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Energy markets around the globe ended meteorological winter in the northern hemisphere with a whimper not a bang on Thursday, with natural gas prices falling in all three main consuming regions as Wednesday's exuberance drained away.

The steepest falls were in Europe, where gas futures lost most of the ground they made on Wednesday, falling to break out of the straight line decline that has driven underlying price trends since October.

Market fundamentals continue to look bearish, as underscored by the high levels of gas in storage as spring gets under away and the heating season draws to an end by the close of this month.

In the European Union, storage facilities were 63% full on Wednesday, according to data from Gas Infrastructure Europe (GEI). This compares with 29% on the same day two years ago, just after Russia launched its full-scale invasion of Ukraine.

Some analysts are speculating that Europe may turn to storing gas in Ukraine or as floating storage ahead of next winter. Ukraine has offered traders outside the country up to a third of its storage capacity – around 10 Bcm.

Milder weather than normal, which has persisted for most of the past winter, is expected to continue into the first half of March.

In Continental Europe, TTF fell by 3.2%, from USD 8.14/MMBtu on Wednesday to USD 7.87/MMBtu on Thursday. The price opened a little higher on Friday but then moved horizontally throughout the morning.

In the UK, NBP fell by 4.2%, from USD 8.11/MMBtu on Wednesday to USD 7.77/MMBtu on Thursday and was moving in tandem with TTF on Friday morning.

In Asia, JKM fell by 1.5%, from USD 8.50/MMBtu on Wednesday to USD 8.37/MMBtu on Thursday, amid reports that Chinese LNG imports in February were the highest ever for that month as lower spot prices encouraged additional purchases.

In the US, the April Henry Hub contract fell by 1.3%, from USD 1.89/MMBtu on Wednesday to USD 1.86/MMBtu on Thursday, as the Energy Information Administration (EIA) published its weekly storage data. The withdrawal was below market expectations for the time of year.

The EIA estimated working gas in storage at 2,374 Bcf as of 23 February, down 96 Bcf from the previous week and above the five-year historical range. Stocks were 248 Bcf higher year-on-year and 498 Bcf above the five-year average of 1,876 Bcf.

Crude oil prices remained in dynamic equilibrium, with bullish and bearish factors continuing to offset each other. Prices were on the rise on Friday morning.

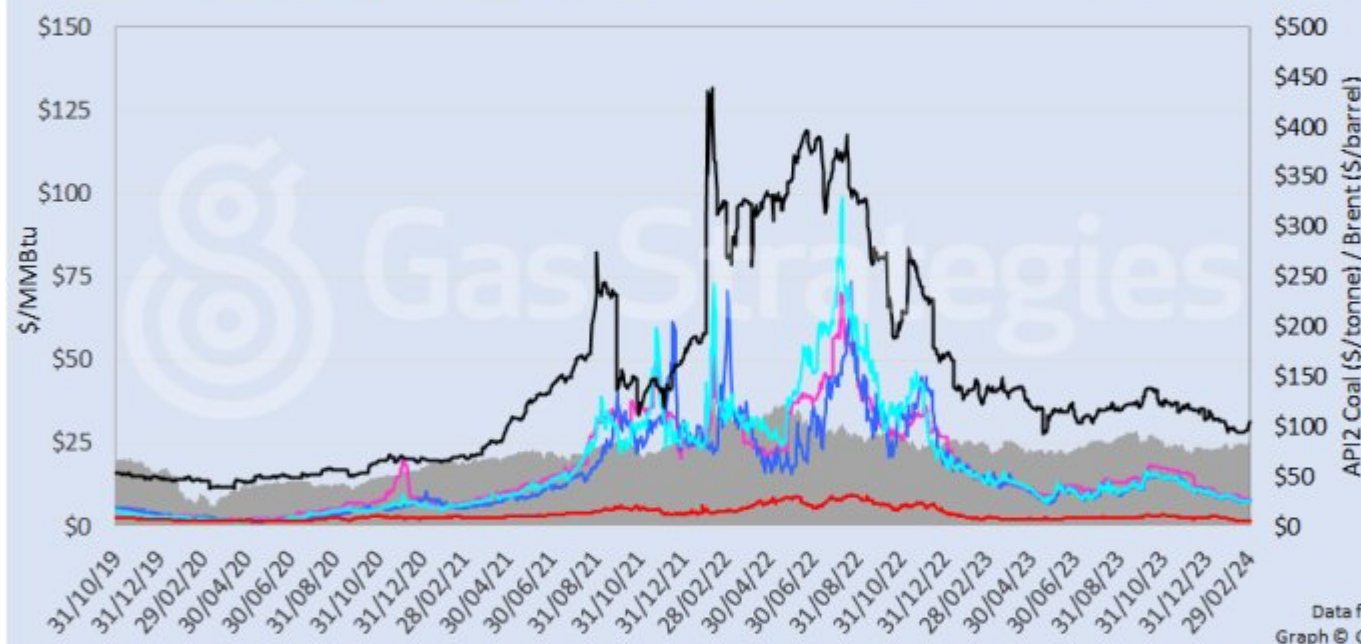
European coal prices were stable, with API2 edging down 0.1% to USD 4.18/MMBtu.

