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Tuesday was a day of minimal movements in energy prices except for the Henry Hub natural gas price in the US, which reversed around half of Monday's 5.5% gain with a fall of close to 3%.

European natural gas futures appeared to rise in terms of USD/MMBtu because of currency movements but both TTF and NBP nudged downwards in their local currencies, with wind power meeting almost 28% of European electricity demand on Tuesday, according to Wind Europe data.

In Continental Europe, TTF futures showed a rise of 0.9%, from USD 15.01/MMBtu Monday to close at USD 15.15/MMBtu on Tuesday but fell by 0.6% from EUR 47.87/MWh to EUR 47.61/MWh. After opening higher on Wednesday morning, the price was trading at around EUR 47/MWh by lunchtime in London.

Similarly, in the UK, NBP was up 1.3%, from USD 14.68/MWh on Monday to USD 14.87/MMBtu on Tuesday but fell by 0.5% from 119.66 p/therm to 119.11p/therm. It moved in tandem with TTF on Wednesday morning, trading at around 118 p/therm by lunchtime.

In Asia, JKM returned to its gentle decline after its 0.1% rise on Monday, falling 0.4% from USD 17.20/MMBtu to close at USD 17.13/MMBtu on Tuesday. The JKM spread was down 10% to USD 1.97/MMBtu, the lowest since the end of October.

An LNG report published by the Riyadh-based International Energy Forum (IEF) and Synmax, a satellite data analytics company, forecast a 25% increase in LNG trade over the coming five years to reach 500 mtpa by 2028.

LNG's share of European gas demand has climbed to more than 50%, said the report, from 12% a decade ago – largely because of the loss of Russian pipeline gas – and the IEF expects the region's regasification capacity to grow almost 50% by 2030.

Another “LNG import hotspot” will be South-East Asia, where demand is forecast to double by the end of the decade.

In the US, Henry Hub fell 2.8%, from USD 3.20/MMBtu on Monday to close at USD 3.11/MMBtu on Tuesday – as the Energy Information Administration (EIA) published an LNG outlook forecasting a “balanced” global market this winter. The price was rising again on Wednesday morning.

In its Winter 2023–24 Global LNG Analysis, the EIA said: “Relatively full natural gas inventories in the US and Europe and expanded global LNG export and import capacity have improved the likelihood that global gas supply is sufficient to meet demand in the 2023–24 winter season.” Risks to the outlook include extreme weather and unexpected supply interruptions.

Crude oil prices were flat as the International Energy Agency (IEA) published its monthly oil price report, with Brent down by just 0.1%, to close at USD 82.47/barrel on Tuesday and WTI remaining at USD 78.26/barrel.

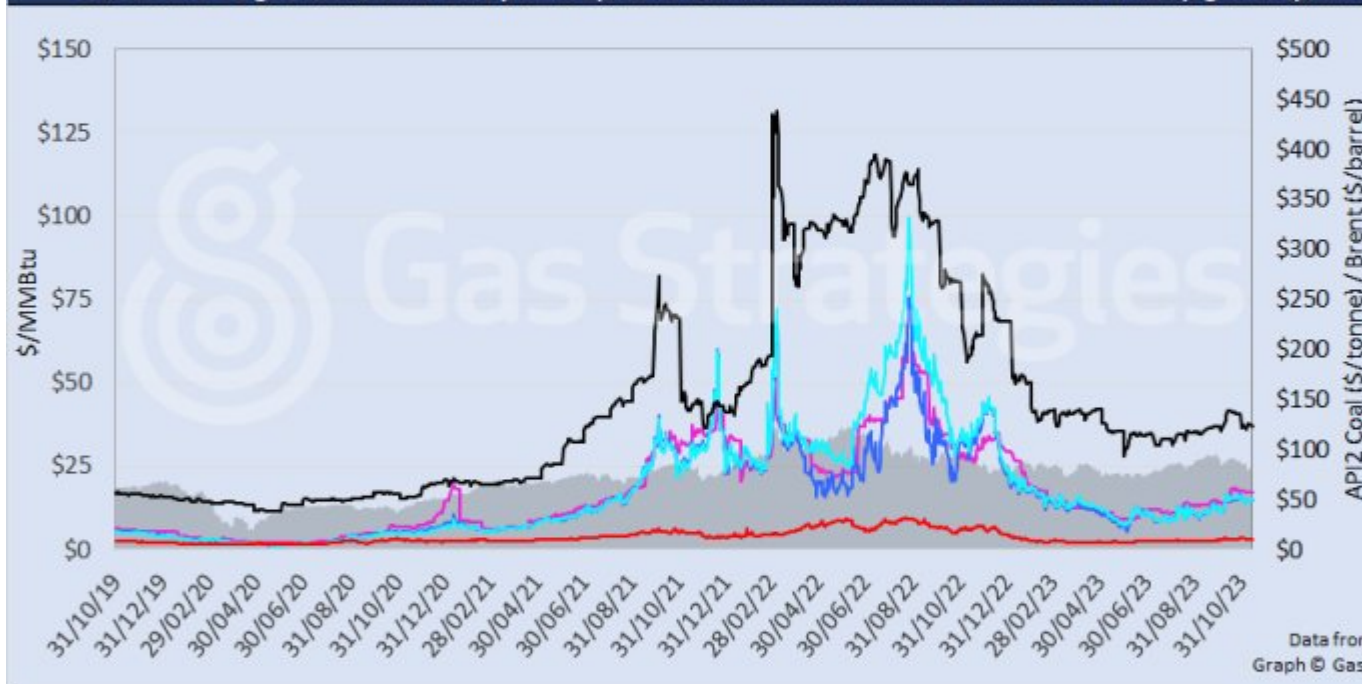
“World oil demand continues to exceed expectations,” said the IEA, which has revised its 2023 growth forecast upwards to 2.4 million barrels/day (mb/d), “as US deliveries proved more resilient than indicated by preliminary data and Chinese oil demand in September set another all-time high above 17 mb/d, fuelled by a booming petrochemical sector”.

The IEA adds that supply is also exceeding expectations, commenting that: “Fears that the war between Israel and Hamas would escalate into a wider regional conflict, disrupting oil supply flows, have yet to materialise. Barring large unforeseen outages, world oil supply is firmly on an upward trajectory.”

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

Front-month futures/index	14/11/2023	13/11/2023	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	3.11	3.20	-0.09	
NBP (\$/MMBtu)	14.87	14.68	0.19	
NBP (£p/th)	119.11	119.66	-0.55	
Henry Hub-NBP spread	11.76	11.48	0.28	
TTF (\$/MMBtu)	15.15	15.01	0.14	
TTF (€/MWh)	47.61	47.87	-0.27	
Henry Hub-TTF spread	12.05	11.82	0.23	
JKM (\$/MMBtu)	17.13	17.20	-0.07	
TTF-JKM spread	1.97	2.19	-0.22	
Henry Hub-JKM spread	14.02	14.00	0.02	
Brent (\$/barrel)	82.47	82.52	-0.05	
WTI (\$/barrel)	78.26	78.26	0.00	
Brent-WTI spread (\$/barrel)	4.21	4.26	-0.05	
API2 Coal (\$/tonne)	123.75	124.50	-0.75	
API2 Coal (\$/MMBtu)	4.95	4.98	-0.03	
EU CO ₂ emissions allowances (€/tonne)	78.63	77.48	1.15	

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



[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.



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