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## Contents

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[1]

European natural gas prices fell on Friday, however NBP and TTF closed out the week 31% and 43% higher respectively compared to Monday.

The front-month TTF and NBP prices stumbled on Friday, with the former down 5.8% day-on-day and the UK marker down 14.6%. The Dutch marker settled at the equivalent of USD 36.13/MMBtu, with NBP closing at USD 24.62/MMBtu.

Despite Friday's loss, NBP ended the week 31% higher compared to Monday's close, with TTF up 43% amid concerns over Russian gas flows.

Friday's loss was pinned on stabilising flows from Russia following significant cuts via the Nord Stream 1 pipeline on Wednesday and Thursday, with only 40% of the pipeline's capacity currently available.

Flows from Russian into Europe averaged 104 MMcm/d on Friday, down slightly from 106 MMcm/d on Thursday. On Wednesday, Russian pipeline flows into Europe averaged 136 MMcm/d, according to EnergyScan.

While Russian flows dropped, flows from Norway increased, averaging 326 MMcm/d, up from 312 MMcm/d on Thursday, according to EnergyScan.

Prices could fall further after Germany's government announced on Sunday that it will pass emergency laws to reopen coal-fired power plants amid concerns over Russian gas flows. Austria is also looking to

crank up coal-fired power, with Italy's government reportedly considering gas rationing and ramping up coal-fired power.

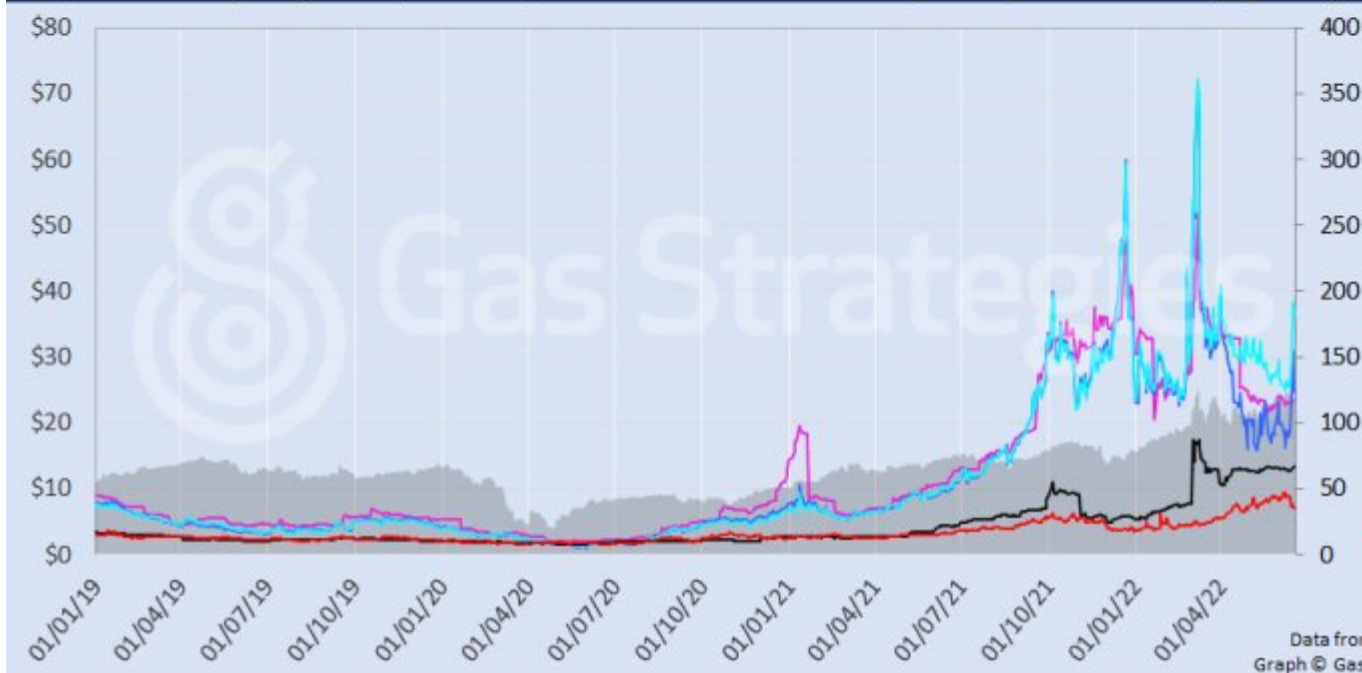
Across the pond, US gas benchmark Henry Hub fell 7% to close at USD 6.94/MMBtu – marking a two-month low. The loss came despite rising cooling demand from the Lower 48. Freeport LNG announcing that the plant will not return to full service until the end of 2022 weighed on Henry Hub last week, with the plant capable of taking ~2 Bcf/d of feedgas.

As for oil, prices fell to their lowest level since 25 May amid growing recession fears. A strengthening US dollar also weighed on crude.

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

Front-month futures/index	17/06/2022	16/06/2022	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	6.94	7.46	-0.52	
NBP (\$/MMBtu)	24.62	28.82	-4.20	
NBP (£p/th)	201.80	233.62	-31.82	
Henry Hub-NBP spread	17.68	21.36	-3.68	
TTF (\$/MMBtu)	36.13	38.36	-2.22	
TTF (€/MWh)	117.74	124.36	-6.63	
Henry Hub-TTF spread	29.19	30.89	-1.70	
JKM (\$/MMBtu)	23.40	23.40	0.00	
TTF-JKM spread	-12.74	-14.96	2.22	
Henry Hub-JKM spread	16.45	15.93	0.52	
Brent (\$/barrel)	113.12	119.81	-6.69	
WTI (\$/barrel)	109.56	117.59	-8.03	
Brent-WTI spread (\$/barrel)	3.56	2.22	1.34	
API2 Coal (\$/tonne)	335.50	331.35	4.15	
API2 Coal (\$/MMBtu)	13.42	13.25	0.17	
EU CO <sub>2</sub> emissions allowances (€/tonne)	81.99	82.61	-0.62	

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1 January 2019



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1 January 2020



[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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