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European natural gas futures pushed higher again on Wednesday – the fourth consecutive increase – as concerns lingered over the situations in the Middle East and the Red Sea and the partial outage announced by the Freeport LNG export plant in the US.

In Continental Europe, TTF closed 2.3% up, from USD 9.40/MMBtu on Tuesday to USD 9.62/MMBtu. In local currency, it was the first close above EUR 30/MWh since the middle of January.

However, the medium-term trend remains downwards, with front-month TTF trading at about half the level it was at three months ago. Thursday morning saw the price falling again after an initial rally, as meteorological winter entered its final month, with temperatures remaining above seasonal norms.

In the UK, NBP danced to the same tune as TTF, rising by 2.9%, from USD 9.19/MMBtu on Tuesday to USD 9.46/MMBtu on Wednesday and moving downwards after an initial rally on Thursday.

In Asia, the JKM price edged up by 0.5%, from USD 9.48/MMBtu on Tuesday to USD 9.53/MMBtu on Wednesday, with the TTF-JKM spread crossing into negative territory at USD -0.09/MMBtu.

In the US, Henry Hub closed up 1.1%, from USD 2.08/MMBtu on Tuesday to USD 2.10/MMBtu on Wednesday, ahead of Thursday's weekly gas storage data update and amid forecasts of colder weather to come in the second half of this month.

Last Friday's announcement by the Biden administration of a moratorium on new LNG export approvals continues to ruffle feathers – at home and abroad. The “pause” faces a challenge next week when the House of Representatives will vote on whether it should be overturned.

A report from Bloomberg speculates that a measure might be proposed to transfer the power to grant export approvals from the Department of Energy to the Federal Energy Regulatory Commission. Worth noting is that a vote in favour would not on its own be enough, given that the Senate is controlled by the Democrats.

The jury is still out on whether the US moratorium will work to the advantage or detriment of proposed LNG export projects trying to get over the line in Canada.

Oil prices moved downwards despite a panel of OPEC+ members recommending a policy of maintaining output curbs to an online meeting due to be held on Thursday.

