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European natural gas benchmark TTF settled at a three-month high on Thursday, with the marker lifted by Germany triggered stage 2 of an emergency gas plan. While TTF continued to climb, US gas benchmark slipped to a two-month low on news of a larger-than-expected increase in gas storage levels.

The front-month TTF contract closed 4.1% higher on Thursday at the equivalent of USD 41.07/MMBtu. UK marker NBP also rallied, closing 1.4% higher at USD 22.87/MMBtu.

European gas prices were lifted by Germany upping its gas security risk assessment from 'Early Warning' to 'Alert,' the second highest risk level, due to continued low supply levels of Russian gas via the Nord Stream 1 pipeline. The move to the second stage of the emergency plan means Germany is a step closer to enforcing gas rationing measures.

Germany's Minister for Economic Affairs and Climate Action, Robert Habeck, said reaching storage levels of 90% by December would not be possible "without additional measures" if Russian supply levels remained at low levels.

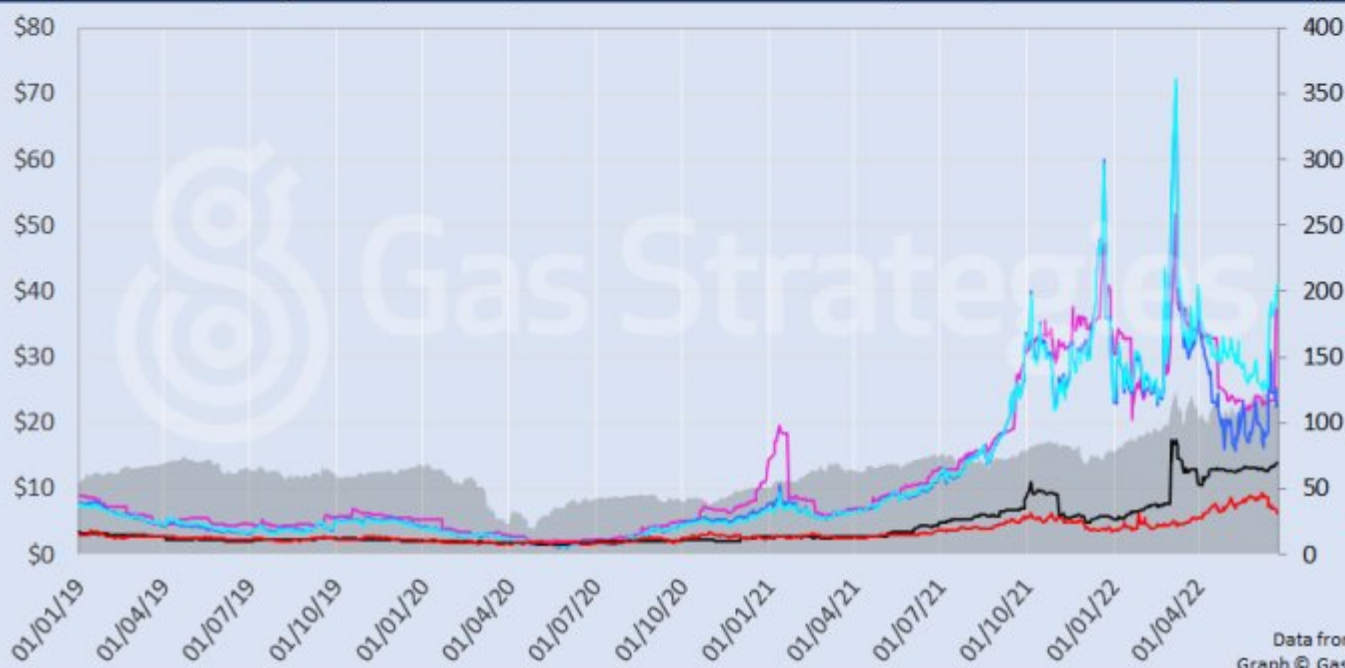
While European gas prices continued to climb, US gas benchmark Henry Hub slipped to its lowest close since 8 April after the US Energy Information Administration (EIA) said the country's gas storage levels increased by 74 Bcf in the week ending 17 June, with the injection ~14 Bcf more than the market expected, according to reports. The ramp up in storage injections come after Freeport LNG, which can take ~2 Bcf/d, said the facility is unlikely to return to full operations until late 2022, following a fire at the facility earlier this month.

As for oil, prices plunged amid fears of further interest rate hikes by the US Federal Reserve. Brent closed at its lowest level since 18 May, with WTI closing at its lowest level since 10 May.

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

Front-month futures/index	23/06/2022	22/06/2022	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	6.24	6.86	-0.62	
NBP (\$/MMBtu)	22.87	22.55	0.33	
NBP (£p/th)	186.84	183.62	3.22	
Henry Hub-NBP spread	16.64	15.69	0.95	
TTF (\$/MMBtu)	41.07	39.45	1.62	
TTF (€/MWh)	133.35	127.17	6.18	
Henry Hub-TTF spread	34.83	32.59	2.24	
JKM (\$/MMBtu)	37.13	37.11	0.02	
TTF-JKM spread	-3.94	-2.34	-1.60	
Henry Hub-JKM spread	30.89	30.25	0.64	
Brent (\$/barrel)	110.05	111.74	-1.69	
WTI (\$/barrel)	104.27	106.19	-1.92	
Brent-WTI spread (\$/barrel)	5.78	5.55	0.23	
API2 Coal (\$/tonne)	347.00	345.00	2.00	
API2 Coal (\$/MMBtu)	13.88	13.80	0.08	
EU CO ₂ emissions allowances (€/tonne)	83.67	81.42	2.25	

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1/01/19



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 1/01/19



[1]

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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