

20 April 2024

Contents

Pricewatch | 18 Jul 2022 | Gas Matters Today
Publication date: 18 July 2022

Gas Strategies Group

10 Saint Bride Street
London UK
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
subscriptions@gasstrategies.com



Pricewatch | 18 Jul 2022 | Gas Matters Today

Get the inside line. Take a free trial of Gas Strategies Information Services:

- Full access to Gas Matters, Gas Matters Today & LNG Business Review
- Access to our fully searchable archives containing
- Daily, weekly and monthly newsletters bringing the latest news and features to your inbox
- Gas Strategies iOS app

Free trial code **GS22**

Complimentary access

US natural gas benchmark Henry Hub hit a one-month high on Friday, lifted by expectations of robust gas demand due to hot weather in the Lower 48 and strengthening LNG exports.

The front-month Henry Hub contract recorded a 6.3% gain on Friday to close in the USD 7/MMBtu range for the first time since mid-June.

The rally was pinned on expectations of robust cooling demand as forecasts suggest hot weather across the Lower 48 will continue into August. Strengthening LNG exports have also helped lift Henry Hub, with US LNG plants taking over 11 Bcf/d of feed gas on Thursday and Friday – the first time volumes have topped the 11 Bcf/d mark since 3 July, according to data compiled by RonH Energy.

Across the pond, European gas prices slumped at the end of last week, pushed lower by increasing flows from Norway. Flows from the Nordic nation were even higher on Monday, which could push prices lower today.

While Norway is ramping up flows to Europe, questions remain over Russian gas flows to Europe. Maintenance on the Nord Stream 1 pipeline is expected to be wrapped up later this week, however Gazprom has hinted it may not return NS1 flows following the completion of maintenance.

The Russian firm on Wednesday last week said it needs a turbine for the Portovaya compression station – which ties into NS1 – with the turbine reportedly having reached Germany at the weekend after being stranded in Montreal for weeks due to Russian sanctions.

“Gazprom does not have a single document that allows Siemens to take out of Canada the gas turbine engine being repaired there for the Portovaya CS. In these circumstances, it is not possible to draw an objective conclusion about the further development of the situation with ensuring the safe operation of the Portovaya CS, which is a critical facility for the Nord Stream gas pipeline,” Gazprom said on 13 July.

The firm made a further NS1 announcement on Saturday, stating it has “officially applied to Siemens with a request to provide documents allowing the removal of a gas turbine engine for the Portovaya CS.”

“On July 15, Gazprom officially applied to Siemens with a request to provide documents that, taking into account the current sanctions regimes of Canada and the European Union, will allow the gas turbine engine for the Portovaya CS, a critical facility for the Nord Stream gas pipeline, to be exported to Russia, and the group Siemens companies of their obligations in the framework of the repair and maintenance of gas turbine engines,” Gazprom said.

