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[1]

A colder weather outlook and the possible extension of industrial action at French LNG terminals pushed European natural gas prices up on Monday.

The front-month TTF contract gained 3.8% and settled at USD 13.45/MMBtu on Monday, while UK's NBP marker showed a more bullish 4.5% rise to USD 12.86/MMBtu.

This comes as strikes triggered by the French government's pension reform – that were extended twice before – are due to continue after a vote by the unions on Tuesday. If extended, it will involve three of the France's four LNG terminals, the Elengy operated Fos Cavaou, Fos Tonkin and Montoir facilities. Fluxys-operated Dunkirk LNG resumed operations last week.

The strikes have forced France to pull more gas from storage as LNG supplies halted. The French woes were further worsened by issues at Freeport LNG in the US and Angola LNG. Freeport is reportedly having trouble ramping up to full capacity after it received the green light to restart from the authorities. The Europe-focused Angola terminal recently cancelled supply tenders that were scheduled to close this month due to production issues.

Meanwhile, the Asian LNG benchmark JKM has slipped by 1.4% to USD 12.53/MMBtu, with TTF maintaining a premium over JKM once again. Asian demand is reportedly on the weaker side at the moment.

In the US, Henry Hub plunged 5.8% to USD 2.09/MMBtu, with the price trend reversal led by warmer weather forecasts, lighter LNG demand and continued robust production levels.

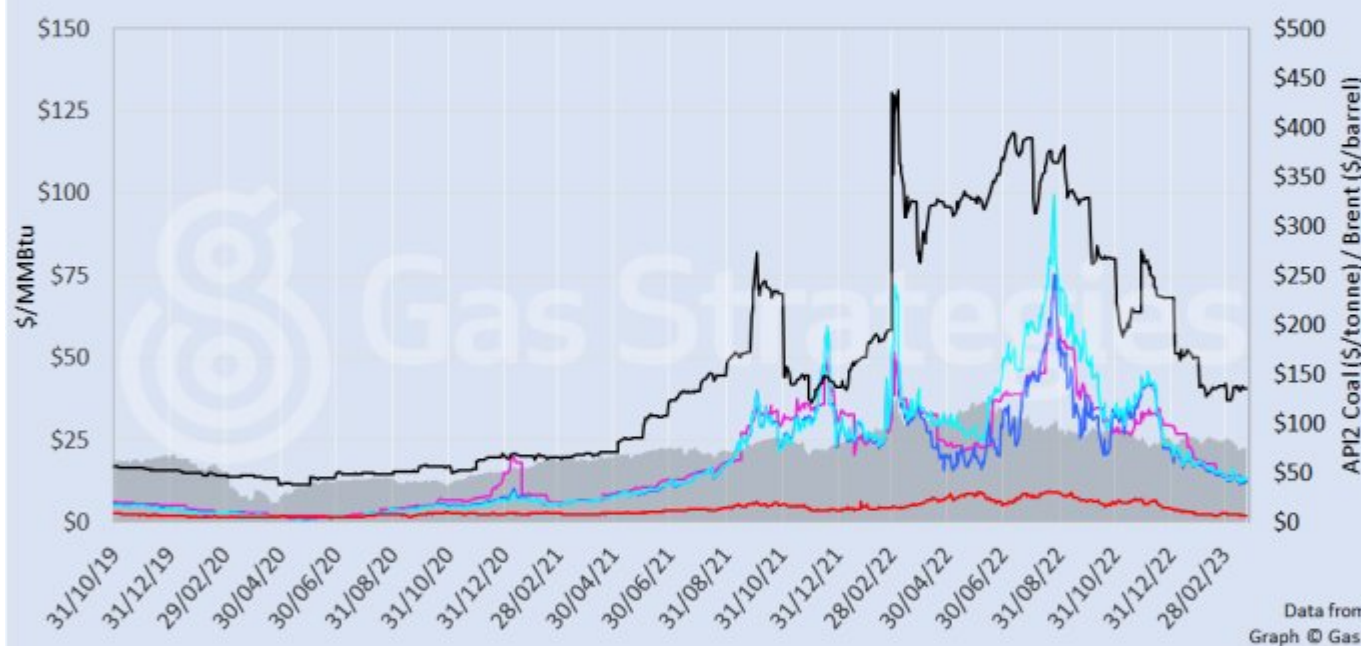
Crude surged on the back of a halt to some exports from Iraq's Kurdistan region via Turkish pipeline following an arbitration decision. This was in addition to some existing worries about oil supplies while a US banking acquisition eased worries that financial turmoil could hurt the economy and curtail fuel demand, Reuters reported.

