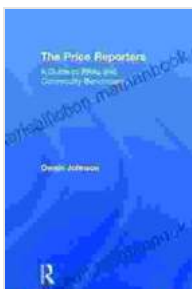


# The Ultimate Guide to PRAS and Commodity Benchmarks

PRAS (Platts Reference Assessments) and commodity benchmarks are essential tools for understanding and valuing energy markets. They provide independent, transparent, and timely information on the prices of physical commodities, such as oil, gas, and electricity. This information is used by a wide range of market participants, including producers, consumers, traders, and investors.

In this guide, we will provide a comprehensive overview of PRAS and commodity benchmarks. We will discuss the different types of benchmarks, how they are calculated, and how they are used in the energy industry. We will also provide tips on how to use PRAS and commodity benchmarks to make informed decisions about energy investments.

PRAS (Platts Reference Assessments) are a set of price assessments for physical commodities that are published by S&P Global Platts. Platts is a leading provider of information and analysis on the energy and commodities markets.



## The Price Reporters: A Guide to PRAs and Commodity Benchmarks by Owain Johnson

★★★★☆ 4 out of 5

Language : English  
File size : 1314 KB  
Text-to-Speech : Enabled  
Screen Reader : Supported  
Enhanced typesetting : Enabled  
Word Wise : Enabled  
Print length : 197 pages



Commodity benchmarks are prices that are used as a reference for pricing physical commodities. They are typically based on the prices of futures contracts or spot market transactions.

There are a variety of different types of PRAS and commodity benchmarks. Some of the most common types include:

- **Oil benchmarks:** Oil benchmarks include Brent, WTI, and Dubai. Brent is the most widely used oil benchmark in the world. It is a blend of crude oil from the North Sea. WTI is a benchmark for light, sweet crude oil that is produced in the United States. Dubai is a benchmark for sour crude oil that is produced in the Middle East.
- **Gas benchmarks:** Gas benchmarks include Henry Hub, TTF, and JKM. Henry Hub is the most widely used gas benchmark in North America. It is the price of natural gas that is delivered to the Henry Hub in Louisiana. TTF is a benchmark for natural gas that is traded in Europe. JKM is a benchmark for liquefied natural gas (LNG) that is traded in Asia.
- **Electricity benchmarks:** Electricity benchmarks include the day-ahead and real-time prices for electricity that are traded on power exchanges.

PRAS and commodity benchmarks are calculated using a variety of different methods. Some of the most common methods include:

- **Futures contracts:** Futures contracts are agreements to buy or sell a commodity at a specified price on a future date. The prices of futures contracts are used to calculate commodity benchmarks.
- **Spot market transactions:** Spot market transactions are the buying and selling of commodities for immediate delivery. The prices of spot market transactions are used to calculate commodity benchmarks.
- **Surveys:** Surveys of market participants are used to collect data on the prices of commodities. This data is used to calculate commodity benchmarks.

PRAS and commodity benchmarks are used in a variety of ways in the energy industry. Some of the most common uses include:

- **Pricing:** PRAS and commodity benchmarks are used to price physical commodities. They provide a transparent and independent reference point for buyers and sellers.
- **Valuation:** PRAS and commodity benchmarks are used to value energy assets. They provide a basis for valuing oil and gas reserves, power plants, and other energy infrastructure.
- **Hedging:** PRAS and commodity benchmarks are used to hedge against price risk. They allow market participants to lock in prices for future deliveries.

Here are a few tips on how to use PRAS and commodity benchmarks:

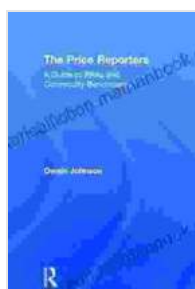
- **Understand the different types of benchmarks:** There are a variety of different types of PRAS and commodity benchmarks. It is important

to understand the differences between these benchmarks and how they are calculated.

- **Use benchmarks that are appropriate for your needs:** Not all benchmarks are created equal. Some benchmarks are more suitable for certain purposes than others. It is important to choose the right benchmark for your specific needs.
- **Be aware of the limitations of benchmarks:** PRAS and commodity benchmarks are not perfect. They can be subject to manipulation and error. It is important to be aware of the limitations of benchmarks and to use them with caution.

PRAS and commodity benchmarks are essential tools for understanding and valuing energy markets. They provide independent, transparent, and timely information on the prices of physical commodities. This information is used by a wide range of market participants, including producers, consumers, traders, and investors.

In this guide, we have provided a comprehensive overview of PRAS and commodity benchmarks. We have discussed the different types of benchmarks, how they are calculated, and how they are used in the energy industry. We have also provided tips on how to use PRAS and commodity benchmarks to make informed decisions about energy investments.



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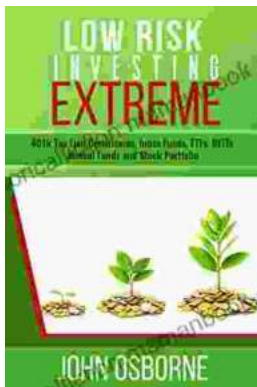
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