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[1]

European gas prices continued to climb on Thursday, despite the Nord Stream 1 pipeline resuming service and an outage on the IUK pipeline.

UK gas benchmark NBP continued to soar on Thursday, settling 10.2% higher at the equivalent of USD 35.44/MMBtu, with the result helping reduce TTF's premium. The Dutch marker recorded another minor gain, closing 0.2% higher at USD 46.52/MMBtu.

The rally came despite NS1 flows resuming following a 10-day maintenance period, however flows were capped at ~40% of the pipeline's capacity. While the return of NS1 flows will allay some supply concerns in the short-term, fears remain over winter supplies given NS1 volumes remained capped. Additionally, Russian President Vladimir Putin this week suggested that NS1 flows could fall further next week, citing the need for additional maintenance work.

As for NBP, the marker dipped during the session due to an outage on the IUK pipeline running between England and Belgium. The outage was due to a damaged filter, with the pipelines operator Fluxys having suggested the pipeline would remain out of action until 22 July. However, the pipeline returned to service on Thursday afternoon, with IUK's full capacity available.

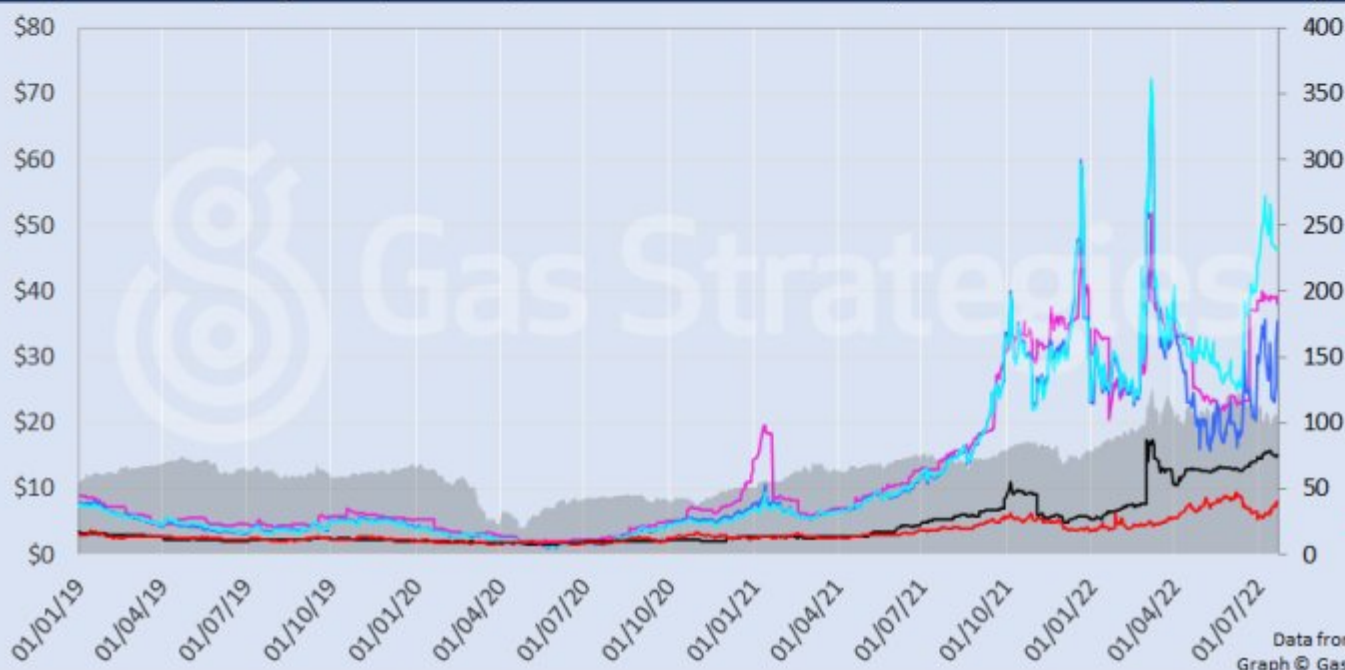
Across the pond, US gas benchmark Henry Hub fell 0.9% to close at USD 7.93/MMBtu. The dip came despite lower-than-expected injections into storage last week and a heatwave gripping much of the nation.

As for oil, prices fell by over USD 3/barrel on Thursday. The fall was pinned on several factors, including a build in US gasoline storage, Libya returning oil production and the European Central Bank hiking interest rates.

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

Front-month futures/index	21/07/2022	20/07/2022	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	7.93	8.01	-0.07	
NBP (\$/MMBtu)	35.44	32.16	3.28	
NBP (£p/th)	296.13	268.32	27.81	
Henry Hub-NBP spread	27.51	24.15	3.36	
TTF (\$/MMBtu)	46.52	46.41	0.11	
TTF (€/MWh)	155.60	155.04	0.56	
Henry Hub-TTF spread	38.59	38.40	0.19	
JKM (\$/MMBtu)	38.10	39.17	-1.08	
TTF-JKM spread	-8.43	-7.24	-1.19	
Henry Hub-JKM spread	30.16	31.16	-1.00	
Brent (\$/barrel)	103.86	106.92	-3.06	
WTI (\$/barrel)	96.35	99.88	-3.53	
Brent-WTI spread (\$/barrel)	7.51	7.04	0.47	
API2 Coal (\$/tonne)	375.00	376.00	-1.00	
API2 Coal (\$/MMBtu)	15.00	15.04	-0.04	
EU CO ₂ emissions allowances (€/tonne)	77.76	78.48	-0.72	

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



[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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