Gas Strategies
Information Services

30 June 2024

# Contents

Pricewatch l 8 May 2024 I Gas Matters Today
Publication date: 08 May 2024

**Gas Strategies Group**

10 Saint Bride Street
London UK
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

**Editorials**

+44(0) 20 7332 9957
editor@gasstrategies.com

**Subscriptions**

+44(0) 20 7332 9976
subscriptions@gasstrategies.com

# Pricewatch l 8 May 2024 I Gas Matters Today

European natural gas futures and carbon prices remained volatile on Tuesday – a day that otherwise saw minimal price movements in global energy markets. The scale of the downward movement was limited by news that an outage at an Australian LNG plant will last for longer than expected.

One of three liquefaction trains at the 15.6 mtpa Gorgon LNG plant on Barrow Island is now expected to be out of action for five weeks, following a turbine fault at the end of April.

The June TTF contract was back below USD 10, having fallen by 2.0%, from USD 10.00/MMBtu on Monday to USD 9.80/MMBtu on Tuesday. The fall left the price 2.3% above its close on Friday.

In the UK, Monday was a public holiday. On Tuesday, the NBP price closed 2.0% above Friday's close, from USD 9.33/MMBtu to USD 9.52/MMBtu.

TTF and NBP generally follow similar trajectories, underlining the strong physical connections between the UK market and the market in north-west Europe, which for the most part behave as a single entity.

The Asian JKM LNG price was up by 0.3%, from USD 10.47/MMBtu on Monday to USD 10.50/MMBtu on Tuesday. The scale of the rise reflected the limited market impact of the Gorgon outage at a time when global LNG supplies look comfortable. A further extension to the outage would have more impact as summer air conditioning loads rise in the northern hemisphere.

In the US, Henry Hub continued its recent rally, up 0.5%, from USD 2.20/MMBtu on Monday to USD 2.21/MMBtu on Tuesday, the fourth consecutive rise.

The US Energy Information Administration (EIA) expects Henry Hub to average USD 2.18/MMBtu in 2024, according to its latest Short-term Energy Outlook (STEO), published yesterday. This is a 1.3% uplift on last month's forecast of USD 2.15/MMBtu. The forecast for 2025 is USD 3.09/MMBtu, up from USD 2.89/MMBtu in the April STEO.

Dry gas production in the US is forecast to fall by 2% from the first quarter of 2024 to the second quarter because of low prices. The EIA expects output in 2024 will be 1% lower than last year before increasing by 2% in 2025 to a record of almost 105 Bcf/d.

Crude oil futures shrugged off the fluid political and military situation in the Middle East, where Israel continues to mount air strikes on the city of Rafah in southern Gaza. Diplomatic efforts to secure a ceasefire – brokered by Egypt and Qatar – continue.

Front-month Brent edged down 0.2% to USD 83.16/barrel while WTI was down 0.1% to USD 78.38/barrel.

The European Union's Copernicus weather and climate change service yesterday confirmed that last month was the warmest April on record globally – the eleventh consecutive time that it has done so forthe respective month of the year.