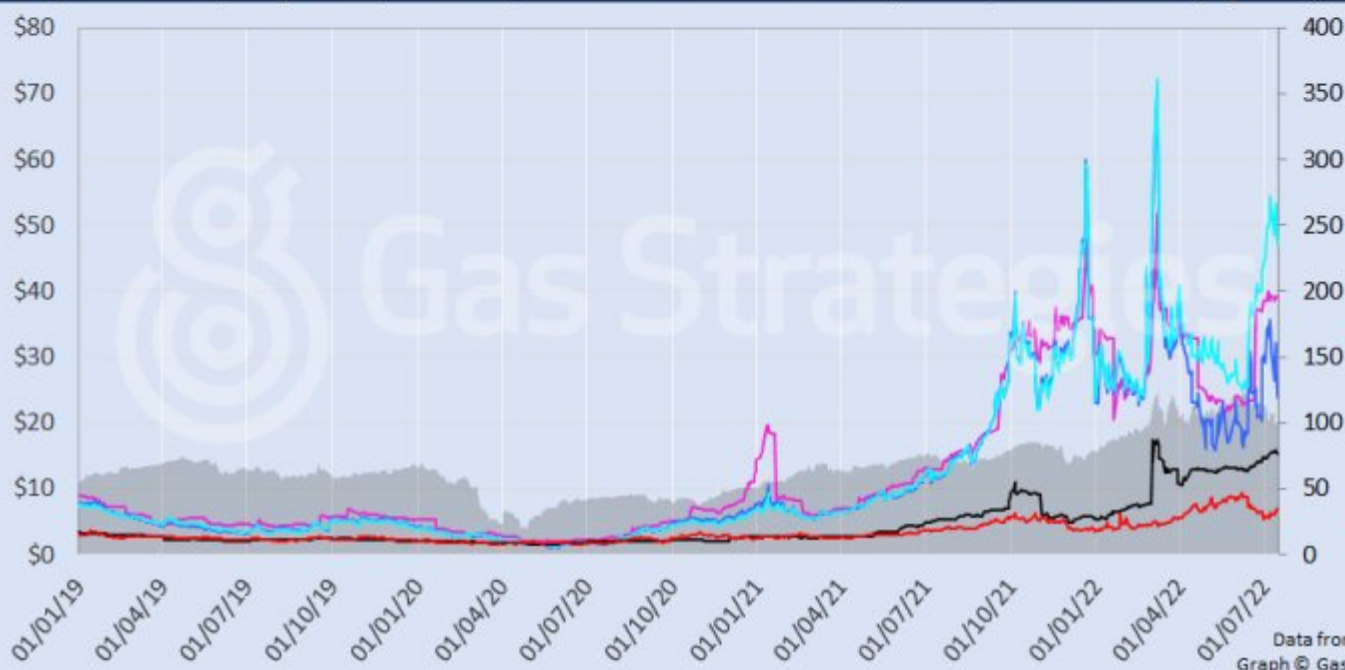
“Gazprom is counting on the unconditional fulfillment by the Siemens Group of its obligations as part of the maintenance of gas turbine engines, on which the reliable operation of the Nord Stream gas pipeline and the supply of natural gas to European consumers depend,” the company added.

As for crude, Brent settled above USD 100/barrel for the first time in four days. WTI also rallied by ~2%.

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

Front-month futures/index	15/07/2022	14/07/2022	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	7.02	6.60	0.42	
NBP (\$/MMBtu)	23.77	28.00	-4.24	
NBP (£p/th)	200.29	236.82	-36.53	
Henry Hub-NBP spread	16.75	21.40	-4.65	
TTF (\$/MMBtu)	47.20	51.43	-4.23	
TTF (€/MWh)	159.57	175.03	-15.47	
Henry Hub-TTF spread	40.19	44.83	-4.65	
JKM (\$/MMBtu)	39.08	39.22	-0.13	
TTF-JKM spread	-8.12	-12.22	4.10	
Henry Hub-JKM spread	32.07	32.62	-0.55	
Brent (\$/barrel)	101.16	99.10	2.06	
WTI (\$/barrel)	97.59	95.78	1.81	
Brent-WTI spread (\$/barrel)	3.57	3.32	0.25	
API2 Coal (\$/tonne)	384.50	392.00	-7.50	
API2 Coal (\$/MMBtu)	15.38	15.68	-0.30	
EU CO ₂ emissions allowances (€/tonne)	84.98	83.59	1.39	

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.



Consulting

+44 (0) 20 7332 9900
consult@gasstrategies.com



Alphatania Training

+44 (0) 20 7332 9910
training@gasstrategies.com



Information Services

+44 (0) 20 7332 9976
subscriptions@gasstrategies.com

Copyright © 2024 Gas StrategiesGroup Ltd.

Gas Strategies Group Limited is a company registered in England and Wales under company number 2225820.

Gas Strategies is the trading name of Gas Strategies Group Limited.

Registered company address: 10 St Bride Street, London, EC4A 4AD