MNI Gas Weekly: China's LNG Appetite Abates

By Lawrence Toye, Daniel Dawson, & Zach Simon (22/10/2025)

Executive Summary:

- **European Gas Benchmarks** weigh signs of increased competition for LNG against healthy fundamentals.
- Asia's **LNG market** is set to face renewed pressure as Chinese buyers stay out of the market for the remainder of the year.
- In the **Middle East & Africa**, Egypt is looking to free up more LNG cargoes for export.
- **Henry Hub** surged higher with cooler weather forecasts in the driver's seat.
- In **the Americas, Mexico's** imports of US natgas hit a record high in May.

European Natural Gas

TTF front month has risen slightly but remains within the €30.9/MWh to €33.5/MWh range seen so far this month, with the market signs of increased competition for LNG amid an open US LNG arb to Asia against relatively healthy fundamentals.

- Temperatures in NW Europe are forecast to drop below normal late this week but are expected to rise towards the end of the month and back above normal into the start of November. CWE Wind is anticipated to be on a general downward trend from Oct. 25.
- Norwegian pipeline supplies to Europe are steady at 313.1mcm/d today amid an unplanned 5.8mcm/d capacity reduction at Norne due to process problems. Gassco shows total unavailable capacity of 54mcm/d today rising to 66.7mcm/d on Oct. 24 before falling back to 39.2mcm/d on Oct. 25.
- NW European LNG sendout was estimated slightly lower on the day at 252.8mcm/d on Oct. 21, compared to an average of 222.1mcm/d so far this month, Bloomberg shows.
- European gas storage was almost unchanged at 82.83% full on Oct. 20, GIE shows with a marginal withdrawal on the day. The previous five-year seasonal average is 91.7% full.
- Algeria gas flow to Italy at Mazara are today estimated at the highest since early June at 65.7mcm/d compared to an average of 51.7mcm/d over the previous week, Bloomberg shows.
- Gastrade has announced that it has increased the maximum regasification capacity of the Alexandroupolis LNG Terminal to 136.2 GWh/d, up from 90.8 GWh/d as of Sep. 12.
- SEFE Storage has allocated approximately 0.2 TWh for the 2026/2027 storage year at its Rehden facility in Germany via an auction, the company said.

US/Qatar Urge Europe to Reconsider LNG Sustainability Rules

Qatar and the US have written to EU heads of state voicing concern over the bloc's corporate sustainability rules and their potential impact on LNG exports.

- In an open letter released on Wednesday, US Secretary of Energy Chris Wright and Qatar's Energy Minister Saad Sherida Al-Kaabi said the EU and its member states must either repeal the Corporate Sustainability Due Diligence Directive or make sweeping changes that address their concerns.
- Qatar's energy minister said to Reuters last week that Qatar would not be able to do business in the EU, including LNG supply, unless more changes are made to its Corporate Sustainability Due Diligence Directive.

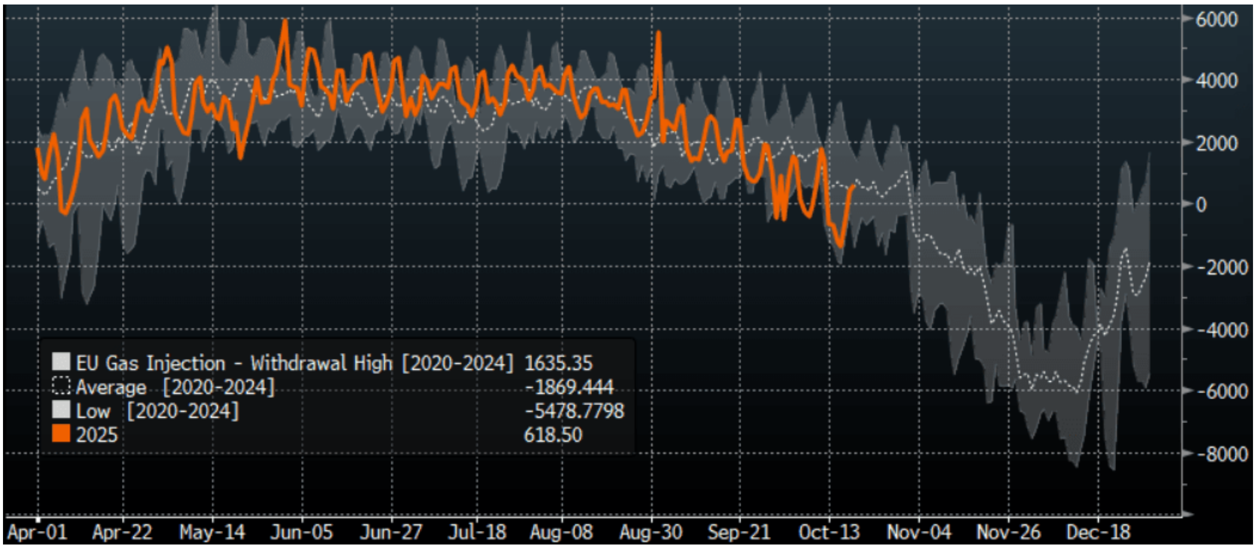
- Last week, the European Parliament's legal committee backed plans to water down the law, having faced pushback from companies but Kaabi has warned that is not enough.

