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[1]

European natural gas prices diverged on Thursday, with Dutch marker TTF climbing further to hit its highest level since late March, and UK gas benchmark NBP posting a loss for the first time in four days.

The front-month TTF contract closed 4.7% higher on Thursday to settle at the equivalent of USD 38.36/MMBtu – its highest close since 31 March.

The rally was pinned on Russian gas flows via the Nord Stream 1 pipeline falling further on Thursday, with flows dipping further on Friday – pushing TTF higher during morning trading.

Gazprom has been shutting down gas turbines at the Portovaya compressor station and said it is waiting on equipment from Siemens, with the German firm having sent kit to Canada for maintenance. The Russian firm has said the equipment is stranded in Canada due to Western sanctions. Kremlin officials have suggested NS1 flows could grind to a halt due to technical issues.

The Dutch marker dipped during the session on news that the Canadian and German governments are engaged in talks to resolve the issues regarding the equipment, however prices recovered amid the slumping NS1 flows and soaring heat across Europe.

"The government of Canada is in active discussions with Germany about the turbines in question, and we are working to reach a resolution," a spokesman for Canada's Natural Resources Minister said on Thursday, according Reuters.

News of the talks weighed on NBP, trade sources told Gas Matters Today, with the UK marker settling 7.3% lower at the equivalent of USD 28.82/MMBtu.

Across the pond, US gas benchmark Henry Hub continued to climb, settling 0.6% higher at USD 7.46/MMBtu.

As for Asian LNG marker JKM, the July contract remained unchanged as the contract expires on Friday.

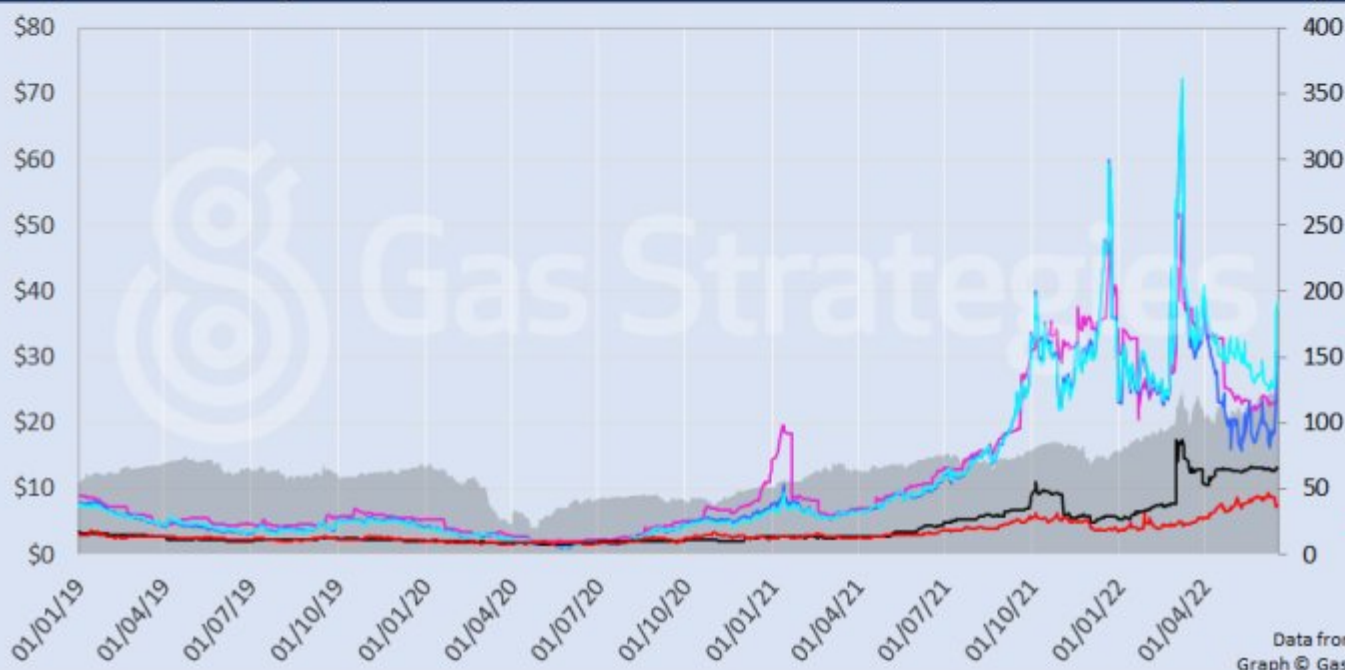
The August and September JKM contracts continued to climb, with spot LNG prices in Asia hitting USD 38/MMBtu this week amid expectations of stronger demand from Europe in light of lower flows from Russia, with LNG supply tightening following the outage at the Freeport LNG plant in Texas.

Crude prices staged a recovery, with prices pushed higher after Washington announced sanctions on Chinese and Emirati companies that have helped support exports of petrochemicals from Iran.

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

Front-month futures/index	16/06/2022	15/06/2022	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	7.46	7.42	0.04	
NBP (\$/MMBtu)	28.82	31.09	-2.26	
NBP (£p/th)	233.62	257.78	-24.16	
Henry Hub-NBP spread	21.36	23.67	-2.31	
TTF (\$/MMBtu)	38.36	36.64	1.72	
TTF (€/MWh)	124.36	120.33	4.03	
Henry Hub-TTF spread	30.89	29.22	1.67	
JKM (\$/MMBtu)	23.40	23.40	0.00	
TTF-JKM spread	-14.96	-13.24	-1.72	
Henry Hub-JKM spread	15.93	15.98	-0.04	
Brent (\$/barrel)	119.81	118.51	1.30	
WTI (\$/barrel)	117.59	115.31	2.28	
Brent-WTI spread (\$/barrel)	2.22	3.20	-0.98	
API2 Coal (\$/tonne)	331.35	328.00	3.35	
API2 Coal (\$/MMBtu)	13.25	13.12	0.13	
EU CO ₂ emissions allowances (€/tonne)	82.61	85.83	-3.22	

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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