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[1]

The bull run by US natural gas benchmark Henry Hub shows no signs of slowing, with the front-month contract hitting a fresh multi-year high and the January 2023 contract topping USD 9/MMBtu on Thursday.

The June-dated Henry Hub contract hit an intraday high of USD 8.9/MMBtu and then fell slightly to settle at USD 8.7/MMBtu – marking the highest settlement since August 2008 – up 4.4% day-on-day.

Looking further along the curve, the January 2023 contract closed at USD 9.05/MMBtu, suggesting prices may remain elevated for some time to come.

Henry Hub has been pushed higher by sluggish gas production levels and strong domestic and export demand.

Across the pond, European gas benchmarks TTF and NBP continued to rally, with the former closing at the equivalent of USD 32.8/MMBtu and the UK marker settling at USD 20.5/MMBtu. Strengthening coal prices helped push European gas prices higher.

As for Asian LNG marker JKM, the front-month contract settled 0.4% higher at USD 24.15/MMBtu.

Crude prices settled higher on Thursday, with OPEC's decision to stick with its current production quota helping lift prices.

The crude cartel once again ignored calls from Western leaders – namely US president Joe Biden – to boost supply, with supply concerns growing as the EU is working to ban Russian oil imports. Brussel's proposal could also hit Russian oil reaching global markets as the EU is looking to stop Russia from using companies in the EU – for example shipping firms and insurance companies – to help export volumes.

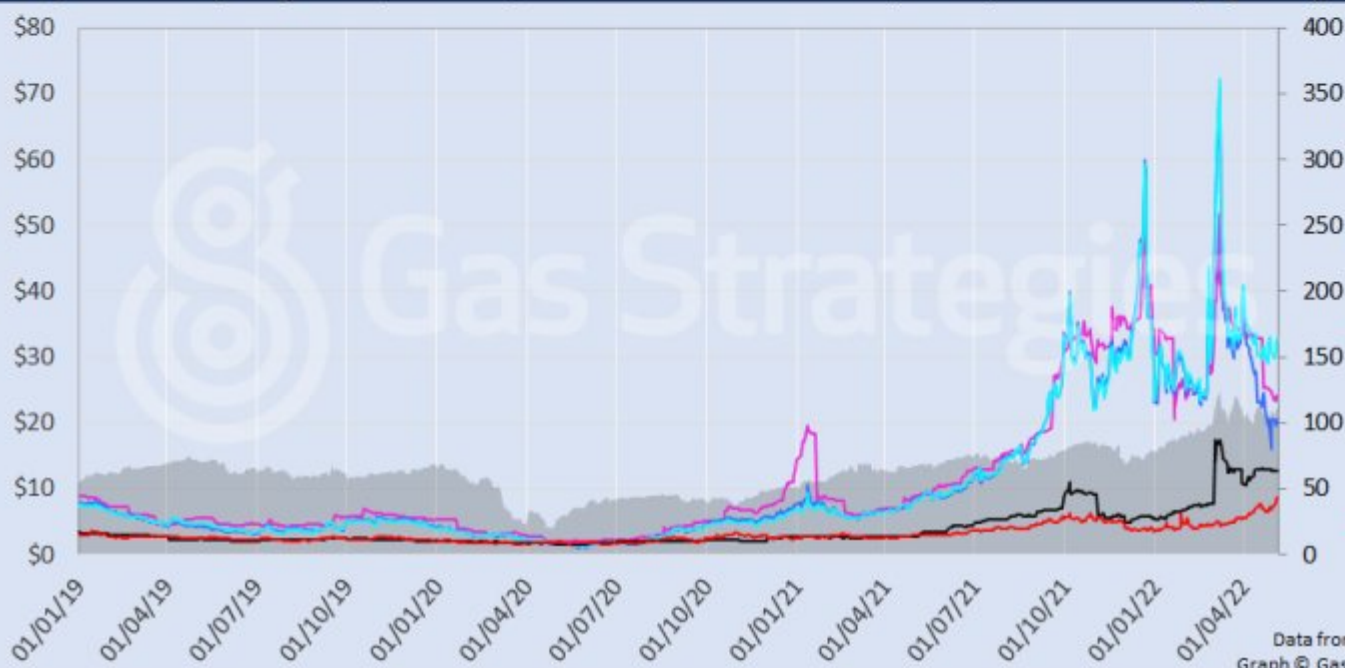
OPEC has reportedly cited demand concerns – stemming from China's Covid lockdowns – as the reason to stick with a modest increase in June.

The July-dated Brent contract closed 0.7% higher at USD 110.9/barrel, with the June-dated WTI contract closing 0.4% higher at USD 108.26/barrel.

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

| Front-month futures/index | 05/05/2022 | 04/05/2022 | Daily +/- (\$) | Daily |
|---|------------|------------|----------------|-------|
| Henry Hub (\$/MMBtu) | 8.78 | 8.42 | 0.37 | |
| NBP (\$/MMBtu) | 20.50 | 19.88 | 0.62 | |
| NBP (£p/th) | 166.23 | 159.20 | 7.03 | |
| Henry Hub-NBP spread | 11.72 | 11.46 | 0.25 | |
| TTF (\$/MMBtu) | 32.80 | 32.07 | 0.73 | |
| TTF (€/MWh) | 106.51 | 103.82 | 2.69 | |
| Henry Hub-TTF spread | 24.02 | 23.65 | 0.37 | |
| JKM (\$/MMBtu) | 24.15 | 24.04 | 0.11 | |
| TTF-JKM spread | -8.66 | -8.03 | -0.63 | |
| Henry Hub-JKM spread | 15.36 | 15.63 | -0.26 | |
| Brent (\$/barrel) | 110.90 | 110.14 | 0.76 | |
| WTI (\$/barrel) | 108.26 | 107.81 | 0.45 | |
| Brent-WTI spread (\$/barrel) | 2.64 | 2.33 | 0.31 | |
| API2 Coal (\$/tonne) | 320.00 | 319.26 | 0.74 | |
| API2 Coal (\$/MMBtu) | 12.80 | 12.77 | 0.03 | |
| EU CO ₂ emissions allowances (€/tonne) | 88.50 | 87.87 | 0.63 | |

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1999



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1999



[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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