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Contents

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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
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[1]

Global natural gas prices traded higher on Thursday, with traders weighing up demand recovery and forecasts for colder weather versus still abundant supply.

The Dutch marker saw a 2.6% gain to USD 13.93/MMBtu, and the UK benchmark saw a 2.2% increase to USD 13.28/MMBtu.

Europe's gas storage levels are ~56% as of 29 March, according to the latest data from GIE, which is the fullest they have been for more than a decade. The continent is on track to refill its stockpiles significantly ahead of the start of the 2023/24 heating season.

However, the weather is supporting prices in the short term, as Europe is starting spring on a cold note. The market's additional concerns in the near-term include the possibility of further cuts in Russia's supplies – namely LNG – as well as the rebounding in appetite for natural gas from China.

In the US, Henry Hub has emerged from Wednesday's dip, rising 5.7% to USD 2.1/MMBtu.

The US Energy Information Administration (EIA) posted a withdrawal of 47 Bcf from natural gas storage for the week ended 24 March, short of median estimates in polls, with inventories remaining well above average levels. The market was expecting a withdrawal of ~54-55 Bcf, but the actual draw was 47 Bcf.

Weather forecasts show spring-like temperatures in the first week of April, so the market might see further price declines.

Meanwhile, Freeport LNG's early-cycle nominations reached 2.0 Bcf/d on Thursday, marking a high of the nearly 10-month restart process after the June 2022 explosion that forced it out of operation.

But according to the Dallas Fed Energy Survey released earlier this week, Henry Hub prices are expected to reach USD 3.43/MMBtu by year-end.

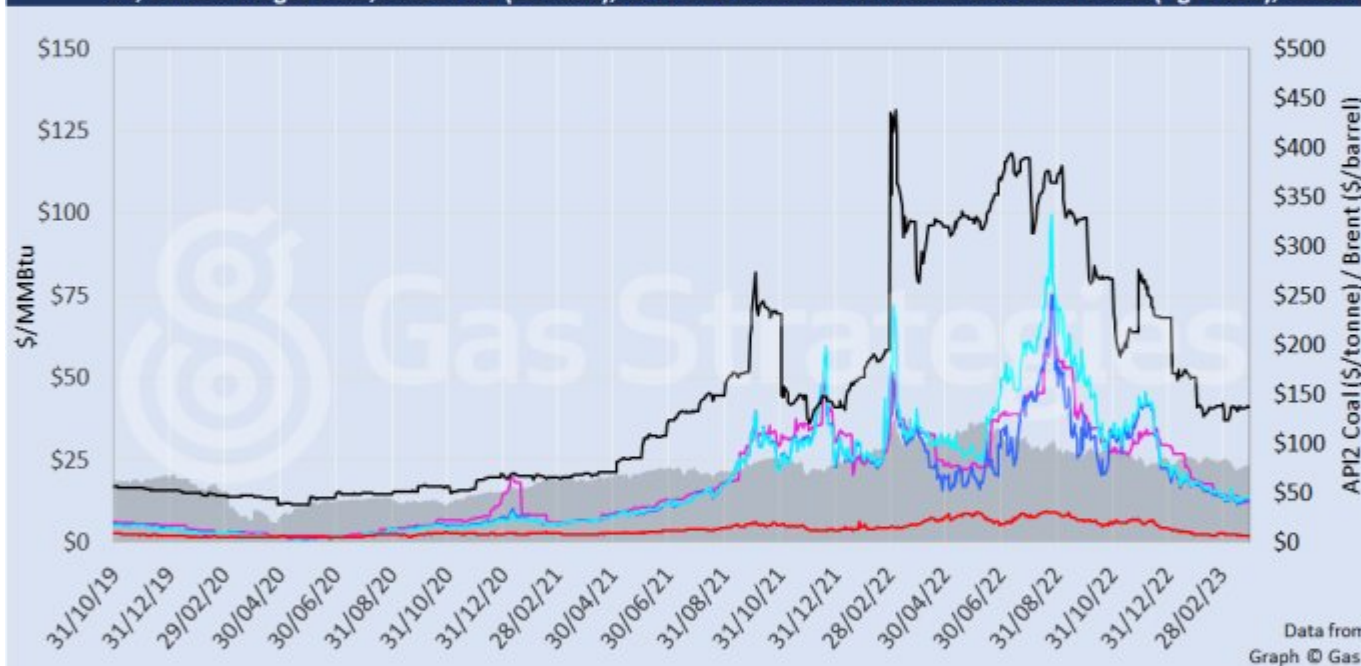
In crude, prices have rose on Thursday, supported by lower US oil stockpiles and the continued halt to exports from Iraq's Kurdistan region via pipeline, Reuters reported.

