

30 June 2024

## Contents

Pricewatch | 06 Aug 2021 | Gas Matters Today  
Publication date: 06 August 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 | 06 Aug 2021 | Gas Matters Today

**Get the inside line. Take a free trial of Gas Strategies Information Services:**

- Full access to Gas Matters, Gas Matters Today & LNG Business Review
- Access to our fully searchable archives containing
- Daily, weekly and monthly newsletters bringing the latest news and features to your inbox
- Gas Strategies iOS app

Free trial code **GS21**

Complimentary access

[1]

European gas prices continue to soar, with TTF hitting a fresh record high on Thursday and NBP closing at its highest level since 2005. Prices were rallying on Friday morning amid reports of a fire at Gazprom's Ugenyoy gas condensate processing facility in Russia's Yamal region, which impacted gas exports to Europe.

The front-month TTF and NBP contracts recorded gains of ~1.5% on Thursday, with the Dutch gas benchmark hitting a fresh record high of EUR 42.90/MWh (USD 14.88/MMBtu) and the UK marker closing at the equivalent of USD 15.12/MMBtu – maintaining its premium over TTF.

Reduced pipeline flows – namely from Russia – has helped lift gas prices in Europe this week. Prices could hit fresh highs on Friday as prices were rallying during morning trading amid reports of a fire on Thursday at Gazprom's Ugenyoy gas condensate processing facility.

Pipeline flows from Russia to Europe were hit on Thursday, however reports suggest flows were being restored on Friday morning. That said, it is currently unclear when flows will be restored fully.

Low wind power generation and weak LNG imports into Europe has also helped lift prices, with wind availability expected to drop next week, offering additional support to European gas.

Europe's depleted gas storage levels, which are currently ~16 Bcm below the five-year average, continue to offer support to European gas prices.

Additionally, the strengthening carbon price is also supporting the gas price bull run. The August-dated contract hit EUR 55.92/tonne on Thursday.

The record gas prices in Europe are weighing on power prices across the continent, with wholesale power prices in Spain currently at a record high and prices in Germany – where gas became the country's primary energy source in H1'21, according to Gazprom Export – at a 13-year high.

In the UK, energy regulator Ofgem announced on Friday that energy bills for millions of households will increase – from October 2021 – to levels not seen in ~10 years amid surging wholesale gas prices.

CME's JKM futures contract, which has largely tracked European gas prices, recorded a 0.5% gain on Thursday to settle at USD 15.40/MMBtu. The gains by TTF and NBP, coupled with the modest increase by the Asian LNG marker, saw JKM's premium over the Dutch gas benchmark cut to USD 0.52/MMBtu and the NBP-JKM spread reduced to USD 0.28/MMBtu.

In the US, Henry Hub fell from a 10-year seasonal high after recording a marginal loss. The front-month contract remained in the USD 4/MMBtu range.

As for oil, prices rallied for the first time in three days amid increasing tensions in the Middle East, however gains were capped due to concerns over rising Covid-19 cases in the US and China.

Crude prices rallied by ~1% on Thursday after Israel's military confirmed that its air force hit what it called rocket launch sites in Lebanon after two rockets were launched towards Israel from Lebanese territory.

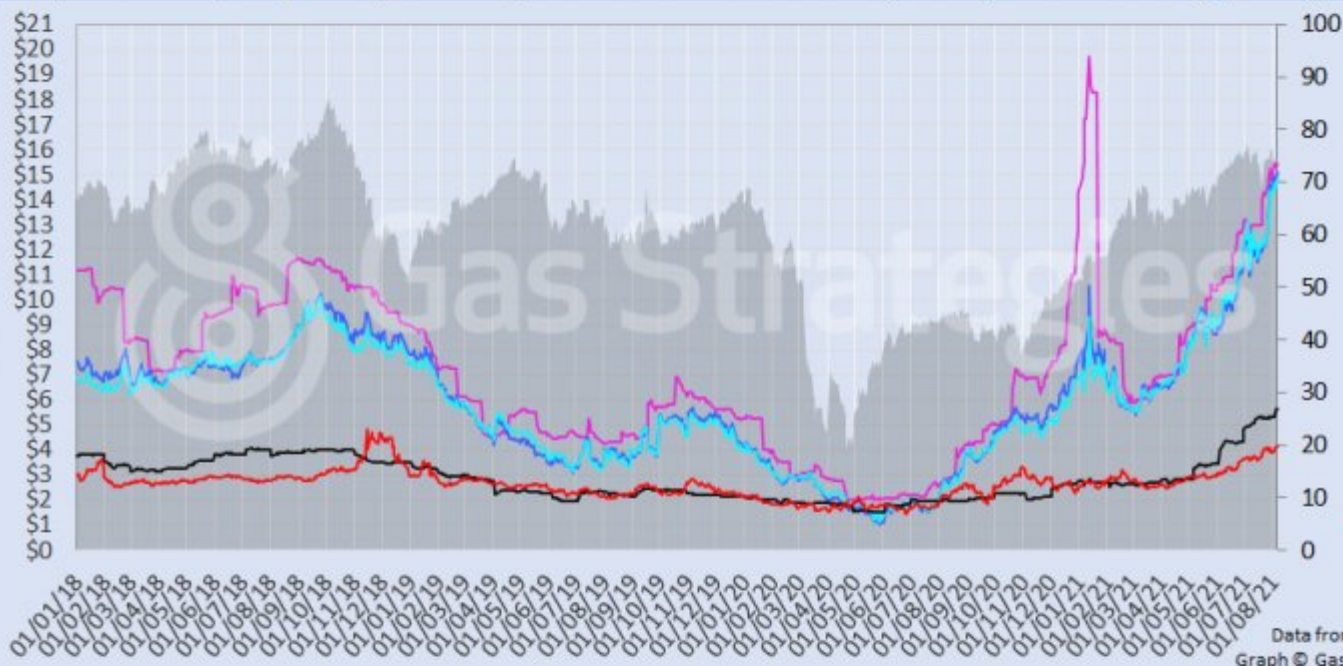
In recent days, Israel has blamed Iran for an attack on a crude tanker off the coast of Oman last week. Tehran has denied any involvement in the attack which killed two crew members.

