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Crude prices continued to tumble on Thursday, as fears persisted on demand being impacted by rising Covid-19 cases in many parts of the world, caused by the highly contagious Delta variant of the virus and low vaccination rates in some countries.

Brent settled at USD 66.45/barrel, down by USD 1.78/barrel on the day – its lowest level since 21 May. WTI shed nearly two dollars, settling at USD 63.50/barrel. Comments made by the US Federal Reserve that it will suspend its bond-buying programme added to Thursday's bearish sentiment in crude trading.

In Europe, gas prices also fell, mirroring oil, despite the supply outlook remaining uncertain in coming months, as volumes from Russia continue to be tight. The Dutch TTF front-month contract settled at EUR 40.40/MWh, a drop of nearly EUR 5/MWh day on day, or 11%, while in USD/MMBtu terms, it settled at USD 13.84/MMBtu.

Asian LNG marker JKM also eased Thursday, shedding USD 1.59/MMBtu to settle at USD 15.18/MMBtu, though it remained at high levels close to January's price spike. With the TTF also falling on Thursday, JKM's premium over it spread by 13 cents to USD 1.34/MMBtu.

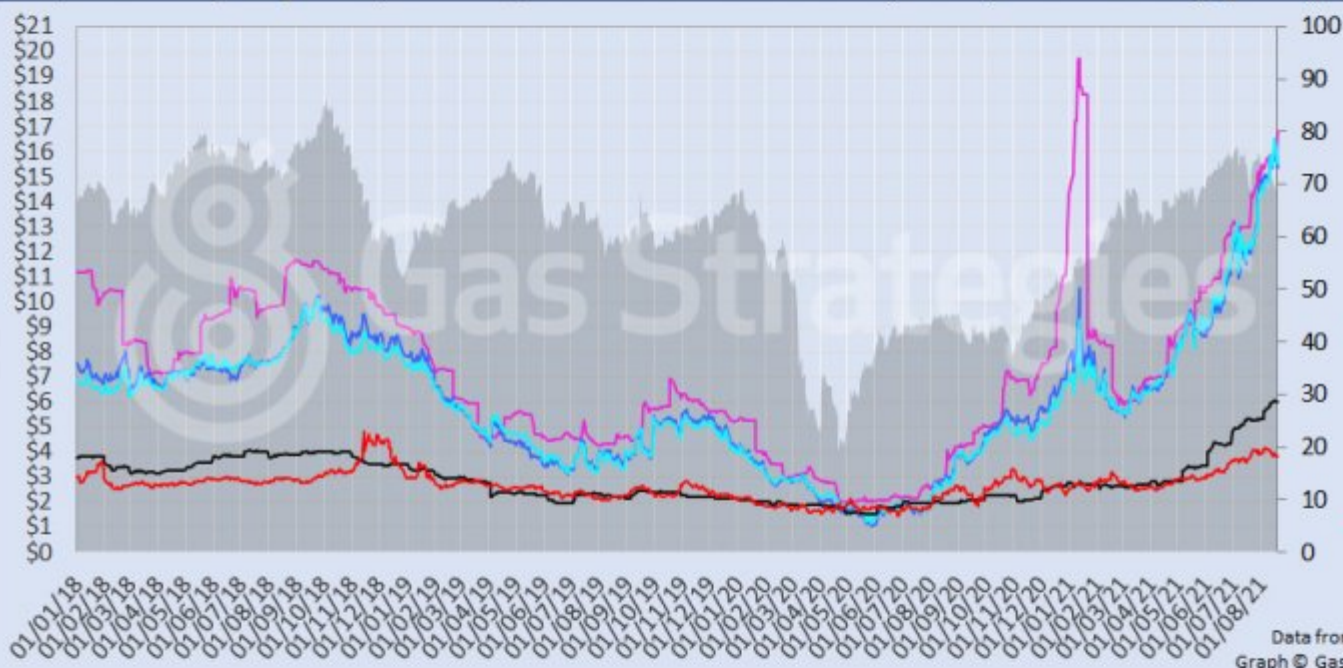
News that Gazprom's Nord Stream 2 gas pipeline link between Russia and Germany was "99% complete" and could begin shipping volumes before the end of the year may have helped ease European gas prices, although the project still faces regulatory hurdles.