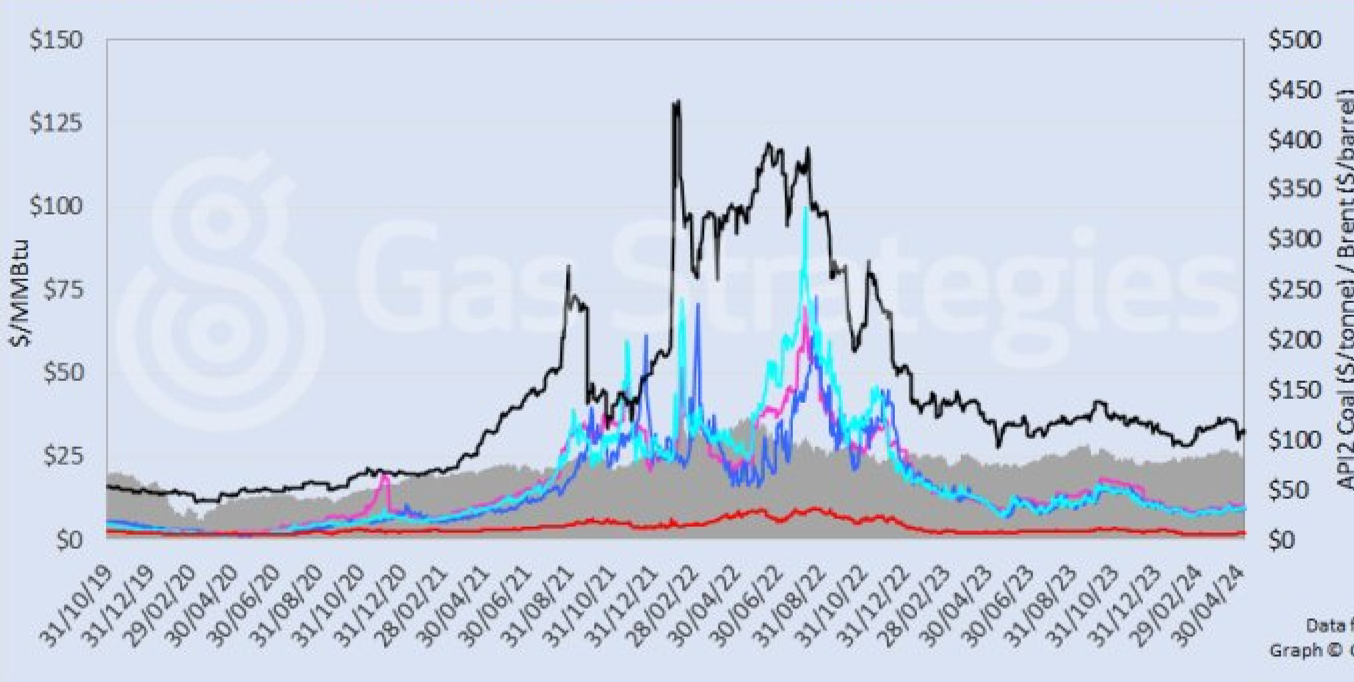
The global average temperature for the past 12 months (May 2023-April 2024) is the highest on record, at 0.73°C above the 1991-2020 average and 1.61°C above the 1850-1900 pre-industrial average.

"Whilst temperature variations associated with natural cycles like El Niño come and go, the extra energy trapped into the ocean and the atmosphere by increasing concentrations of greenhouse gases will keep pushing the global temperature towards new records," said Carlo Buontempo, director of the Copernicus service.

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

| Front-month futures/index | 07/05/2024 | 06/05/2024 | Daily +/- ($) | Daily |
|---|---|---|---|---|
| **Henry Hub** ($/MMBtu) | 2.21 | 2.20 | 0.01 | |
| **NBP** ($/MMBtu) | 9.52 | 9.33 | 0.18 | |
| **NBP** (£p/th) | 75.86 | 74.47 | 1.39 | |
| ***Henry Hub-NBP*** *spread* | *7.31* | *7.14* | *0.17* | |
| **TTF** ($/MMBtu) | 9.80 | 10.00 | -0.20 | |
| **TTF** (€/MWh) | 31.07 | 31.80 | -0.73 | |
| ***Henry Hub-TTF*** *spread* | *7.59* | *7.80* | *-0.21* | |
| **JKM** ($/MMBtu) | 10.50 | 10.47 | 0.03 | |
| ***TTF-JKM*** *spread* | *0.70* | *0.47* | *0.23* | |
| ***Henry Hub-JKM*** *spread* | *8.29* | *8.28* | *0.02* | |
| **Brent** ($/barrel) | 83.16 | 83.33 | -0.17 | |
| **WTI** ($/barrel) | 78.38 | 78.48 | -0.10 | |
| ***Brent-WTI spread*** *($/barrel)* | *4.78* | *4.85* | *-0.07* | |
| **API2 Coal** ($/tonne) | 109.25 | 109.35 | -0.10 | |
| **API2 Coal** ($/MMBtu) | 4.37 | 4.37 | 0.00 | |
| **EU $CO_2$ emissions allowances** (€/tonne) | 69.28 | 71.45 | -2.17 | |

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




**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.*

### Consulting

+44 (0) 20 7332 9900
consult@gasstrategies.com

### Alphatania Training

+44 (0) 20 7332 9910
training@gasstrategies.com

### Information Services

+44 (0) 20 7332 9976
subscriptions@gasstrategies.com