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Friday saw muted price movements in global energy markets, with little new to report that might influence them.

Crude oil prices continued to move downwards as traders awaited further news on whether Hamas might accept a ceasefire proposal for Gaza – a drift that continued into Monday morning – while European natural gas prices edged upwards. European coal moved up a tad from recent lows, following gas.

Brent crude fell by 1.7%, from USD 78.70/barrel on Thursday to USD 77.33/barrel on Friday, while WTI was down by 2.1%, from USD 73.82/barrel to USD 72.28/barrel. Both were down by another half of a percentage point on Monday morning.

In Continental Europe, TTF natural gas futures rose by 0.3%, from USD 9.23/MMBtu on Thursday to USD 9.26/MMBtu with currency movements playing a significant role. In EUR/MWh terms, the rise was 1.1%.

In the UK, NBP edged downwards by 0.5%, from USD 9.07/MMBtu to USD 9.02/MMBtu, but were up 0.3% when quoted in p/therm, again because of currency movements.

Both TTF and NBP were on a downwards trajectory on Monday morning, despite reports of an unscheduled out at Norway's Troll field, with supply concerns swamped by the high level of gas in storage amid continuing mild weather. The Troll outage is expected to be brief.

Gas Infrastructure Europe (GIE) data showed European gas storage facilities to be just under 70% full on Saturday, while UK storage was around two-thirds full. For this heating season at least, European's natural gas crisis looks to be well and truly over, with helpful weather a major factor.

Weather continues to be a major influencing factor on US natural gas prices. Henry Hub front-month futures were up 1.4% on Friday, from USD 2.05/MMBtu on Thursday to USD 2.08/MMBtu. However, at this level they are testing the lower limit of the USD 2-3/MMBtu range considered to be the new normal for Henry Hub after the global gas crisis of 2022, which drove US prices to around USD 10/MMBtu.

Historically high production levels continue to keep North American prices much lower than in most other gas markets, despite growing LNG exports.

Biden's temporary ban on new LNG export project approvals in the US continues to elicit disapproval from energy companies, with Shell CEO Wael Sawan the latest to opine that it will damage long-term confidence in US LNG supply, already impacted by controversy around Venture Global's policy on commercial operation dates.

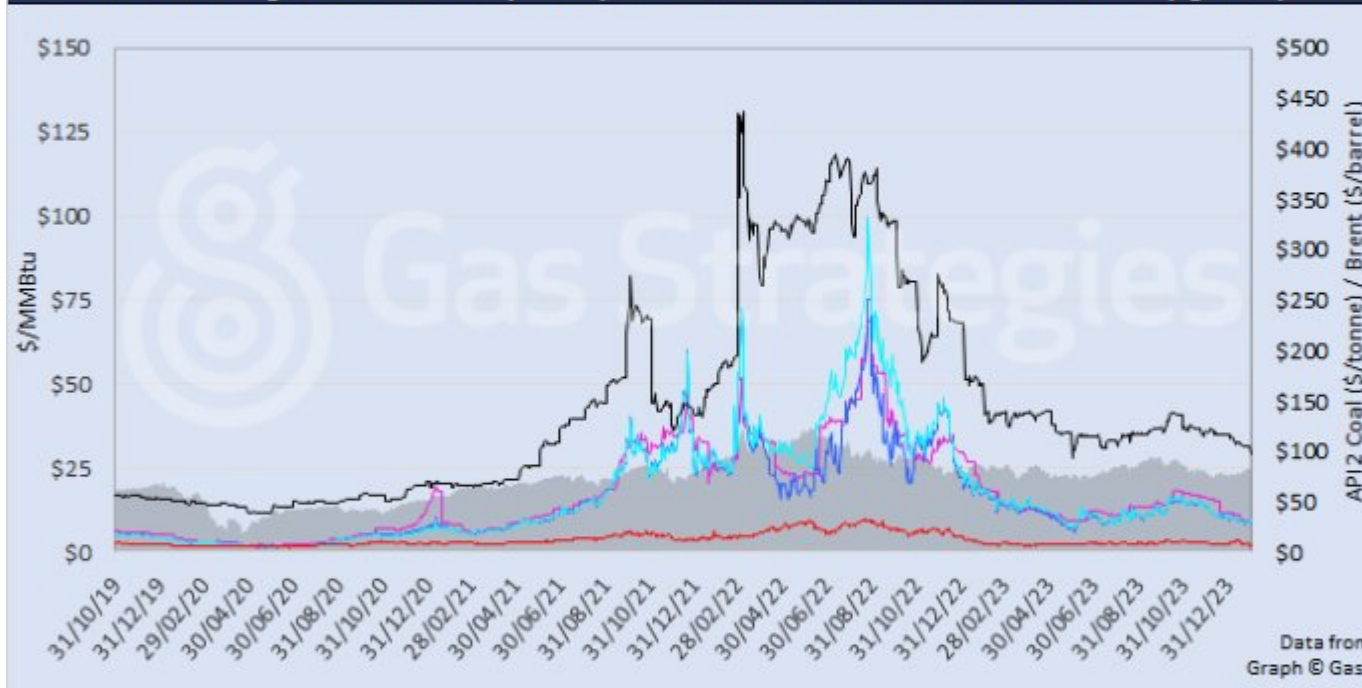
In Asia, the JKM LNG price remained flat at USD 9.46/MMBtu, with the TTF-JKM spread down to USD 0.20/MMBtu. There are reports of strong buying interest from price-sensitive markets, including India and

China, at this price level.

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

Front-month futures/index	2/2/2024	2/1/2024	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.08	2.05	0.03	
NBP (\$/MMBtu)	9.02	9.07	-0.04	
NBP (£p/th)	71.48	71.25	0.23	
Henry Hub-NBP spread	6.95	7.02	-0.07	
TTF (\$/MMBtu)	9.26	9.23	0.03	
TTF (€/MWh)	29.30	28.99	0.31	
Henry Hub-TTF spread	7.18	7.18	0.00	
JKM (\$/MMBtu)	9.46	9.46	0.00	
TTF-JKM spread	0.20	0.23	-0.03	
Henry Hub-JKM spread	7.38	7.41	-0.03	
Brent (\$/barrel)	77.33	78.70	-1.37	
WTI (\$/barrel)	72.28	73.82	-1.54	
Brent-WTI spread (\$/barrel)	5.05	4.88	0.17	
API2 Coal (\$/tonne)	98.50	97.45	1.05	
API2 Coal (\$/MMBtu)	3.94	3.90	0.04	
EU CO ₂ emissions allowances (€/tonne)	61.56	60.41	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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