

3 May 2024

## Contents

Pricewatch | 10 May 2021 | Gas Matters Today  
Publication date: 10 May 2021

### **Gas Strategies Group**

10 Saint Bride Street  
London UK  
EC4A 4AD

ISSN: 0964-8496

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

### **Editorials**

+44(0) 20 7332 9957  
[editor@gasstrategies.com](mailto:editor@gasstrategies.com)

### **Subscriptions**

+44(0) 20 7332 9976  
[subscriptions@gasstrategies.com](mailto:subscriptions@gasstrategies.com)



# Pricewatch | 10 May 2021 | Gas Matters Today

The European carbon price hit a record high on Friday, with the price looking set to hit a fresh high on Monday amid strengthening commodity prices and growing investor interest.

The carbon price rally shows no sign of slowing, with the June-dated contract settling at a record high of EUR 50.33/tonne on Friday. The benchmark December 2021 contract closed at EUR 50.45/tonne on Friday, with the EUA price having increased by almost EUR 20/tonne since the start of the year.

The European carbon price looks set to hit a fresh high on Monday amid strengthening gas, coal and power prices. The recent rally has also been aided by growing investor interest and supporting policy signals, with the EU having recently set tougher climate targets.

Prices were supported on Friday after the European Union's head of climate change policy, Frans Timmermans, said that the European Commission has no plans to intervene in the EU ETS amid the bull run.

"It's a market and we should be very, very careful not to intervene because that would create a non-market-based price, and that would absolutely undermine the credibility of the emissions trading system," Timmermans said during a webinar hosted by the European University Institute on Friday.

"It's a market, so who am I to say what's too high or too low? It's a market mechanism, but if we want to achieve our goals, I think the price should be much higher than it is even at 50 euros. But that's up to the market," Timmermans added.

Whilst European carbon strengthened, European gas prices stumbled on Friday after reaching a four-month high the day before.

The front-month NBP contract fell by 0.8% to settle at USD 8.57/MMBtu, with the month-ahead TTF contract down 0.7% to close at 8.53/MMBtu.

The losses were attributed to profit taking and forecasts for milder weather. Prices were however rallying on Monday morning with support offered by the continent's depleted gas storage facilities.

Unseasonably cold weather in recent weeks has many storage sites in Europe remain in net withdrawal mode in what should now be injection season.

Asia LNG marker JKM continues to mirror the movements of the European gas markers, with the front-month JKM contract recording a minor loss on Friday, closing 0.2% lower to settle at USD 9.05/MMBtu.

In the US, gas benchmark Henry Hub stopped the rot after rallying by 1% on Friday, with the front-month contract remaining in the USD 2.9/MMBtu range.

Strong carbon and gas has also helped lift the price of coal in Europe, with the AP12 price hitting its

highest level since January 2019 on Friday. The front-month AP12 contract settled at the equivalent of USD 3.30/MMBtu.

Crude prices staged a minor recovery on Friday amid bullish demand side news in several major economies, however spiralling Covid-19 cases in India kept a cap on gains.

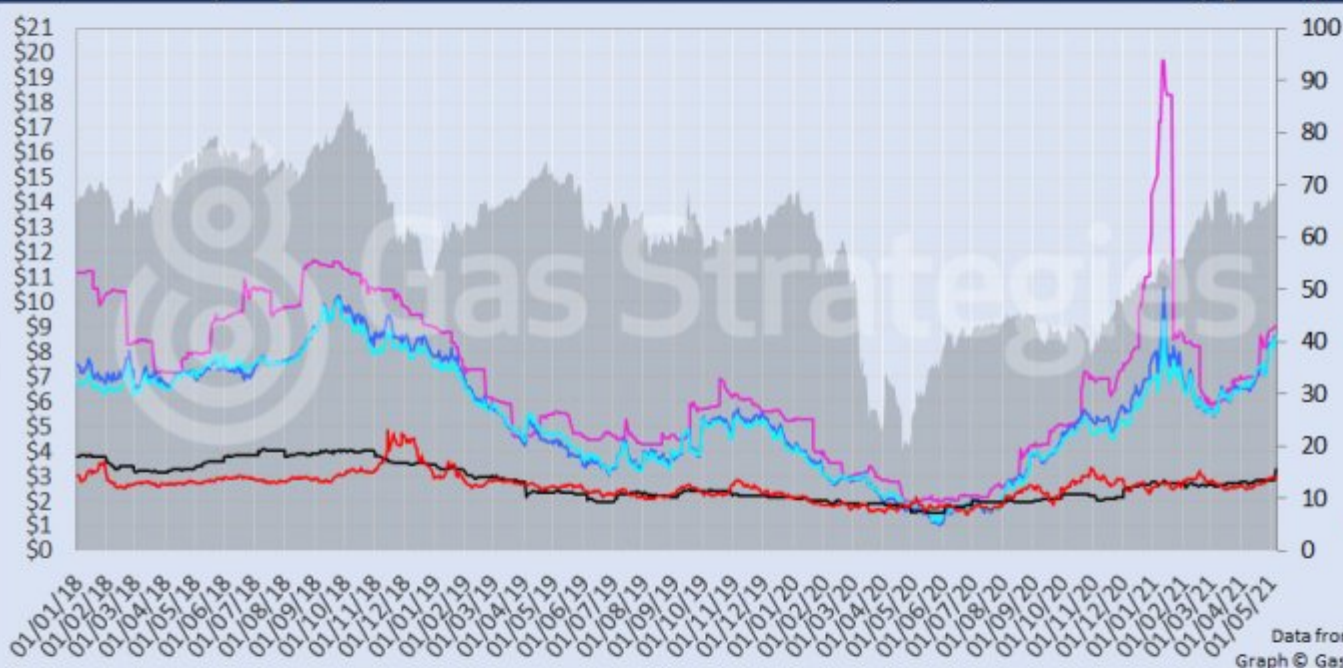
The lifting of restrictions on movement in the US and in many European nations, coupled with accelerating Covid-19 vaccination rates provided support to crude prices, which rallied by 0.3% on Friday.

