

16 May 2024

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Pricewatch | 27 Apr 2022 | Gas Matters Today
Publication date: 27 April 2022

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
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[1]

European gas prices recorded strong gains on Tuesday amid reports suggesting Gazprom had halted flows to Poland. The Russian firm confirmed on Wednesday morning that flows to Poland and Bulgaria had been halted due to failure to pay for gas volumes in rubles, with the news pushing prices higher during early morning trading.

The front-month TTF and NBP contracts closed 10.7% and 5.9% higher on Tuesday, with the Dutch marker closing at the equivalent of USD 32.24/MMBtu. The UK gas benchmark settled at the equivalent of USD 20.63/MMBtu.

Prices were pushed higher after reports emerged suggesting Gazprom would halt gas supplies to Poland – with the reports confirmed by Poland's PGNiG late on Tuesday. Bulgaria also confirmed on Tuesday evening that Gazprom would halt supplies.

The Russian firm confirmed on Wednesday morning that supplies to both European nations had been halted this morning due to PGNiG and Bulgargaz failing to pay for gas supplies in rubles.

"As of the end of the business day on April 26, Gazprom did not receive payments for gas supplies in April from Bulgargaz (Bulgaria) and PGNiG (Poland) in rubles, in accordance with Decree of the President of the Russian Federation No. 172 dated March 31, 2022" Gazprom said in a statement.

"...Gazprom Export notified Bulgargaz and PGNiG of the suspension of gas supplies from April 27 until

payment is made in accordance with the procedure established by the Decree,” Gazprom added.

Gazprom’s confirmation of cutting gas supplies to Poland and Bulgaria helped lift TTF and NBP during early morning trading, however prices were starting to fall later in the morning. Prices could tick higher amid concerns that Gazprom could cut supplies to Germany, Austria and other European nations that have publicly said that they will not pay for Russian gas volumes in rubles.

Across the pond, US gas benchmark Henry Hub continued to rally, closing 2.7% higher at USD 6.85/MMBtu. The rally was pinned on maintenance activities which has seen gas production fall.

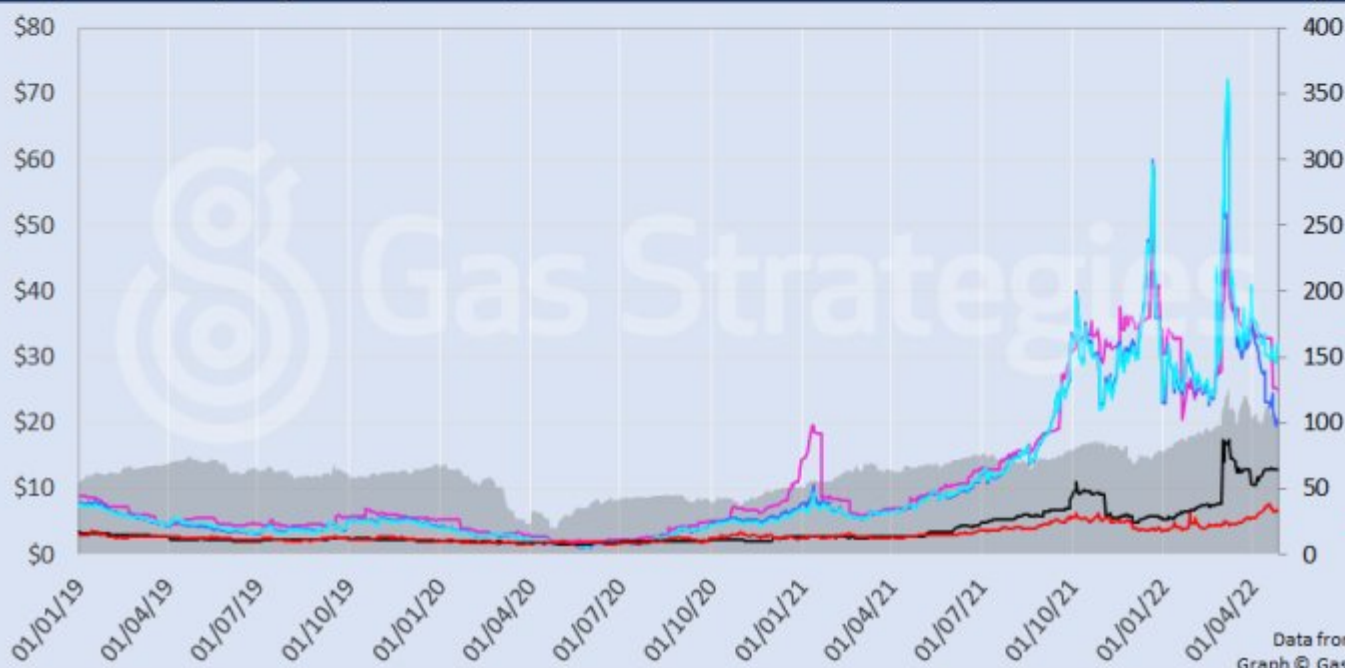
As for Asian LNG marker JKM, the front-month contract fell 1.6% on Tuesday to close at USD 25/MMBtu.

Oil prices staged a recovery with Brent and WTI closing 2.6% and 3.2% higher on Tuesday. China’s central bank said it will step up its support for the nation’s economy as reports suggest Beijing could face a Covid lockdown as cases continue to soar. The support package should support oil demand in the world’s largest crude consuming country.

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

Front-month futures/index	26/04/2022	25/04/2022	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	6.85	6.67	0.18	
NBP (\$/MMBtu)	20.63	19.49	1.15	
NBP (£p/th)	163.56	153.39	10.17	
Henry Hub-NBP spread	13.78	12.82	0.97	
TTF (\$/MMBtu)	32.24	29.13	3.11	
TTF (€/MWh)	103.21	92.84	10.37	
Henry Hub-TTF spread	25.39	22.46	2.93	
JKM (\$/MMBtu)	25.00	25.40	-0.40	
TTF-JKM spread	-7.24	-3.73	-3.51	
Henry Hub-JKM spread	18.15	18.73	-0.58	
Brent (\$/barrel)	104.99	102.32	2.67	
WTI (\$/barrel)	101.70	98.54	3.16	
Brent-WTI spread (\$/barrel)	3.29	3.78	-0.49	
API2 Coal (\$/tonne)	324.65	325.50	-0.85	
API2 Coal (\$/MMBtu)	12.99	13.02	-0.03	
EU CO ₂ emissions allowances (€/tonne)	82.32	83.06	-0.74	

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.



Consulting

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



Alphatania Training

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



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+44 (0) 20 7332 9976
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