

30 November 2021

Contents

Pricewatch | 24 Nov 2021 | Gas Matters Today
Publication date: 24 November 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
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
subscriptions@gasstrategies.com



Pricewatch | 24 Nov 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]

Oil prices climbed on Tuesday after the US announced it and several other large crude consuming nations will release millions of barrels of oil from strategic reserves over the coming months. The Biden administration hopes the release will help tame rising petroleum prices, however some market observers suggest the move could provoke OPEC and its allies to lower production quotas in a bid to prop up oil prices.

The front-month Brent contract closed above USD 80/barrel for the first time in three days after rallying by 3.3% on Tuesday to close at USD 82.31/barrel. WTI closed 2.3% higher at USD 78.5/barrel.

Crude prices rallied after the US announced that it – in coordination with Britain, China, India, Japan and South Korea – will release millions of barrels of crude from strategic reserves.

The move comes after OPEC ignored the Biden administration's calls for the crude cartel to boost production further in order to tame prices.

Under the proposal, the US will release 50 million barrels of oil, with the UK set to release 1.5 million barrels and India to release 5 million barrels. China, Japan and South Korea are yet to reveal how much oil they will draw from strategic stocks.

For context, the release approved by the Biden administration will be the largest in US history, however the volume is only equivalent to just over two days' worth of US consumption.

Some market observers said the draw on strategic stocks is likely to fail to tame rising prices, pointing to the limited volumes draw and the fact that the move may in turn see OPEC+ lower production going forward in a bid to prop up prices.

As for gas, prices in Europe recorded strong gains amid a cold snap gripping much of the continent.

The front-month TTF and NBP contracts closed 8.3% higher on Tuesday, with the UK marker settling at the equivalent of USD 30.66/MMBtu and TTF closing at USD 30.02/MMBtu.

Asian LNG marker JKM rebounded, closing 6.2% higher at USD 36.08/MMBtu.

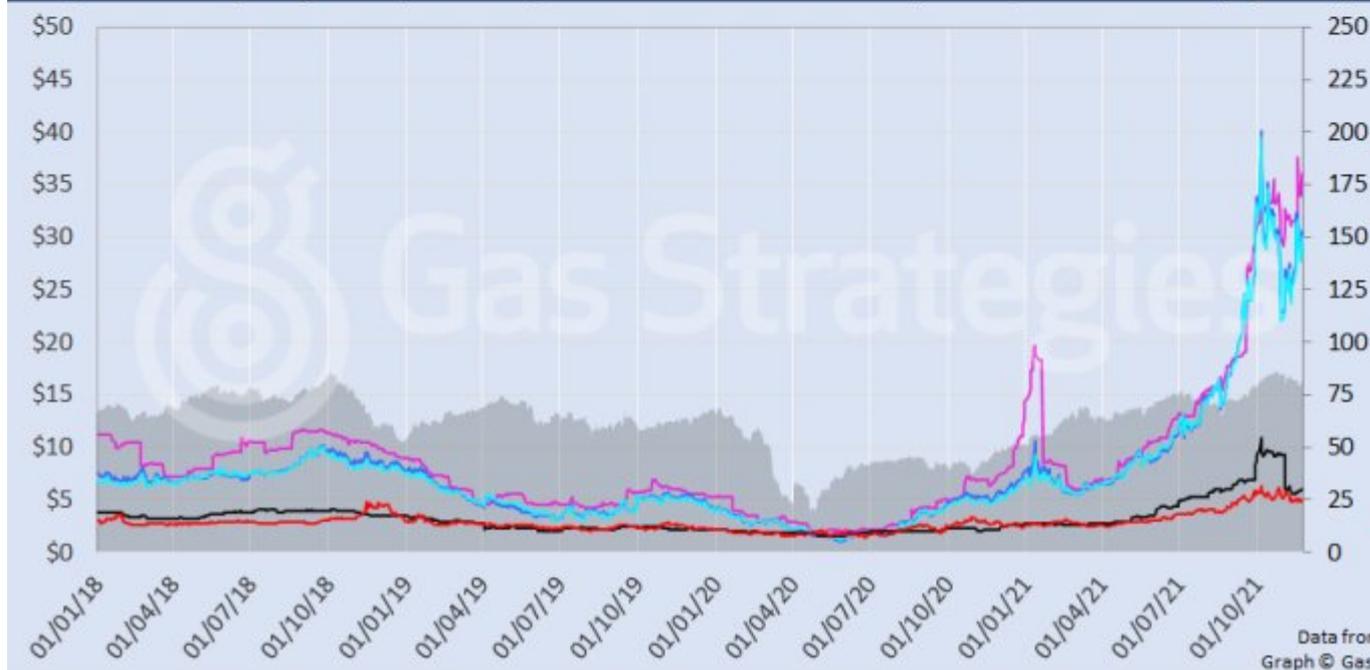
US gas benchmark Henry Hub closed just shy of USD 5/MMBtu, recording a 3.7% gain.

The European carbon price fell for the first time in four days, closing 1.1% lower at EUR 69.17/tonne.

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

Front-month futures/index	23/11/2021	22/11/2021	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	4.97	4.79	0.18	
NBP (\$/MMBtu)	30.66	28.32	2.34	
NBP (£p/th)	229.05	211.17	17.88	
<i>Henry Hub-NBP spread</i>	<i>25.69</i>	<i>23.53</i>	<i>2.16</i>	
TTF (\$/MMBtu)	30.02	27.73	2.29	
TTF (€/MWh)	90.93	84.02	6.91	
<i>Henry Hub-TTF spread</i>	<i>25.05</i>	<i>22.94</i>	<i>2.11</i>	
JKM (\$/MMBtu)	36.08	33.97	2.11	
<i>TTF-JKM spread</i>	<i>6.06</i>	<i>6.24</i>	<i>-0.18</i>	
<i>Henry Hub-JKM spread</i>	<i>31.11</i>	<i>29.18</i>	<i>1.93</i>	
Brent (\$/barrel)	82.31	79.70	2.61	
WTI (\$/barrel)	78.50	76.75	1.75	
<i>Brent-WTI spread (\$/barrel)</i>	<i>3.81</i>	<i>2.95</i>	<i>0.86</i>	
API2 Coal (\$/tonne)	150.00	146.35	3.65	
API2 Coal (\$/MMBtu)	6.00	5.85	0.15	
EU CO₂ emissions allowances (€/tonne)	69.17	69.91	-0.74	

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



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



Consulting

+44 (0) 20 7332 9900
consult@gasstrategies.com



Alphatania Training

+44 (0) 20 7332 9910
training@gasstrategies.com



Information Services

+44 (0) 20 7332 9976
subscriptions@gasstrategies.com