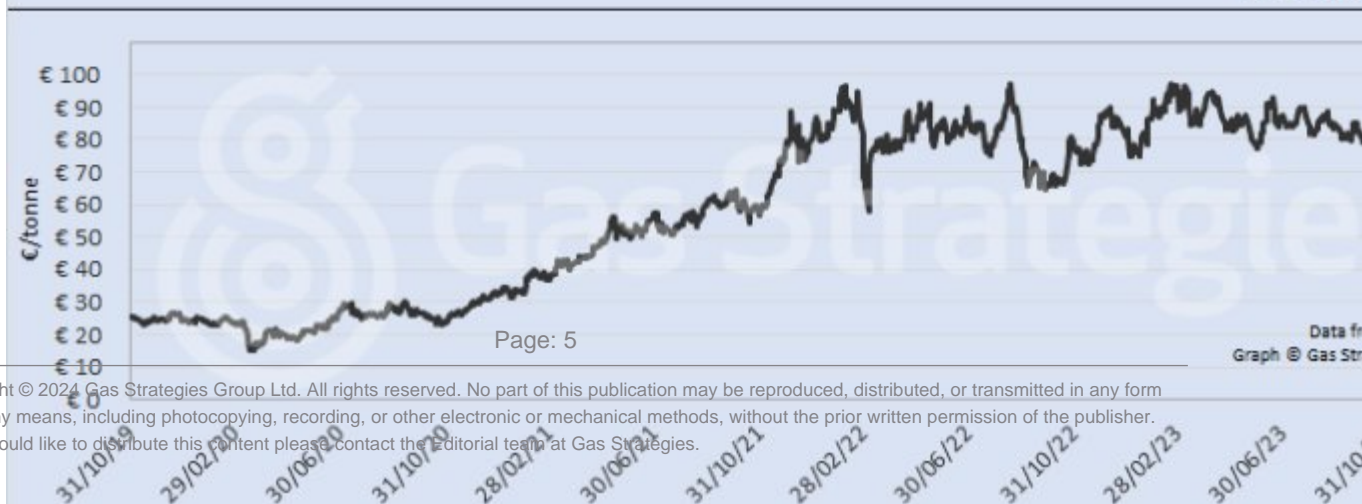
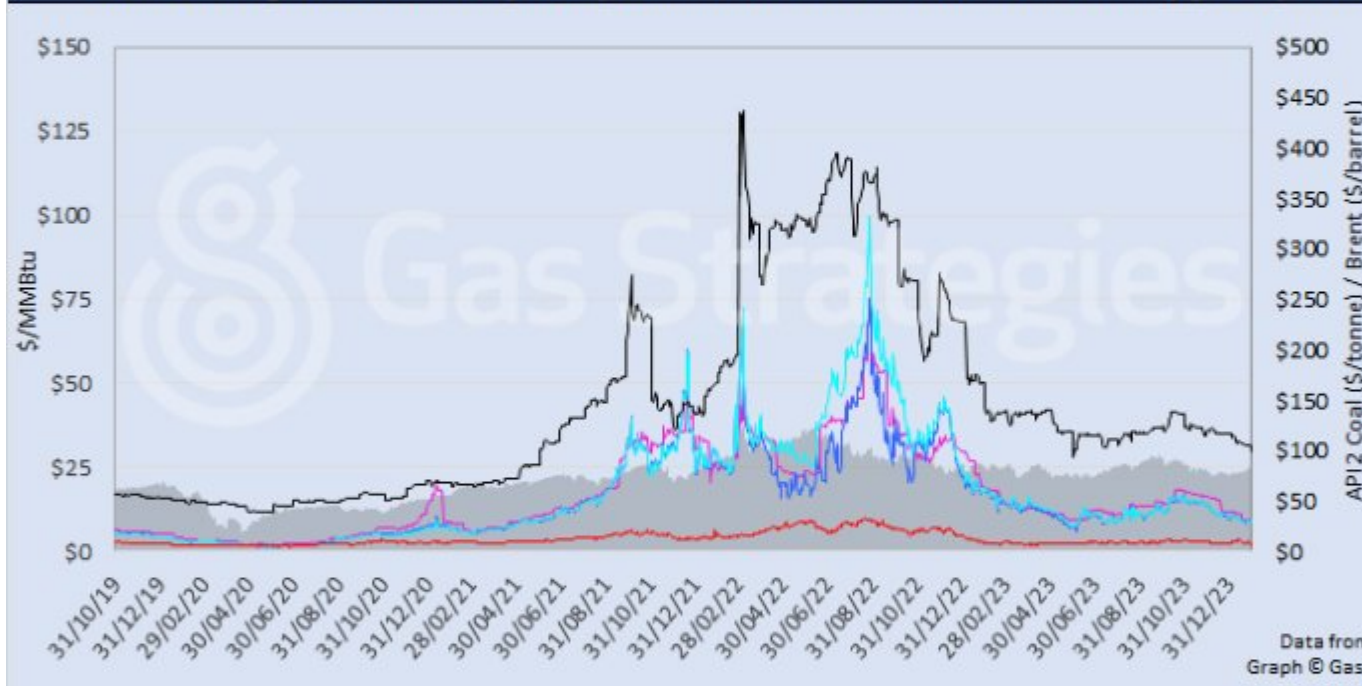
Brent closed down 1.4%, from USD 82.87/barrel on Tuesday to USD 81.71/barrel on Wednesday, while WTI was down 2.5%, from USD 77.82/barrel to USD 75.85/barrel.

European coal prices were down, moving against their usual loose correlation with gas, with API2 falling by 6.1%, from USD 4.24/MMBtu on Tuesday to USD 3.98/MMBtu on Wednesday, its lowest level since 2021.

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

Front-month futures/index	1/31/2024	1/30/2024	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.10	2.08	0.02	
NBP (\$/MMBtu)	9.46	9.19	0.27	
NBP (£p/th)	74.30	72.45	1.85	
Henry Hub-NBP spread	7.36	7.11	0.25	
TTF (\$/MMBtu)	9.62	9.40	0.22	
TTF (€/MWh)	30.24	29.58	0.65	
Henry Hub-TTF spread	7.52	7.32	0.20	
JKM (\$/MMBtu)	9.53	9.48	0.05	
TTF-JKM spread	-0.09	0.08	-0.17	
Henry Hub-JKM spread	7.43	7.40	0.03	
Brent (\$/barrel)	81.71	82.87	-1.16	
WTI (\$/barrel)	75.85	77.82	-1.97	
Brent-WTI spread (\$/barrel)	5.86	5.05	0.81	
API2 Coal (\$/tonne)	99.55	106.07	-6.52	
API2 Coal (\$/MMBtu)	3.98	4.24	-0.26	
EU CO ₂ emissions allowances (€/tonne)	62.31	61.68	0.63	

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



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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