Europe Returns to Small Net Storage Injections

Average European gas net storage has seen a return of small net injections in recent days after showing net withdrawals last week.

- European gas storage was up slightly on the day at 82.84% full on Oct. 19 compared to the previous five-year seasonal average of 91.61% full and 95.2% full this time last year.
- The week to Oct. 19 showed an average net storage withdrawal of 491GWh/d compared to injections of 452GWh/d the prior week and the previous five-year average for the week of injection of 568GWh/d, GIE data shows.
- Data shows storage in 11 of the 18 GIE reporting countries are over 80% full.
- Storage in Germany is at 189.3Wh (75.5% full), Italy at 191.1TWh (94.2%), Netherlands at 103.4TWh (71.7%), France at 116.2TWh (92.5%) and Austria at 85.6TWh (84.9%).
- Healthy LNG imports and limited demand in Asia is supporting European supplies ahead of winter and offsetting the ongoing curtailment of Norwegian pipeline supplies and strong gas exports to Ukraine in early October.

European Gas Net Injections - Source (Bloomberg Finance L.P.)



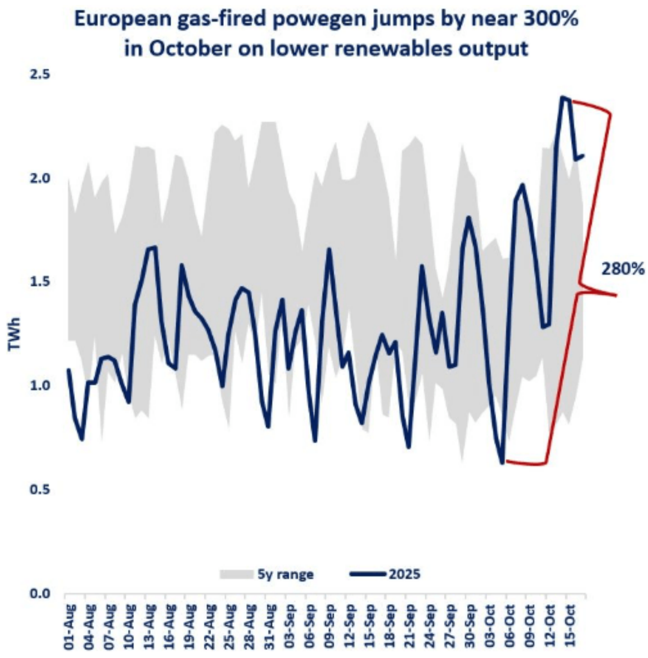
European Gas-Fired Power Generation Surged in 1H October

European gas-fired power generation surged by nearly 300% in the first half of October amid plummeting renewables power output and higher seasonal electricity demand, according to IEA analyst Greg Molnar.

- Gas-fired power generation surged by nearly 300% between Oct. 5 and Oct. 17, while wind output plummeted 65% during the same period. Year-on-year, gas-fired power generation was 50% higher in the first half of October.

- Lower hydro, less sunlight and colder seasonal temperatures are also contributing to higher gas-based generation.
- These episodes of lower renewables output continue to highlight the key role of flexible gas-fired power plants in ensuring power system stability and electricity supply security.
- Stronger gas-to-power demand turned gas storage sites from injections to withdrawals, much earlier than previous years.
- Net injections in the first half of October down by more than tenfold compared to last year.
- Wind power output is becoming a key driver behind winter gas demand in Europe, Molnar says.

European Gas-Fired Power Generation - Source (Greg Molnar)



LNG Croatia FSRU Commercial Operations Aimed for Oct. 26

FSRU LNG Croatia has returned to the LNG terminal in Omišalj on the island of Krk after adding a liquefaction module and undergoing other maintenance at a Turkish shipyard.

