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[1]

US gas benchmark Henry Hub settled at its highest level since November 2008 on Monday amid supply concerns and cold weather gripping the north-east of the country.

The May-dated Henry Hub contract recorded a 5.8% gain on Monday to close at USD 6.64/MMBtu – the marker's highest close in over 13 years.

Henry Hub has settled in the USD 6/MMBtu range since 5 May, with the recent rally pinned on supply concerns and forecasts for cold weather across the north-east of the US for much of April.

Production in the US is currently at the same level as Q4'21 – having increased by ~3 Bcf/d between Q3 and Q4 2021 – averaging ~96 Bcf/d, despite soaring oil and gas prices. While E&P firms continue to show restraint, gas exports – particularly LNG – from the US are booming.

While gas prices in the US are soaring, prices in Europe continued to fall on Monday amid robust pipeline and LNG supplies.

The front-month TTF and NBP contracts fell by 3.6% and 6.8% respectively on Monday, with the former closing at the equivalent of USD 31.92/MMBtu. The UK marker settled at the equivalent of USD 27.76/MMBtu – its lowest close since 22 February.

As for Asian LNG marker JKM, the front-month contract closed 1.7% lower at USD 33.02/MMBtu.

Oil prices fell back into the red, with Brent settling below the USD 100/barrel mark for the first time since 16 March.

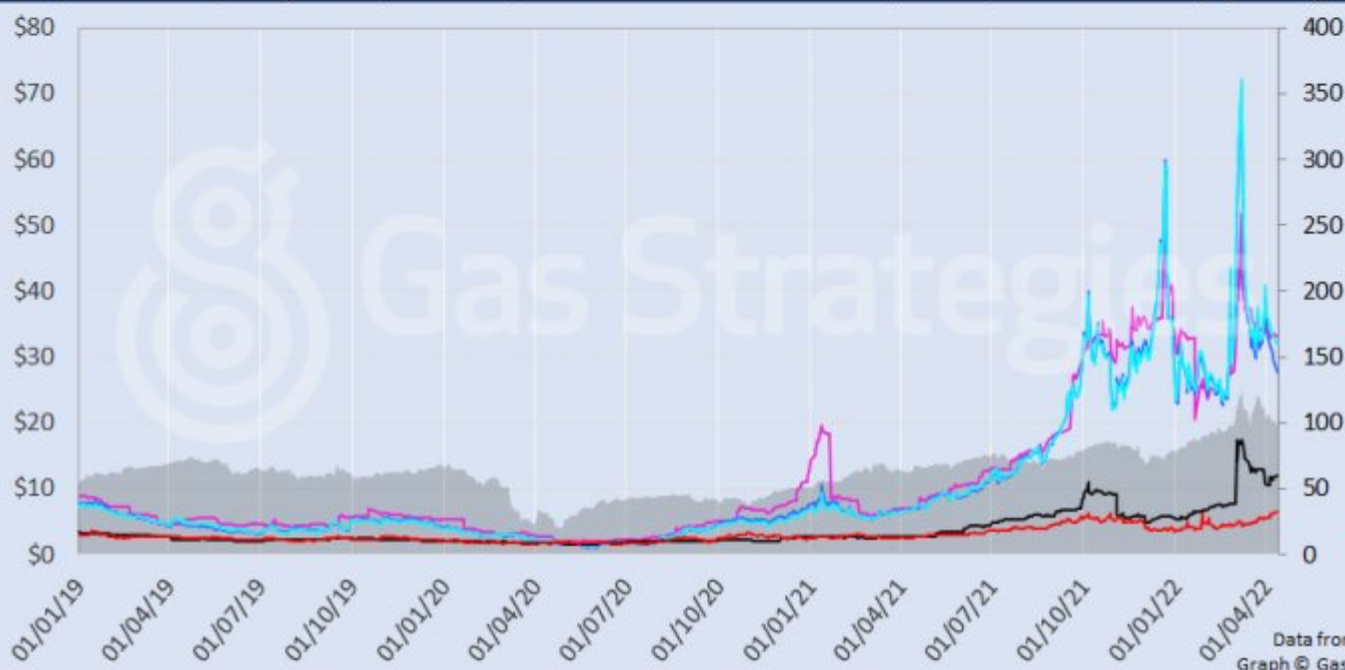
China's Covid lockdowns continue to stoke demand concerns, while supply concerns have been eased after member countries of the International Energy Agency (IEA) agreed to release a record 240 million barrels from strategic oil reserves.

Brent and WTI closed ~4% lower on Monday, with the former settling at USD 98.48/barrel and the US crude benchmark settling at USD 94.29/barrel.

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

Front-month futures/index	11/04/2022	08/04/2022	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	6.64	6.28	0.37	
NBP (\$/MMBtu)	27.76	29.78	-2.02	
NBP (£p/th)	213.01	228.54	-15.53	
Henry Hub-NBP spread	21.12	23.50	-2.38	
TTF (\$/MMBtu)	31.92	33.11	-1.19	
TTF (€/MWh)	100.14	103.88	-3.75	
Henry Hub-TTF spread	25.27	26.83	-1.56	
JKM (\$/MMBtu)	33.02	33.61	-0.58	
TTF-JKM spread	1.10	0.50	0.61	
Henry Hub-JKM spread	26.38	27.33	-0.95	
Brent (\$/barrel)	98.48	102.78	-4.30	
WTI (\$/barrel)	94.29	98.26	-3.97	
Brent-WTI spread (\$/barrel)	4.19	4.52	-0.33	
API2 Coal (\$/tonne)	300.00	292.65	7.35	
API2 Coal (\$/MMBtu)	12.00	11.71	0.29	
EU CO ₂ emissions allowances (€/tonne)	77.75	79.89	-2.14	

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



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



[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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