EU emissions allowances were down 3.2% to EUR 54.27/tonne, in line with the fall in gas prices.

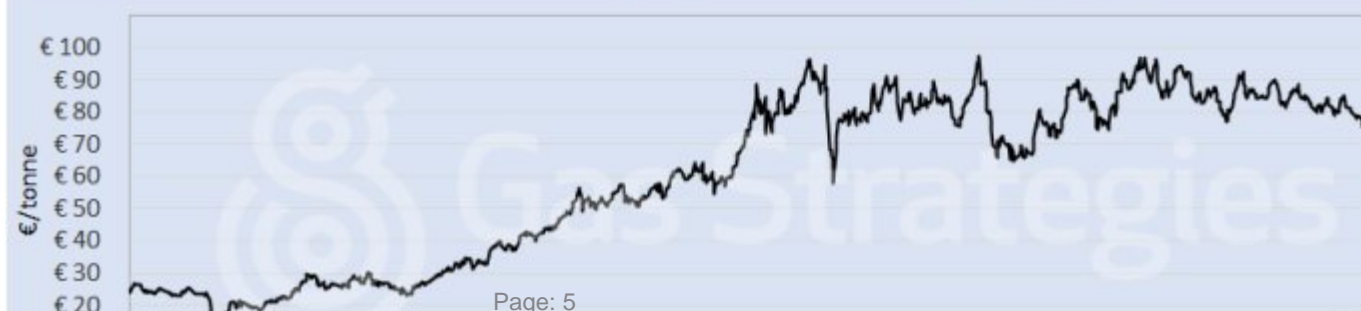
Front-month futures and indexes at last close with day-on-day changes:

Front-month futures/index	29/02/2024	28/02/2024	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	1.86	1.89	-0.02	
NBP (\$/MMBtu)	7.77	8.11	-0.34	
NBP (£p/th)	61.58	64.07	-2.49	
Henry Hub-NBP spread	5.91	6.23	-0.31	
TTF (\$/MMBtu)	7.87	8.14	-0.26	
TTF (€/MWh)	24.87	25.62	-0.75	
Henry Hub-TTF spread	6.01	6.25	-0.24	
JKM (\$/MMBtu)	8.37	8.50	-0.13	
TTF-JKM spread	0.50	0.36	0.14	
Henry Hub-JKM spread	6.51	6.61	-0.10	
Brent (\$/barrel)	83.62	83.68	-0.06	
WTI (\$/barrel)	78.26	78.54	-0.28	
Brent-WTI spread (\$/barrel)	5.36	5.14	0.22	
API2 Coal (\$/tonne)	104.40	104.50	-0.10	
API2 Coal (\$/MMBtu)	4.18	4.18	0.00	
EU CO ₂ emissions allowances (€/tonne)	54.27	56.07	-1.80	

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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