The front-month Brent contract remained in the USD 68/barrel range, with WTI firmly in the USD 64/barrel range.

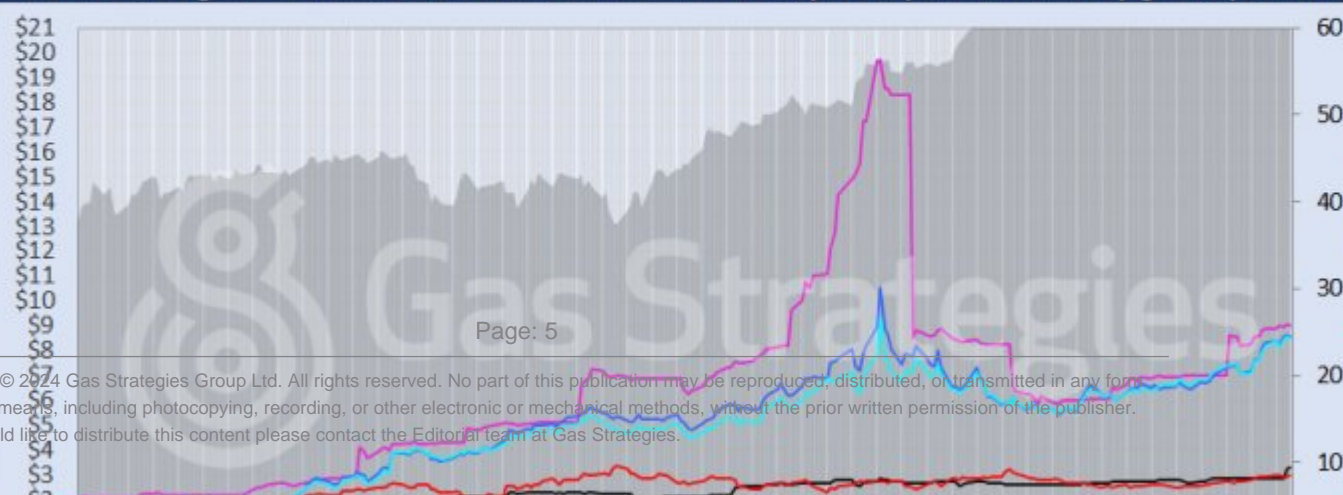
*Front-month futures and indexes at last close with day-on-day changes (click to enlarge):*

| Front-month futures/index                         | 07/05/2021 | 06/05/2021 | Daily +/- (\$) | Daily |
|---|------------|------------|----------------|-------|
| Henry Hub (\$/MMBtu)                              | 2.96       | 2.93       | 0.03           |       |
| NBP (\$/MMBtu)                                    | 8.57       | 8.64       | -0.07          |       |
| NBP (£p/th)                                       | 61.23      | 62.25      | -1.02          |       |
| Henry Hub-NBP spread                              | 5.61       | 5.71       | -0.10          |       |
| TTF (\$/MMBtu)                                    | 8.53       | 8.59       | -0.06          |       |
| TTF (€/MWh)                                       | 23.94      | 24.33      | -0.39          |       |
| Henry Hub-TTF spread                              | 5.58       | 5.67       | -0.09          |       |
| JKM (\$/MMBtu)                                    | 9.05       | 9.06       | -0.02          |       |
| TTF-JKM spread                                    | 0.51       | 0.47       | 0.04           |       |
| Henry Hub-JKM spread                              | 6.09       | 6.13       | -0.05          |       |
| Brent (\$/barrel)                                 | 68.28      | 68.09      | 0.19           |       |
| WTI (\$/barrel)                                   | 64.90      | 64.71      | 0.19           |       |
| Brent-WTI spread (\$/barrel)                      | 3.38       | 3.38       | 0.00           |       |
| API2 Coal (\$/tonne)                              | 82.40      | 81.70      | 0.70           |       |
| API2 Coal (\$/MMBtu)                              | 3.30       | 3.27       | 0.03           |       |
| EU CO <sub>2</sub> emissions allowances (€/tonne) | 50.33      | 49.82      | 0.51           |       |

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1/01/18



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1/01/18



[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](mailto:consult@gasstrategies.com)



### Alphatania Training

+44 (0) 20 7332 9910  
[training@gasstrategies.com](mailto:training@gasstrategies.com)



### Information Services

+44 (0) 20 7332 9976  
[subscriptions@gasstrategies.com](mailto:subscriptions@gasstrategies.com)

Copyright © 2024 Gas StrategiesGroup Ltd.

Gas Strategies Group Limited is a company registered in England and Wales under company number 2225820.

Gas Strategies is the trading name of Gas Strategies Group Limited.

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