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It was a bearish end to November, with crude prices falling back again on concerns over the ability of existing Covid-19 vaccines to effectively protect against the Omicron variant, while gas prices in Europe settled lower as temperatures were expected to be milder than average for a couple of days.

Brent closed at USD 69.23/barrel, down 5.7% on the day, while the WTI settled at USD 66.18/barrel, a 5.4% drop.

As some governments accelerate the rollout of booster jabs and impose new restrictions to combat the spread of the Omicron variant, which is thought to be more transmissible than other Covid-19 variants but to cause milder symptoms, the manufacturers of vaccines appear divided over their effectiveness against the new variant, which has weighed on trading sentiment.

On Tuesday, the CEO of Moderna, Stephane Bancel, predicted that existing vaccines will struggle with Omicron, but Ugur Sahin, the boss of BioNTech, which manufactures the Pfizer vaccine, said he was not “particularly worried” and that he was only concerned over “the fact that there are people that have not been vaccinated at all.”

Meanwhile, gas prices in Europe posted marginal losses on Tuesday, with the front-month Dutch TTF contract shedding just 24 cents to close at USD 30.61/MMBtu, while the UK NBP was down 38 cents to USD 31.57/MMBtu.

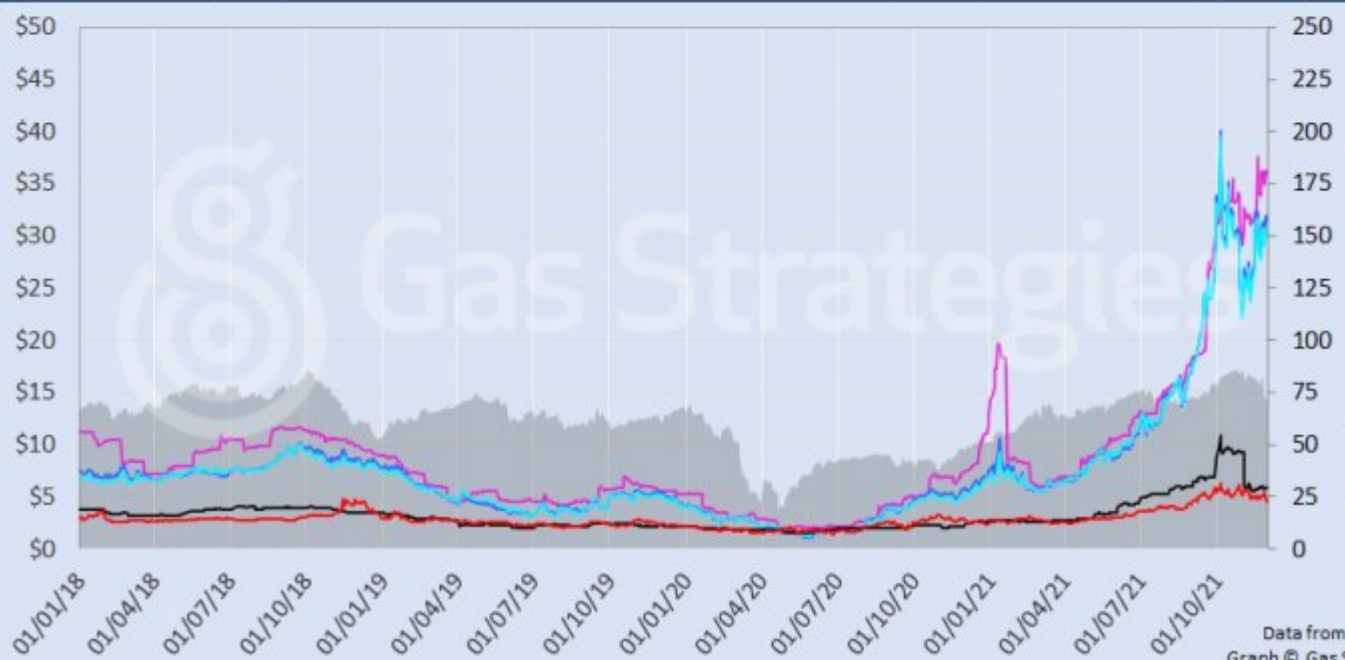
After wintry condition experienced by many parts of Europe in recent days, temperatures were forecast to be slightly milder than normal on Wednesday, but were expected to return to below average levels on Thursday.

In Asia, the JKM also fell back slightly, by 31 cents, to USD 35.95/MMBtu.

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

Front-month futures/index	30/11/2021	29/11/2021	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	4.57	4.85	-0.29	
NBP (\$/MMBtu)	31.57	31.96	-0.38	
NBP (£p/th)	238.31	240.44	-2.13	
Henry Hub-NBP spread	27.00	27.10	-0.10	
TTF (\$/MMBtu)	30.61	30.84	-0.24	
TTF (€/MWh)	92.51	93.45	-0.93	
Henry Hub-TTF spread	26.04	25.99	0.05	
JKM (\$/MMBtu)	35.95	36.25	-0.31	
TTF-JKM spread	5.34	5.41	-0.07	
Henry Hub-JKM spread	31.38	31.40	-0.02	
Brent (\$/barrel)	69.23	73.44	-4.21	
WTI (\$/barrel)	66.18	69.95	-3.77	
Brent-WTI spread (\$/barrel)	3.05	3.49	-0.44	
API2 Coal (\$/tonne)	148.45	148.45	0.00	
API2 Coal (\$/MMBtu)	5.94	5.94	0.00	
EU CO ₂ emissions allowances (€/tonne)	75.37	74.21	1.16	

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 2020



[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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