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[1]

Global natural gas prices return to growth on Thursday, as Russia threatened to halt oil and gas flows to Europe over its plan to introduce price caps on Russian energy. Europe anticipates the big decision to be made at today's EU Council extraordinary meeting.

NBP has led the surge yesterday, with the UK marker settling 12% higher day on day at USD 51.66/MMBtu, boosted by new prime minister Liz Truss' announcement of a support mechanism for households, as well as long-term plans to boost domestic supply.

The news has come as a shock, as many suggested that the proposed measures would not bring immediate relief to the market. In addition to lifting the moratorium on shale gas extraction, Truss announced that almost 100 new offshore gas and oil licenses will be released next week.

Elsewhere, the Dutch benchmark soared 11% to USD 68.98/MMBtu, while the US natural gas price saw a 1% uptick to USD 7.92/MMBtu.

Meanwhile, Asian JKM benchmark falls to its almost one-month low, a 4.3% day-on-day decline to USD 52.84/MMBtu.

Crude prices have reversed the downward trend, and returned to growth on Thursday after dipping to their lowest since the beginning of the year.

Brent futures rose 1.3%, to settle at USD 89.15/barrel, while WTI crude increased 2% to USD

83.54/barrel.

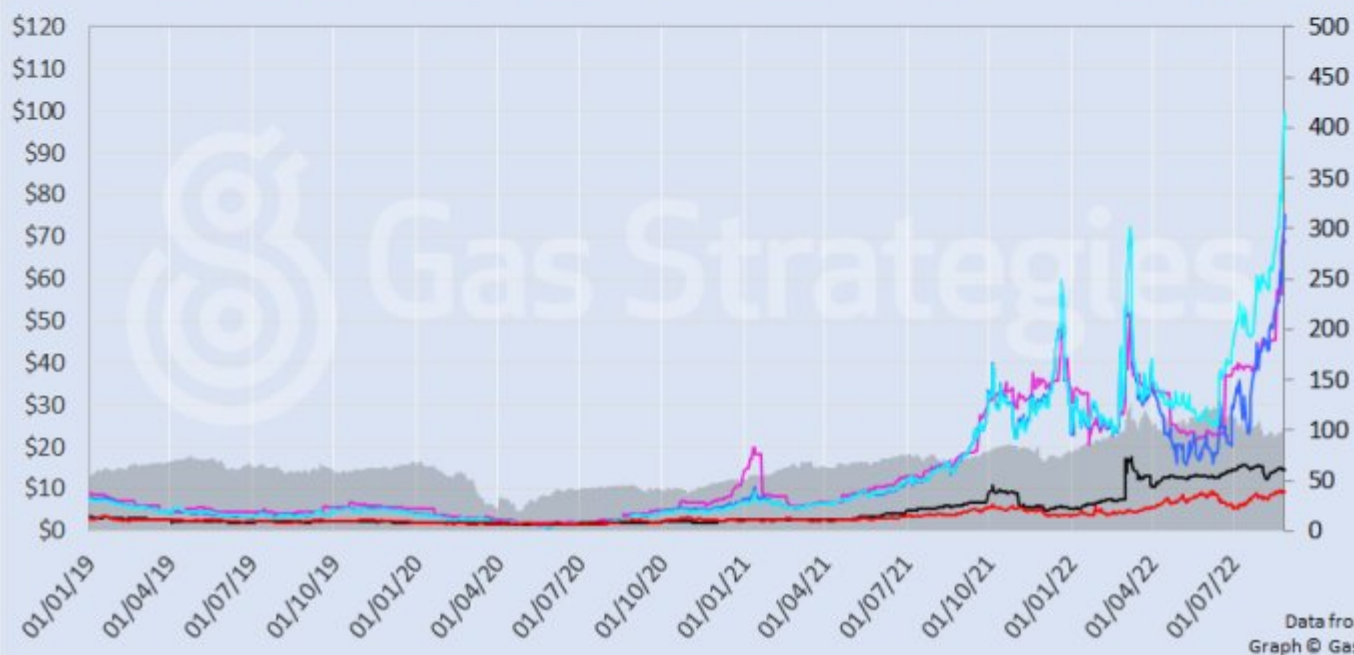
The trend reversal comes as Russia threatened to halt oil and gas exports in response to Europe mulling the introduction of price cap on Russian energy, and despite the EIA data revealing that the US crude stockpiles surged by nearly 9 million barrels last week. According to the agency, this happened due to a combination of increased imports and ongoing releases from government emergency reserves.

However, continuing of China's Covid-19 lockdown extensions and rising global interest rates remain a concern for the market.

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

Front-month futures/index	08/09/2022	07/09/2022	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	7.92	7.84	0.07	
NBP (\$/MMBtu)	51.66	46.34	5.31	
NBP (£p/th)	410.91	404.06	6.85	
Henry Hub-NBP spread	43.74	38.50	5.24	
TTF (\$/MMBtu)	68.98	62.31	6.67	
TTF (€/MWh)	220.54	213.88	6.66	
Henry Hub-TTF spread	61.06	54.46	6.60	
JKM (\$/MMBtu)	52.84	55.20	-2.37	
TTF-JKM spread	-16.14	-7.11	-9.03	
Henry Hub-JKM spread	44.92	47.36	-2.44	
Brent (\$/barrel)	89.15	88.00	1.15	
WTI (\$/barrel)	83.54	81.94	1.60	
Brent-WTI spread (\$/barrel)	5.61	6.06	-0.45	
API2 Coal (\$/tonne)	348.00	360.00	-12.00	
API2 Coal (\$/MMBtu)	13.92	14.40	-0.48	
EU CO ₂ emissions allowances (€/tonne)	66.93	68.71	-1.78	

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



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



[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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