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Natural gas prices in all three of the world's main consuming regions fell on Thursday, along with European carbon prices, while crude oil prices moved up.

In the US, Henry Hub front-month futures fell by 2.3%, from USD 1.77/MMBtu on Wednesday to USD 1.73/MMBtu, after the previous session's 12.5% rise, as the Energy Information Administration (EIA) published its weekly gas storage report.

The EIA estimated working gas in storage at 2,470 Bcf as of 16 February, down 60 Bcf from the previous week and above the five-year historical range. Stocks were 265 Bcf higher year-on-year and 451 Bcf – or 22% – above the five-year average of 2,019 Bcf. The withdrawal was on the low side of market expectations.

European natural gas futures fell for a second consecutive day after Tuesday's rally.

In Continental Europe, TTF was down 3.2%, from USD 7.60/MMBtu on Wednesday to USD 7.36/MMBtu on Thursday, and below Thursday's close on Friday by lunchtime in London.

In the UK, NBP fell by 2.9%, from USD 7.47/MMBtu to USD 7.25/MMBtu and below that level on Friday.

With the start of meteorological spring now only a week away, data from Gas Infrastructure Europe (GIE) showed European Union storage to be 65% full, which compares with 64% a year ago and 31% two years ago. UK storage was up again – to 77%.

The UK energy regulator Ofgem confirmed on Friday that price caps for residential electricity and power unit charges would fall – thanks to falling wholesale prices – with the typical household saving around 12.3% on bills from the start of April.

Ofgem added that this would “see energy prices reach their lowest level since Russia's invasion of the Ukraine in February 2022 caused a further spike in an already turbulent wholesale energy market, driving up costs for suppliers and ultimately customers”.

The two-year anniversary of that invasion is tomorrow.

In Asia, the JKM LNG price fell by 1.7%, from USD 8.30/MMBtu on Wednesday to USD 8.16/MMBtu on Thursday, raising the TTF-JKM spread to USD 0.80/MMBtu.

European and Asia prices are now at levels seen in the spring of 2021, before Russia began curbing pipeline gas supplies to the EU – a boon for price-sensitive Asian buyers. How much inter-basin competition there will be for LNG cargoes remains to be seen, given high inventory levels and the approach of spring in most major gas markets.

Crude oil prices were on the rise, with Brent up 0.8%, from USD 83.03/barrel on Wednesday to USD

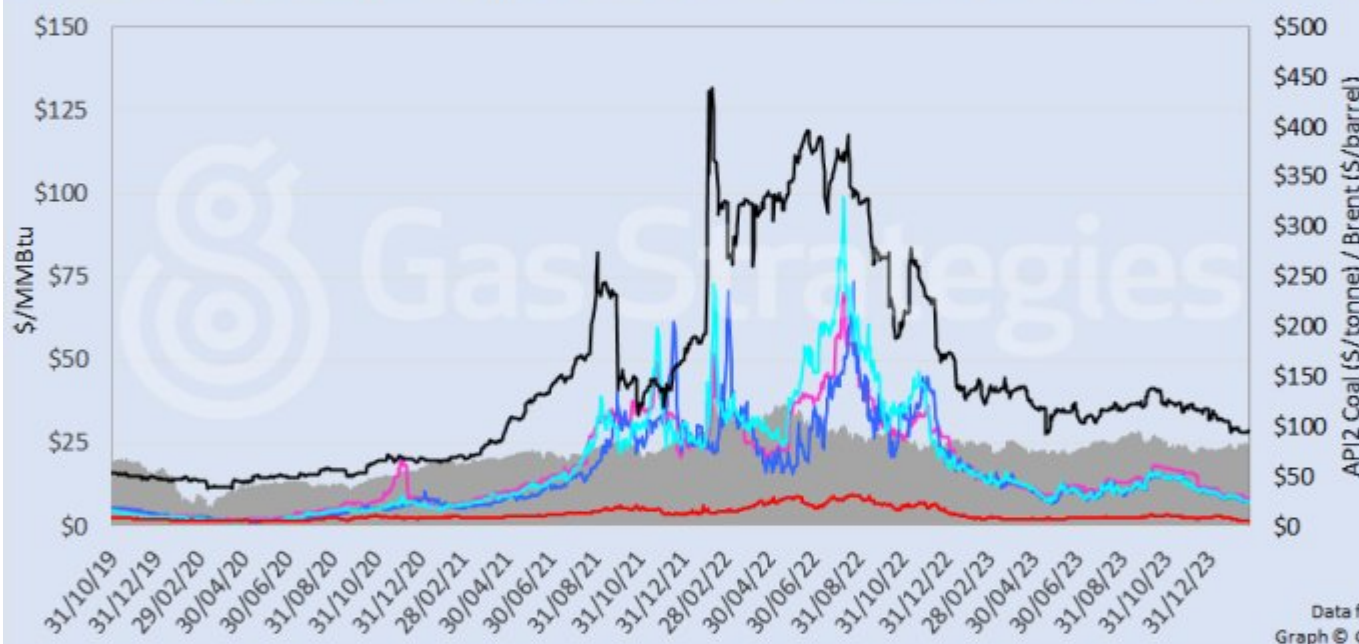
83.67/barrel on Thursday, while WTI was up 0.9% from USD 77.91/barrel to USD 78.61/barrel. Both were down by around 1.4% by early afternoon on Friday.

Carbon prices resumed their decline on Thursday, with EU emissions allowances down 3.4% at EUR 51.03/tonne, testing the psychologically significant EUR 50/tonne threshold.

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

Front-month futures/index	22/02/2024	21/02/2024	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	1.73	1.77	-0.04	
NBP (\$/MMBtu)	7.25	7.47	-0.22	
NBP (£p/th)	57.30	59.12	-1.82	
Henry Hub-NBP spread	5.52	5.70	-0.18	
TTF (\$/MMBtu)	7.36	7.60	-0.24	
TTF (€/MWh)	23.19	23.98	-0.78	
Henry Hub-TTF spread	5.63	5.83	-0.20	
JKM (\$/MMBtu)	8.16	8.30	-0.14	
TTF-JKM spread	0.80	0.69	0.10	
Henry Hub-JKM spread	6.42	6.52	-0.10	
Brent (\$/barrel)	83.67	83.03	0.64	
WTI (\$/barrel)	78.61	77.91	0.70	
Brent-WTI spread (\$/barrel)	5.06	5.12	-0.06	
API2 Coal (\$/tonne)	95.70	95.25	0.45	
API2 Coal (\$/MMBtu)	3.81	3.78	0.03	
EU CO ₂ emissions allowances (€/tonne)	51.03	52.81	-1.78	

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



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



[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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