

13 June 2024

Contents

Pricewatch | 22 Aug 2022 | Gas Matters Today
Publication date: 22 August 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 | 22 Aug 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

[1]

The European carbon price hit a record high on Friday, lifted by soaring gas prices which are in turn supporting gas-to-coal switching in the power sector.

The August-dated EUA contract closed at EUR 97.59/tonne on Friday, with the benchmark December 2022 contract closing at EUR 98.01/tonne after hitting an intraday high of EUR 99.22/tonne. Looking further along the curve, the September 2023 EUA contract closed at EUR 100.17/tonne on Friday.

The European carbon price has been soaring since the start of August, with the rally driven by surging gas prices, which is supporting gas-to-coal switching. The increasing coal burn is driving demand for permits, however supply is tightening.

As for gas, European gas prices diverged in USD/MMBtu terms, with TTF closing 0.7% higher at USD 71.97/MMBtu and NBP down 0.3% at USD 54.43/MMBtu. Prices could close higher today after Gazprom announced late on Friday that it will halt Nord Stream 1 flows for three days in order to conduct maintenance on a compressor unit at the Portovaya compressor station. NS1 flows will stop completely for three days at some point between 31 August and 9 September.

In the US, gas benchmark Henry Hub ended the week on a high, closing 1.6% higher at USD 9.34/MMBtu. The rally was pinned on robust gas demand from the power sector.

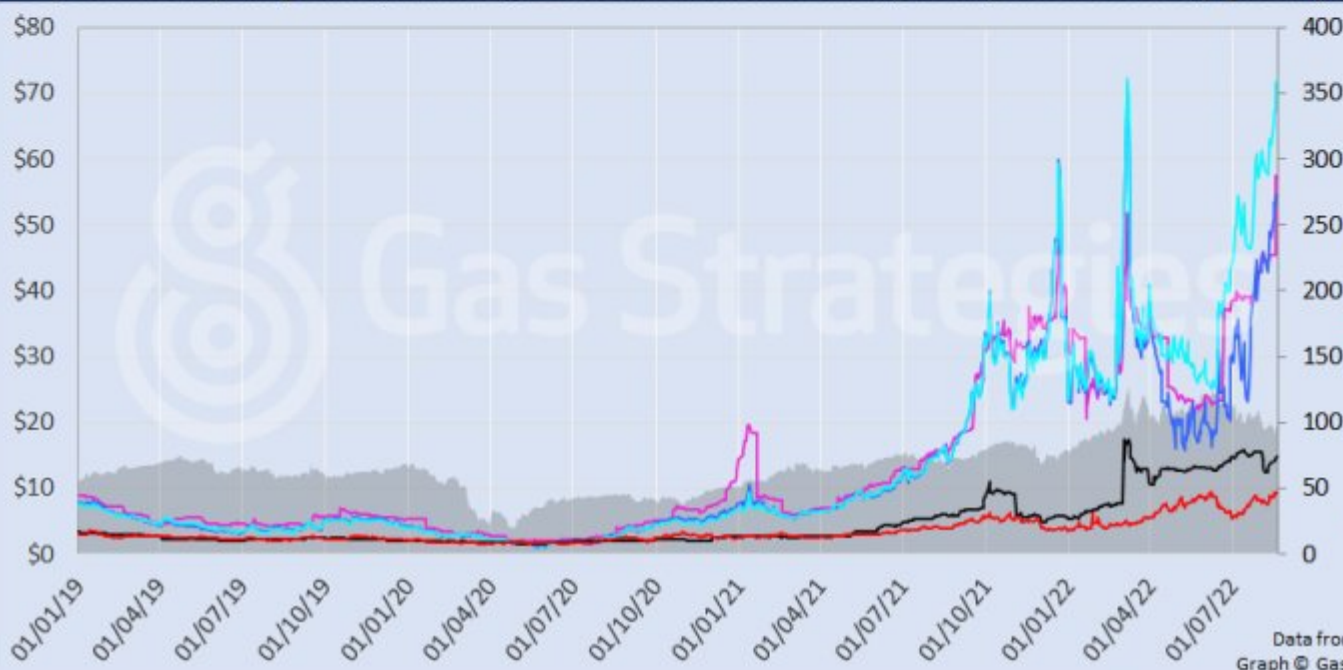
Asian LNG marker JKM dipped on Friday, closing 1% lower at USD 57.02/MMBtu.

Crude prices diverged but remained largely stable. Brent closed 0.1% higher at USD 96.72/barrel, with WTI down 0.1% at USD 90.44/MMBtu.

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

| Front-month futures/index | 19/08/2022 | 18/08/2022 | Daily +/- (\$) | Daily |
|---|------------|------------|----------------|-------|
| Henry Hub (\$/MMBtu) | 9.34 | 9.19 | 0.15 | |
| NBP (\$/MMBtu) | 54.43 | 54.58 | -0.15 | |
| NBP (£p/th) | 460.89 | 456.00 | 4.89 | |
| Henry Hub-NBP spread | 45.09 | 45.39 | -0.30 | |
| TTF (\$/MMBtu) | 71.97 | 71.43 | 0.53 | |
| TTF (€/MWh) | 244.55 | 241.00 | 3.55 | |
| Henry Hub-TTF spread | 62.63 | 62.25 | 0.39 | |
| JKM (\$/MMBtu) | 57.02 | 57.60 | -0.58 | |
| TTF-JKM spread | -14.95 | -13.83 | -1.11 | |
| Henry Hub-JKM spread | 47.68 | 48.41 | -0.73 | |
| Brent (\$/barrel) | 96.72 | 96.59 | 0.13 | |
| WTI (\$/barrel) | 90.44 | 90.50 | -0.06 | |
| Brent-WTI spread (\$/barrel) | 6.28 | 6.09 | 0.19 | |
| API2 Coal (\$/tonne) | 373.35 | 364.35 | 9.00 | |
| API2 Coal (\$/MMBtu) | 14.93 | 14.57 | 0.36 | |
| EU CO ₂ emissions allowances (€/tonne) | 97.59 | 95.64 | 1.95 | |

US, UK and European gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 19/08/2022



US, UK and EU gas hubs, Asian LNG, API2 coal front-month futures (left axis) and Brent crude (right axis), since 19/08/2022



[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.



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