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European gas prices continued to fall on Monday, despite Germany's energy regulator sounding a doubtful tone over future flows through the Nord Stream 1 (NS1) pipeline, which went offline yesterday to undergo planned maintenance.

The front-month TTF and NBP contracts fell by 13.9% and 6.8% respectively on Monday. The Dutch gas benchmark settled at the equivalent of USD 48.63/MMBtu, with the UK gas marker closing at USD 26.45/MMBtu.

The plunge was pinned on Canada agreeing to release a turbine for the Nord Stream 1 pipeline, with Siemens having sent the kit to Montreal for maintenance. Ottawa's sanctions against Russia have prevented the turbine leaving the nation, with Gazprom having reduced NS1's capacity in recent weeks, citing the need for the turbine.

The release of the turbine has eased some supply concerns, however Germany's energy regulator, the Bundesnetzagentur, said on Monday that the gas supply situation in Germany is "tense" adding that "a worsening of the situation cannot be ruled out."

While gas prices in Europe slumped further, US gas benchmark Henry Hub bounced back, closing 6.5% higher at USD 6.43/MMBtu. Mirroring Europe, much of the US is being gripped by a heatwave, which is driving cooling demand.

The Electric Reliability Council of Texas (ERCOT), operator of the Lone Star state's power grid, urged

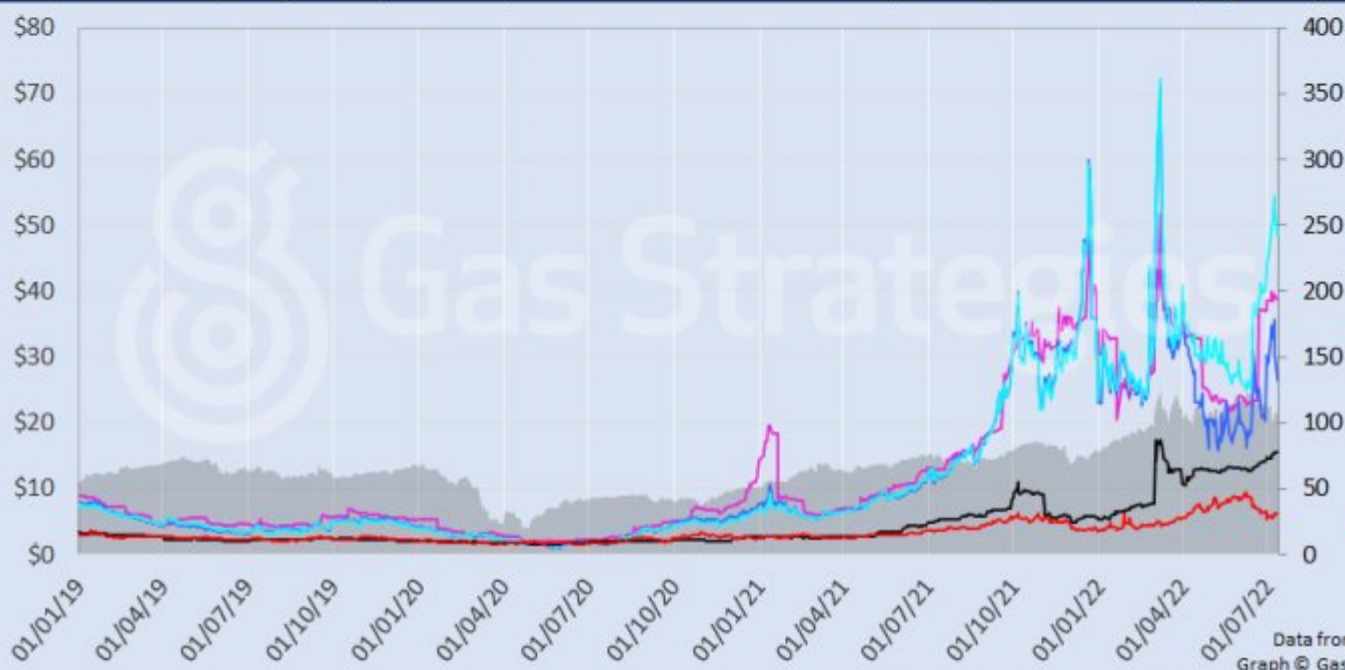
consumers to conserve electricity usage on Monday between 2-8 pm as extreme heat was expected to see demand come close to available generating capacity. ERCOT made the appeal again on Tuesday morning.

As for oil, prices diverged but remained stable. Brent fell 0.1% and WTI was down 0.7%.

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

Front-month futures/index	11/07/2022	08/07/2022	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	6.43	6.03	0.39	
NBP (\$/MMBtu)	26.45	30.74	-4.29	
NBP (£p/th)	222.24	255.52	-33.28	
Henry Hub-NBP spread	20.03	24.71	-4.68	
TTF (\$/MMBtu)	48.63	52.15	-3.52	
TTF (€/MWh)	164.52	175.21	-10.69	
Henry Hub-TTF spread	42.20	46.12	-3.92	
JKM (\$/MMBtu)	38.84	39.39	-0.54	
TTF-JKM spread	-9.79	-12.77	2.98	
Henry Hub-JKM spread	32.41	33.35	-0.94	
Brent (\$/barrel)	107.10	107.02	0.08	
WTI (\$/barrel)	104.09	104.79	-0.70	
Brent-WTI spread (\$/barrel)	3.01	2.23	0.78	
API2 Coal (\$/tonne)	390.00	388.50	1.50	
API2 Coal (\$/MMBtu)	15.60	15.54	0.06	
EU CO ₂ emissions allowances (€/tonne)	83.96	82.40	1.56	

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 11/07/2022



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 11/07/2022



[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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