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Energy prices fell across the board on Thursday amid reports that Hamas was considering a proposal for a ceasefire in Gaza and the release of Israeli hostages. Meanwhile, Israel said it was moving its offensive south, from Khan Younis to Rafah.

A 3.7% fall in the price of Brent crude was enough to push it back into the USD 76-79/barrel range it has trading within for most of past two months. The price was down from USD 81.71/barrel on Wednesday to USD 78.70/barrel. WTI fell by 2.7%, from USD 75.85/barrel to USD 73.82/barrel.

Both prices were up by around half a percentage point on Thursday morning.

European natural gas futures ended their recent run of gains, with TTF down by 4.1%, from USD 9.62/MMBtu on Wednesday to USD 9.23/MMBtu on Thursday.

In the UK, NBP was also down 4.1%, from USD 9.46/MMBtu on Wednesday to USD 9.07/MMBtu on Thursday.

Both prices were on a gentle upward trend on Thursday morning.

In Asia, the JKM price fell by 0.7%, from USD 9.53/MMBtu on Wednesday to USD 9.46/MMBtu on Thursday, amid reports that Japan's LNG imports in January were the lowest for that month in well over a decade.

Growing renewable generation, nuclear restarts and conservation efforts continue to exert downward pressure on the country's demand for fossil fuels.

In the US, Henry Hub was down 2.4%, from USD 2.10/MMBtu on Wednesday to USD 2.05/MMBtu on Thursday, as the Energy Information Administration (EIA) issued its weekly update of gas storage data.

Estimated working gas in storage was 2,659 Bcf as of 26 January, down 197 Bcf from the previous week and within the five-year historical range. Stocks were 54 Bcf higher year-on-year and 130 Bcf above the five-year average of 2,529 Bcf.

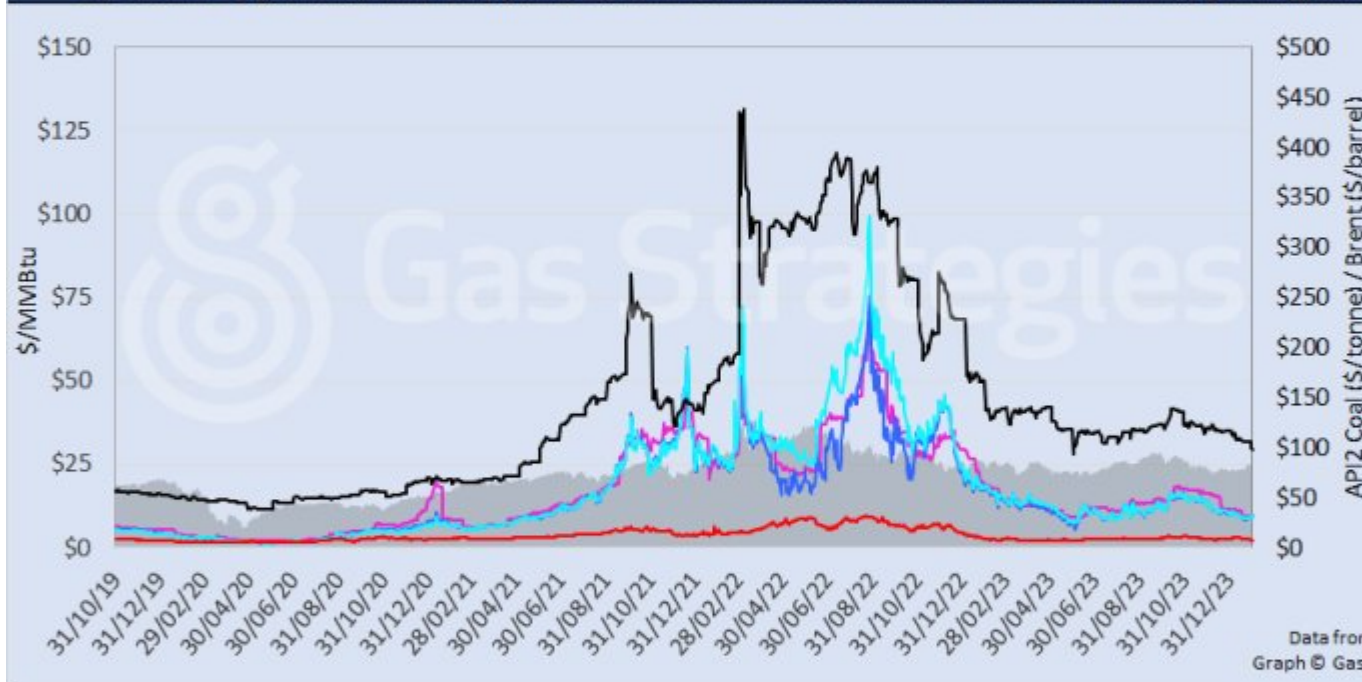
The storage draw was within market expectations but price remains under pressure from much warmer weather than is usual for this time of year and the continuing recovery of production after last month's Arctic conditions.

European coal prices fell again to a new low, with API down 2.1%, from USD 3.98/MMBtu on Wednesday to USD 3.90/MMBtu on Thursday.

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

Front-month futures/index	2/1/2024	1/31/2024	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.05	2.10	-0.05	
NBP (\$/MMBtu)	9.07	9.46	-0.39	
NBP (£p/th)	71.25	74.30	-3.05	
Henry Hub-NBP spread	7.02	7.36	-0.34	
TTF (\$/MMBtu)	9.22	9.62	-0.40	
TTF (€/MWh)	28.99	30.24	-1.24	
Henry Hub-TTF spread	7.17	7.52	-0.35	
JKM (\$/MMBtu)	9.46	9.53	-0.07	
TTF-JKM spread	0.24	-0.09	0.33	
Henry Hub-JKM spread	7.41	7.43	-0.02	
Brent (\$/barrel)	78.70	81.71	-3.01	
WTI (\$/barrel)	73.82	75.85	-2.03	
Brent-WTI spread (\$/barrel)	4.88	5.86	-0.98	
API2 Coal (\$/tonne)	97.45	99.55	-2.10	
API2 Coal (\$/MMBtu)	3.90	3.98	-0.08	
EU CO ₂ emissions allowances (€/tonne)	60.41	62.31	-1.90	

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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