The front-month Brent contract returned to the USD 71/barrel range, with WTI returning to the USD 69/barrel range.

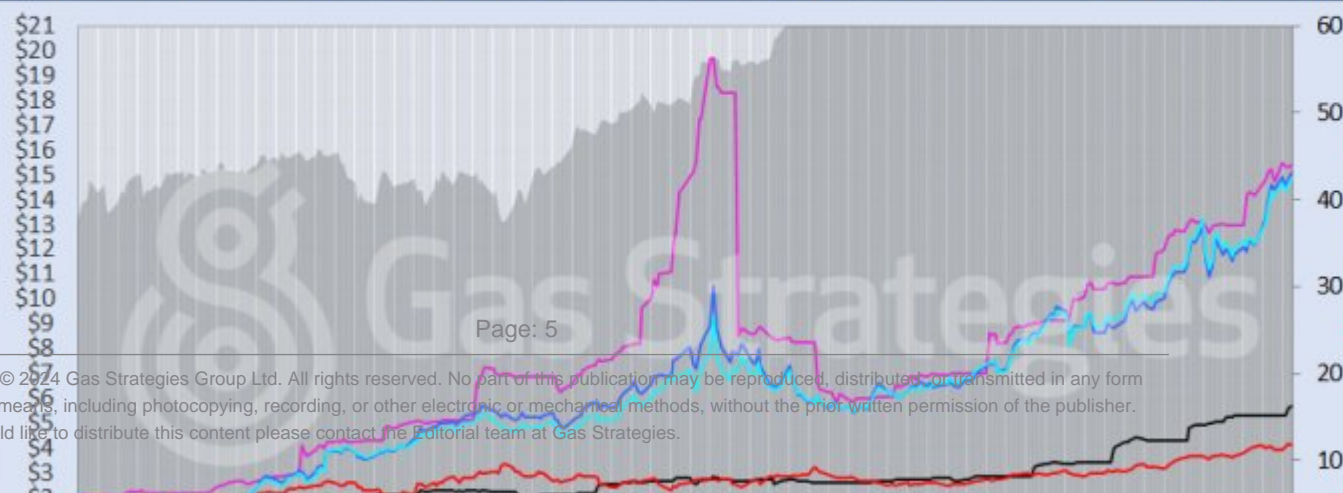
*Front-month futures and indexes at last close with day-on-day changes (click to enlarge):*

Front-month futures/index	05/08/2021	04/08/2021	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	4.14	4.16	-0.02	
NBP (\$/MMBtu)	15.12	14.87	0.24	
NBP (£p/th)	108.56	106.92	1.64	
Henry Hub-NBP spread	10.98	10.72	0.26	
TTF (\$/MMBtu)	14.88	14.66	0.22	
TTF (€/MWh)	42.90	42.25	0.65	
Henry Hub-TTF spread	10.74	10.51	0.24	
JKM (\$/MMBtu)	15.40	15.33	0.08	
TTF-JKM spread	0.52	0.66	-0.14	
Henry Hub-JKM spread	11.26	11.17	0.09	
Brent (\$/barrel)	71.29	70.38	0.91	
WTI (\$/barrel)	69.09	68.15	0.94	
Brent-WTI spread (\$/barrel)	2.20	2.23	-0.03	
API2 Coal (\$/tonne)	141.60	141.10	0.50	
API2 Coal (\$/MMBtu)	5.66	5.64	0.02	
EU CO <sub>2</sub> emissions allowances (€/tonne)	55.92	55.40	0.52	

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



[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.*





### 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)