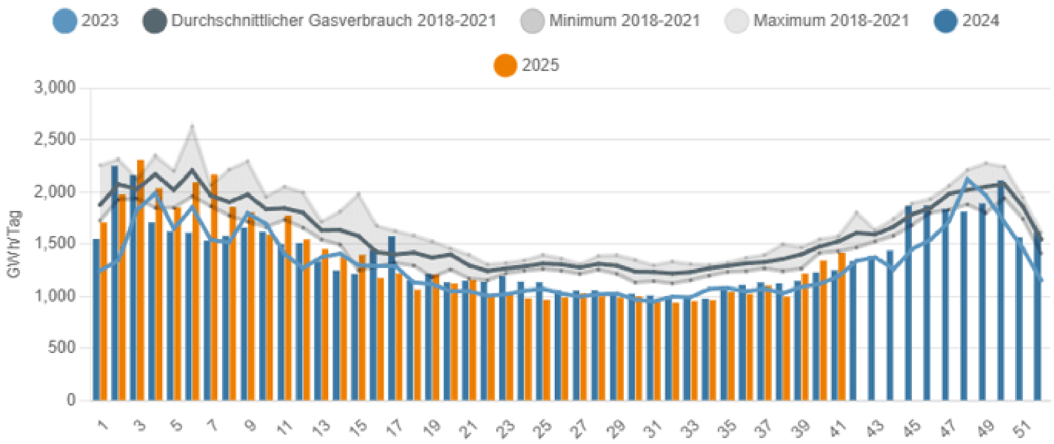
- Commercial operations are expected on Oct. 26 following final testing and inspection of both the FSRU vessel and the onshore part of the terminal, LNG Industry said.
- Gaslog Greece, carrying a US LNG cargo, has been signalling a delivery to Croatia but may have to wait a couple of days to deliver its cargo, ICIS said last week.
- Sendout from the terminal averaged 81.26GWh/d in the month prior to the halt with flows at zero since Aug. 25, Bloomberg shows.

German Gas Consumption Rose Last Week Led by Industrial Demand

German natural gas consumption in the week to Oct 12 rose by 3.1% on the week and was 11.3% below the 2018-21 average, Bnetza data showed. Industrial demand rose by 5.6% on the week while demand from households and small businesses fell 1.5%.

- Industrial gas consumption increased to 1,418GWh/d in the week, to 7.1% below the 2018-21 average and compared to 1,251GWh in 2024. Gas consumption from electricity generation is also included in the data.
- Demand from households and small businesses was down to 716GWh/d last week, 18.7% below the 2018-21 average and compared to 752GWh/d in 2024.
- German gas demand stood 9.3% below the 2018-21 average the week prior.
- Natural gas inventories in Germany were down on the week to 75.67% full on Oct 15 compared to 76.01% a week ago, GIE data shows.

German Gas Consumption in Industry - Source (Bundesnetzagentur)



Rabobank Sees TTF Averaging 28 EUR/MWh in Summer 2026

Rabobank sees TTF averaging €28/MWh for summer 2026, though prices could drift closer to €25/MWh if Europe exits winter with strong storage levels or if Chinese demand remains weak.

- The market is increasingly sensitive to marginal shifts in demand, the bank notes, particularly from Asia, where procurement decisions are being shaped by both economics and geopolitics.
- The JKM-TTF spread will also be a key indicator to watch, Rabobank says. A narrowing spread would suggest limited arbitrage opportunities and could signal oversupply in the Pacific Basin.
- Conversely, a widening spread – driven by weather or policy shifts – could reintroduce regional tightness.
- In Q4 2025, Rabobank forecasts TTF averaging €35/MWh.

APAC LNG

JKM is set to face renewed downward pressure after hovering around around $11/MMBtu for two months, with China’ss buyers now expected to stay out of the spot market for the remainder of 2025, according to Bloomberg.

- Chinese firms have largely been absent from the spot market for weeks, with most trading centred around optimising existing supply portfolios.
- Inventories are strong and industrial activity has not increased enough to significantly warrant spot LNG procurement, they added.

- China continues to receive sanctioned Russian LNG imports despite the latest measures announced by the UK, according to Bloomberg. The Arctic Mulan vessel, carrying LNG from the already sanctioned Arctic LNG 2, arrived at China's Beihai LNG on Oct. 17 for the first time since the UK sanctioned the port facility.
- Japan's trade minister said the country aims to curb dependence on Russian LNG but cannot immediately halt imports despite growing pressure from the US, Bloomberg reported.

US Arb Briefly Opens

Traders were briefly able to make more profit selling US LNG to Asia than Europe last week, as the arb opened for the first time since June, according to Spark Commodities cited by Bloomberg.

