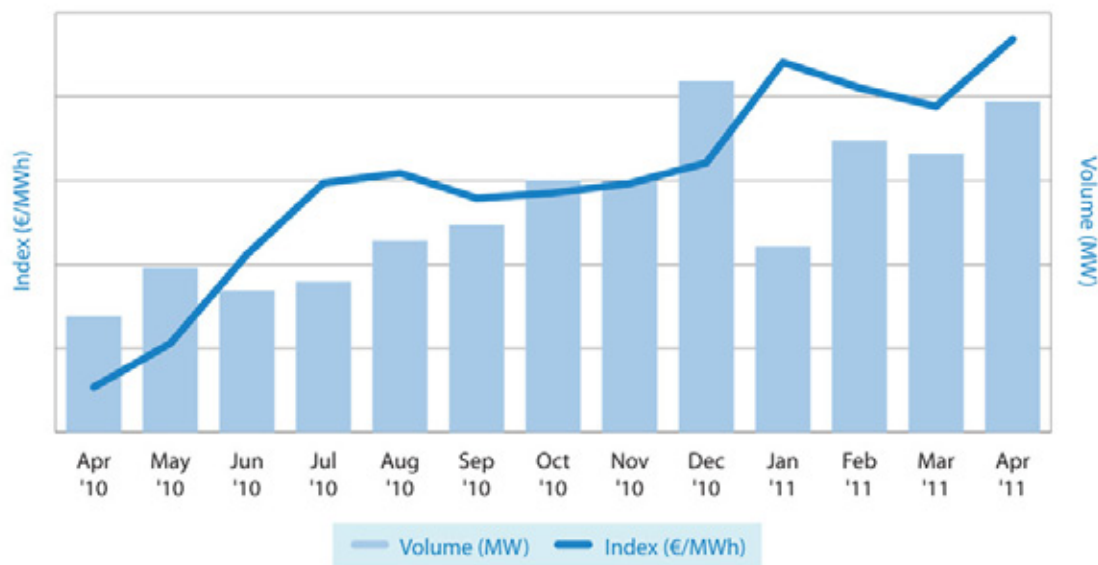


TTF Monthly Heren Index and Volumes



## Volatility grips TTF curve as prices buck rising oil

The TTF curve was volatile end of March/ beginning of April, with curve prices initially continuing to increase in line with oil – which has been very strong – but then weakening. Curve prices remained on a bullish trajectory until the middle of the first week of April, even as oil remained strong. The reason, traders argued, was that the spread between the front and the back of the curve had grown too big, necessitating a correction. The excuse for the dip was weaker German power and coal prices, augmented by rumours (later proved well-founded) of a rise in European interest rates. The correction lasted from 5-7 April,

during which time almost the entire curve weakened, trimming the premium that had developed between the curve and the spot.

Over the last two weeks spot prices have sunk, as Europe has enjoyed temperatures of above seasonal norms. On top of this, the region has been very well-supplied with gas, as boats that it was initially assumed would make their way to Japan have remained on the market.

There is little doubt that Japan will eventually need a significant amount of LNG in order to account for lost nuclear capacity, but the big question is when this demand will pick up.