WTI settled 5.1% higher at USD 72.81/barrel, while Brent saw a 4.2% gain, settling at USD 78.12/barrel.

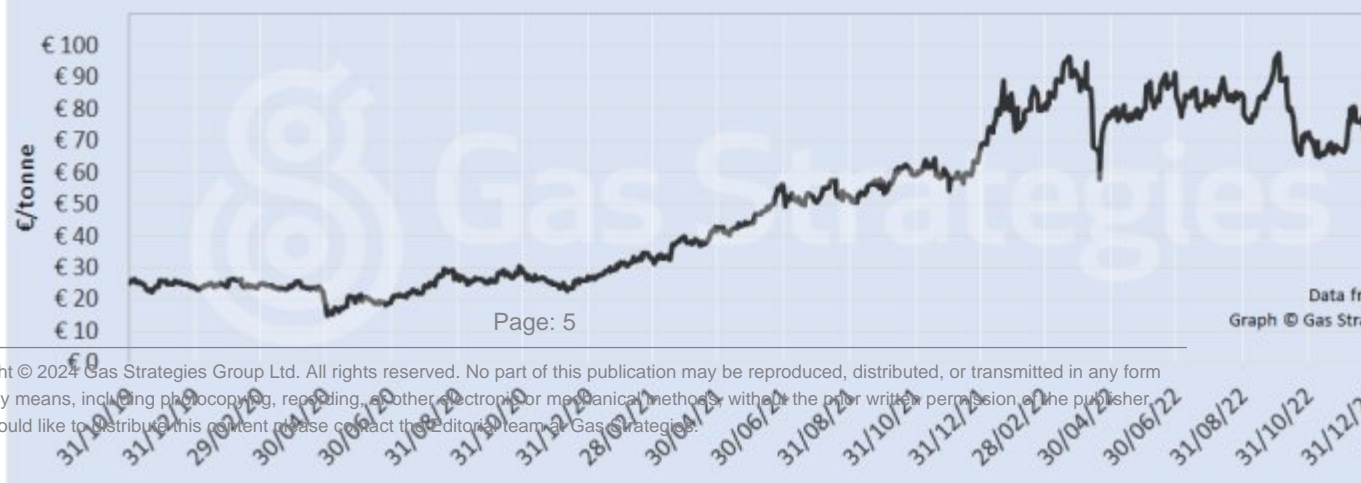
Front-month futures and indexes at last close with day-on-day changes (click to enlarge):

Front-month futures/index	27/03/2023	24/03/2023	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.09	2.22	-0.13	
NBP (\$/MMBtu)	12.86	12.31	0.55	
NBP (£p/th)	104.75	100.71	4.04	
Henry Hub-NBP spread	10.77	10.09	0.68	
TTF (\$/MMBtu)	13.45	12.96	0.49	
TTF (€/MWh)	42.53	41.09	1.43	
Henry Hub-TTF spread	11.36	10.75	0.61	
JKM (\$/MMBtu)	12.53	12.70	-0.17	
TTF-JKM spread	-0.92	-0.26	-0.66	
Henry Hub-JKM spread	10.44	10.48	-0.05	
Brent (\$/barrel)	78.12	74.99	3.13	
WTI (\$/barrel)	72.81	69.26	3.55	
Brent-WTI spread (\$/barrel)	5.31	5.73	-0.42	
API2 Coal (\$/tonne)	136.35	135.50	0.85	
API2 Coal (\$/MMBtu)	5.45	5.42	0.03	
EU CO ₂ emissions allowances (€/tonne)	84.77	85.10	-0.33	

US, UK and EU gas hubs, Asian LNG (left axis), API2 coal front-month futures and Brent crude (right axis), since 2



EU carbon allowances (EUAs) on the Emissions Trading System (ETS)



[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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