- The US-to-Asia arb window via the Cape of Good Hope opened in the first half of the week due to an increase in Asia's gas price premium to Europe.
- The arb shifted to positive 1.4 cents/MMBtu according to spark, driven bt a widening JKM-TTF spread, reflecting a stronger Asian premium over Europe.
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US LNG Arb via Cape of Good Hope- Source (Spark)

Supply

The LNG volume at sea for at least 20 days increased 9.5% over the last week, according to Bloomberg estimates. LNG on water volumes are following the seasonal trend higher up to 3.4m mt as of Oct. 19, compared to 3.1m mt the week prior. The volume was as low as 2.68m mt in late September.

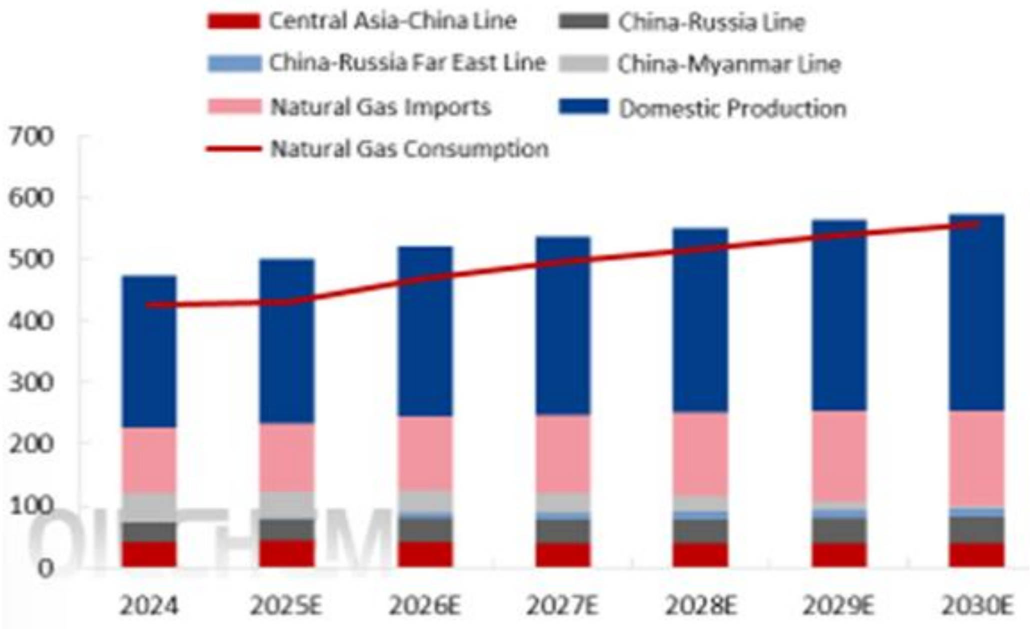
- Malaysia's Petronas offered up to five spot LNG cargoes for November and December delivery during the week of Oct. 13-17, according to Platts citing Asian LNG traders.
- The tenders covered shipments from its Bintulu LNG complex and the PFLNG Dua floating facility, with three separate tenders potentially reaching five cargoes in total.
- LNG stockpiles held by Japanese utilities rose by 10.4% on the week to Oct. 19 to 2.13m mt, according to trade ministry data. Stocks rose from 1.93m mt the prior week to rise above the five-year average for the end September of 2.05m mt and end of October of 2.03m mt.
- Japanese stockpiles were 2.11m tons around this time in 2024 and around 2.21m tons in 2023.
- In Australia, Santos said on Oct. 16 that it had achieved first gas from the Barossa LNG project into the export pipeline, with first production at Darwin LNG expected in the coming weeks, Platts reported.
- The offshore gas and condensate project will supply new feedstock to the Darwin facility in Australia's Northern Territory.

China's Gas Demand Outlook

China's LNG demand is expected to remain tepid through the winter amid ample supplies, according to Bloomberg. Competition for cargoes could be limited by a build in LNG stores of major Chinese buyers to as much as 80% of capacity.

