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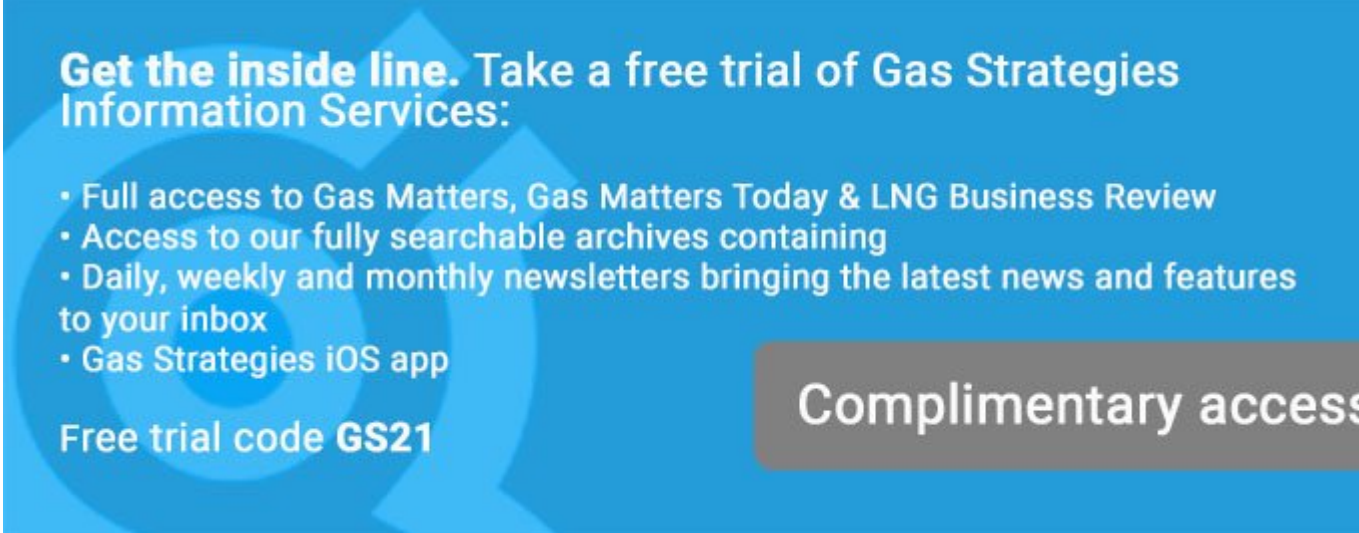
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[1]

Crude prices rebounded on Tuesday following a ~USD 5/barrel drop on Monday, with the rally pinned on market participants buying on the dip.

The September-dated WTI and Brent contracts recorded gains of ~1% on Tuesday, with Brent returning to the USD 69/barrel range and WTI settling in the USD 67/barrel range.

The rebound was largely due to some market participants buying on the dip following Monday's price plunge, which was caused by OPEC's deal to increase production and fears that rising Covid-19 cases could derail a recovery in crude demand.

As for gas, prices in Europe fell amid forecasts of cooler weather and an improving supply outlook – with the Nord Stream pipeline due back online shortly following planned maintenance.

The month-ahead TTF and NBP contracts fell by ~1.5% on Tuesday, with NBP settling below the USD 12/MMBtu range.