Meanwhile, in the Russian Far East, Sakhalin Energy said on Wednesday it had resumed production from Train 1 of its Sakhalin 2 LNG export plant, which had been shut for maintenance since mid-July, while Train 2 was still going through post-shutdown commissioning.

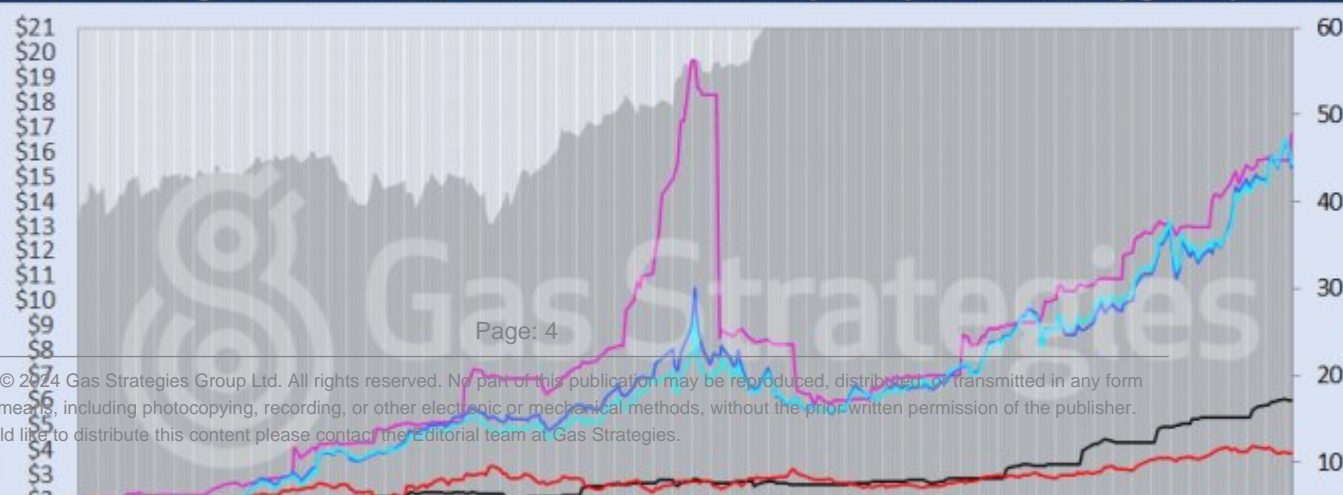
Front-month futures and indexes at last close with day-on-day changes (click to enlarge):

Front-month futures/index	19/08/2021	18/08/2021	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	3.83	3.85	-0.02	
NBP (\$/MMBtu)	13.64	15.34	-1.71	
NBP (£p/th)	99.74	111.61	-11.87	
Henry Hub-NBP spread	9.81	11.49	-1.68	
TTF (\$/MMBtu)	13.84	15.57	-1.72	
TTF (€/MWh)	40.40	45.39	-4.99	
Henry Hub-TTF spread	10.01	11.71	-1.70	
JKM (\$/MMBtu)	15.18	16.77	-1.59	
TTF-JKM spread	1.34	1.20	0.13	
Henry Hub-JKM spread	11.35	12.92	-1.57	
Brent (\$/barrel)	66.45	68.23	-1.78	
WTI (\$/barrel)	63.50	65.46	-1.96	
Brent-WTI spread (\$/barrel)	2.95	2.77	0.18	
API2 Coal (\$/tonne)	144.25	150.15	-5.90	
API2 Coal (\$/MMBtu)	5.77	6.01	-0.24	
EU CO ₂ emissions allowances (€/tonne)	53.44	57.07	-3.63	

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



[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.



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