Brent settled at USD 79.27/barrel, and WTI saw a 2% rise to USD 74.37/barrel.

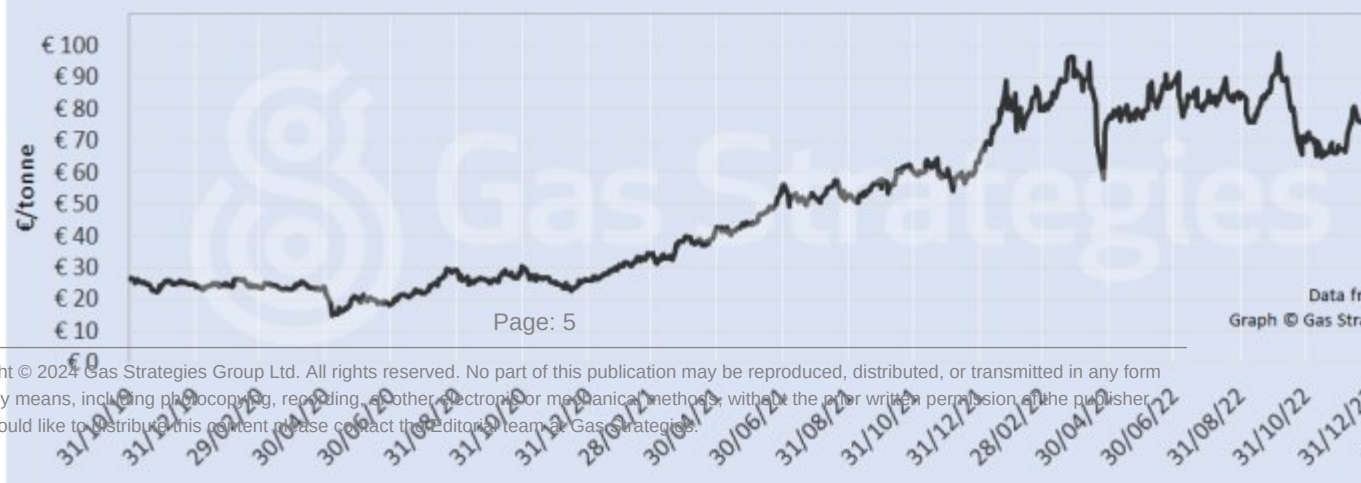
Front-month futures and indexes at last close with day-on-day changes (click to enlarge):

Front-month futures/index	30/03/2023	29/03/2023	Daily +/- (\$)	Daily
Henry Hub (\$/MMBtu)	2.10	1.99	0.11	
NBP (\$/MMBtu)	13.28	13.00	0.28	
NBP (£p/th)	107.41	105.63	1.78	
Henry Hub-NBP spread	11.18	11.01	0.17	
TTF (\$/MMBtu)	13.93	13.58	0.35	
TTF (€/MWh)	43.61	42.80	0.81	
Henry Hub-TTF spread	11.83	11.59	0.24	
JKM (\$/MMBtu)	12.70	12.54	0.16	
TTF-JKM spread	-1.23	-1.05	-0.18	
Henry Hub-JKM spread	10.60	10.54	0.05	
Brent (\$/barrel)	79.27	78.28	0.99	
WTI (\$/barrel)	74.37	72.97	1.40	
Brent-WTI spread (\$/barrel)	4.90	5.31	-0.41	
API2 Coal (\$/tonne)	137.65	137.85	-0.20	
API2 Coal (\$/MMBtu)	5.51	5.51	-0.01	
EU CO ₂ emissions allowances (€/tonne)	88.50	87.81	0.69	

US, UK and EU gas hubs, Asian LNG (left axis), API2 coal front-month futures and Brent crude (right axis), since 2019



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



[2] 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
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+44 (0) 20 7332 9976
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