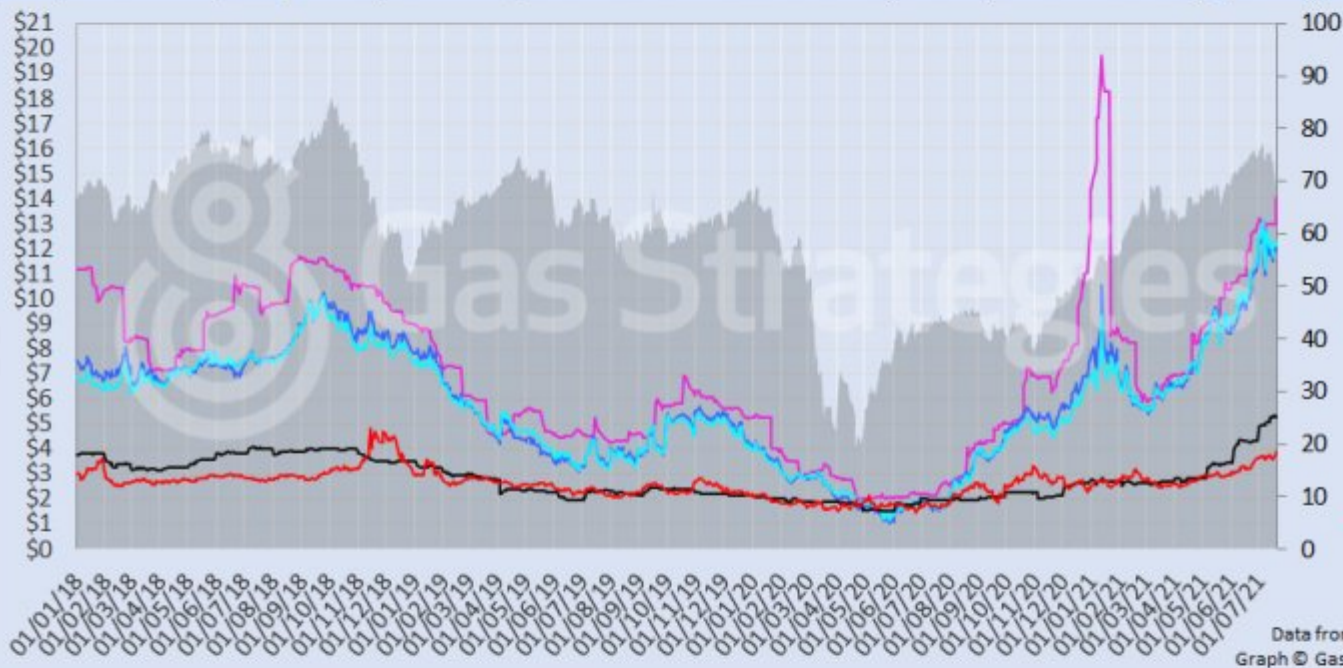
The front-month JKM contract rolled over to September, with the contract settling at USD 14.04/MMBtu.

In the US, gas benchmark Henry Hub continued to rally, recording a 2.6% gain to close at USD 3.88/MMBtu. The gains were largely attributed to forecasts for warmer weather over the second half of July, which is expected to drive gas demand for air conditioning, and subsequently reduce the availability of gas for injection into US storage sites.

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

Front-month futures/index	20/07/2021	19/07/2021	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	3.88	3.78	0.10	
NBP (\$/MMBtu)	11.93	12.10	-0.17	
NBP (£p/th)	87.65	88.38	-0.73	
<i>Henry Hub-NBP spread</i>	8.06	8.32	-0.27	
TTF (\$/MMBtu)	12.13	12.33	-0.20	
TTF (€/MWh)	35.17	35.65	-0.48	
<i>Henry Hub-TTF spread</i>	8.26	8.55	-0.30	
JKM (\$/MMBtu)	14.04	12.97	1.06	
<i>TTF-JKM spread</i>	1.90	0.64	1.25	
<i>Henry Hub-JKM spread</i>	10.16	9.19	0.97	
Brent (\$/barrel)	69.35	68.62	0.73	
WTI (\$/barrel)	67.20	66.35	0.85	
<i>Brent-WTI spread (\$/barrel)</i>	2.15	2.27	-0.12	
API2 Coal (\$/tonne)	132.20	133.20	-1.00	
API2 Coal (\$/MMBtu)	5.29	5.33	-0.04	
EU CO₂ emissions allowances (€/tonne)	51.13	52.32	-1.19	

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 18/01/2018



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 18/01/2018



[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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