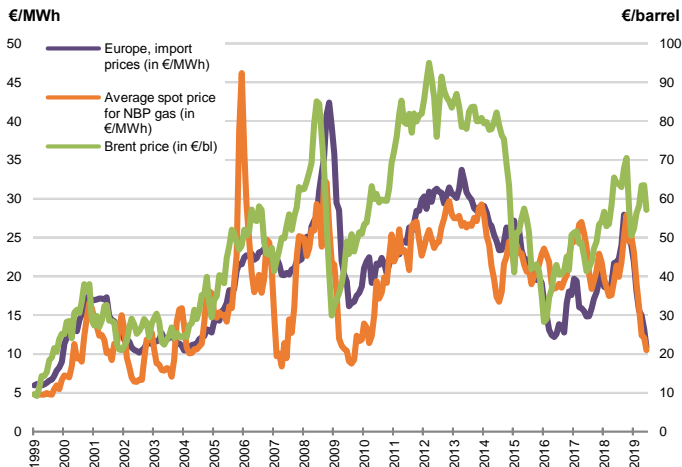


## Correlation between gas prices and oil products' prices



**Sources:** SDES, World Data Bank, Energy Information Administration (2019)

### Description:

This graph shows the evolution of natural gas prices for long-term supply contracts in Europe (BAFA: import price in Germany), the market price for natural gas on the London stock exchange (NBP Spot) and the price of oil products represented by the Brent index (€/barrel).

### Analysis:

This indicator underlines the strong correlation between the prices of natural gas and oil products. The prices of long-term natural gas supply contracts are indexed to the Brent price. The three to six months discrepancy in the long-term contract prices as compared to the Brent price is due to the smoothing of the indexing formulas.

After 3 years of relative stability (between 80 and 90 €/bl), the Brent index dropped drastically: it was halved between June 2014 and January 2015. The weak recovery in Brent prices in early 2016 was reflected in spot gas prices in the second half of 2016. After a rise in Brent oil prices in the first quarter of 2018, the latter has been declining again since the first half of 2019. This is also observed on the spot price of gas.