBtu)	7.17	7.02	0.15	
NBP (£p/th)	51.64	50.72	0.92	
<i>Henry Hub-NBP spread</i>	<i>4.38</i>	<i>4.29</i>	<i>0.09</i>	
TTF (\$/MMBtu)	7.08	7.09	-0.01	
TTF (€/MWh)	20.00	20.05	-0.04	
<i>Henry Hub-TTF spread</i>	<i>4.29</i>	<i>4.36</i>	<i>-0.07</i>	
JKM (\$/MMBtu)	8.25	8.20	0.05	
<i>TTF-JKM spread</i>	<i>1.17</i>	<i>1.11</i>	<i>0.06</i>	
<i>Henry Hub-JKM spread</i>	<i>5.46</i>	<i>5.47</i>	<i>-0.01</i>	
Brent (\$/barrel)	65.65	66.11	-0.46	
WTI (\$/barrel)	61.91	62.14	-0.23	
<i>Brent-WTI spread (\$/barrel)</i>	<i>3.74</i>	<i>3.97</i>	<i>-0.23</i>	
API2 Coal (\$/tonne)	71.65	71.50	0.15	
API2 Coal (\$/MMBtu)	2.87	2.86	0.01	
EU CO₂ emissions allowances (€/tonne)	47.13	46.86	0.27	

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1 Jan 2018



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1 Jan 2018



[2]

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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