Circular: Improvement to Spark Cargo JKM-TTF Arb Breakeven Calculations and Historical Data
Date: 11th July 2025

This circular relates only to end of day JKM-TTF Arb Breakeven calculations in the Spark Cargo platform. It does not impact the LNG Freight Arb Breakevens, Arbs, Netbacks or any Spark Freight or SparkNWE and SWE benchmarks.

Spark is updating the calculation methodology for JKM-TTF Arb Breakevens to more accurately reflect the relevant Arbs for the delivered JKM and TTF contract dates. This update follows market feedback and brings the Spark Cargo platform in line with the existing approach used on Spark Intraday.

The implementation date for this change is 1st August 2025 and the full history for the JKM-TTF Arb Breakevens will be recalculated to enable meaningful historical analysis.

Previous methodology:
- JKM-TTF Breakeven = JKM - TTF - Arb

where:
JKM = Contract month price
TTF = Contract month price
Arb = Arb for load month

New Methodology:
- JKM Breakeven = JKM - Arb
- TTF Breakeven = TTF + Arb
- JKM-TTF Breakeven = JKM-TTF - 0.5 * JKM adjusted Arb - 0.5 * TTF adjusted Arb

where:
JKM = Contract month price
TTF = Contract month price
JKM Adjusted Arb = Arb for assumed loaded date for JKM delivery on 15th of month of contract month, assuming linear interpolation
TTF Adjusted Arb = Arb for assumed loaded date for NEA delivery on 15th of month of contract month, assuming linear interpolation

Example of new methodology:

Inputs
- Release Date: 9th June 2025
- FOB Location: Sabine Pass
- NWE via Point: N/A
- NEA via Point: COGH
- NWE Laden Voyage Duration: 17 days

- NEA Laden voyage Duration: 44 days
- JKM-TTF Contract Month: Sep25
- JKM-TTF Contract Price: 0.275

Arbs (NEA Netback - NWE Netback):
- Jul24: -0.060
- Aug25: -0.192
- Sep25: -0.268

JKM-TTF Arb Breakeven Calculation:
- JKM assumed FOB loading date = 15/9/25 - 44 days = 2/8/25
- JKM adjusted Arb = -0.137 (linear Interpolation based on each Arb representing loading on 15th of month)
- TTF assumed FOB loading month = 15/9/25 - 17 days = 29/8/25
- TTF adjusted Arb = -0.226 (linear Interpolation based on each Arb representing loading on 15th of month)
- JKM-TTF Breakeven = JKM-TTF (0.275) - 0.5 * JKM adjusted Arb (-0.137) - 0.5 * TTF adjusted Arb (-0.226) = 0.456

For any questions or feedback please get in touch with prices@sparkcommodities.com.