- Muted demand could give importers the upper hand in future price negotiations with producers and put the industry on a more sustainable path, according to analysts and executives.
- Natural gas imports are forecast to rise 2.6% to 46.3 bcm, with 27.2 bcm from LNG and the rest from pipeline gas, OilChem forecasts.
- Kpler sees China importing 1-2 fewer cargoes in Q4 2025 because of stronger pipeline flows Central Asia, particularly Uzbekistan and Kazakhstan, ahead of the winter demand season.
- Kpler sees this as a bullish signal for prompt month Asian LNG prices, but bearish for the November through Q3 2026 as pipeline imports continue to grow.
- China's LNG imports fell 14.7% on the year in September to 5.75m mt, while pipeline gas imports increased by 2.8% compared to the same month last year to 5.3m mt, according to GACC data, just below the record high of 5.51m mt in August.
- The 30-day moving average for Chinese LNG imports slumped to 156k mt on Oct. 20, about 25% lower than a year ago.
- In 2026, OilChem forecasts that China's pipeline imports will reach 126 bcm/y by 2026, while LNG imports should hit 79.53m mt in 2026.
- OilChem noted that China has signed more than 130 long-term LNG contracts, reaching volumes of 120m mtpa (174 bcm) by 2030. OilChem forecasts that LNG spot imports may no longer be necessary after 2027.
- On the supply side, China's natural gas output is expected to rise in Q4, the traditional peak demand season, as major oil and gas fields boost production to meet winter heating needs, OilChem said.
- Output is projected to reach 66.6 bcm, up 5.2% year on year, bringing total annual production to 260.7 bcm.

2024-2030 China Natgas Supply-Demand Forecasts (bcm)- Source (OilChem)



South Asia

India entered the Diwali holiday period this week, which will likely further limit buying activity in the region, Bloomberg noted.

- India's Natural gas production fell 3.8% on the year vs a fall of 2.2% on the year in Aug, data from the Ministry of Commerce & Industry showed cited by Bloomberg.
- India's LNG consumption in September fell 1.4% on the year to 5.642bcm and from 5.754bcm the previous month, according to data from the Petroleum Planning and Analysis Cell cited by Bloomberg.
- Pakistan has asked Qatar to divert 24 LNG cargoes to the international market in 2026, as the country grapples with a deepening oversupply of LNG, according to The News.
- The move comes in response to plummeting domestic gas demand, mounting financial strain, and growing pressure on the country's gas transmission network.

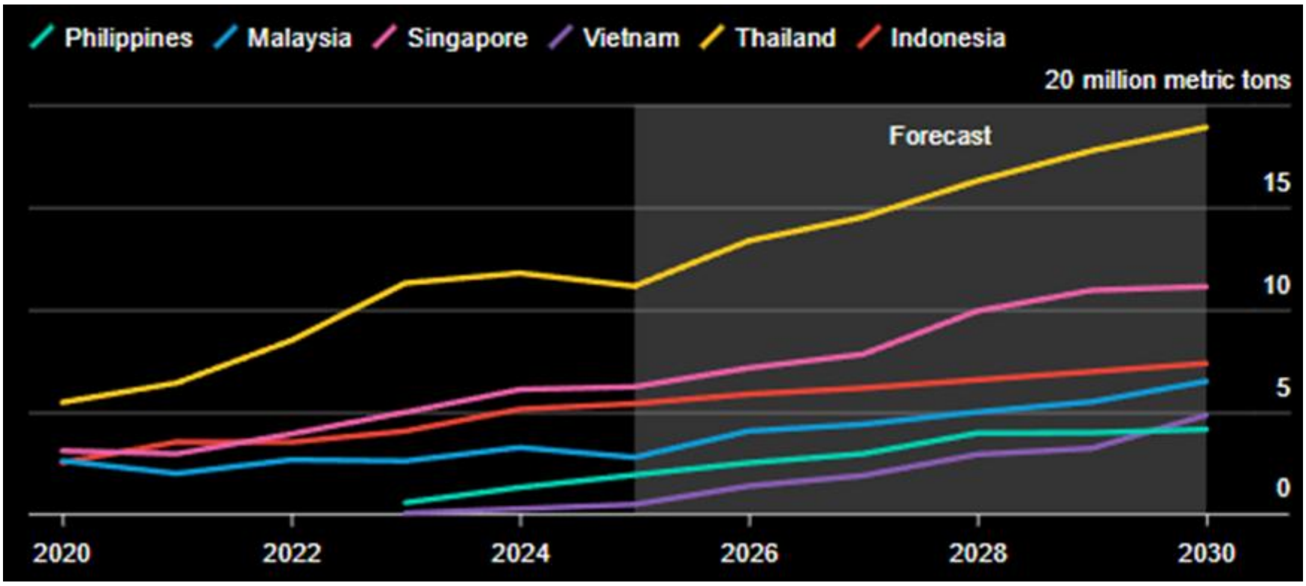
Southeast Asia

LNG demand in Southeast Asia is forecast to almost double from 2024 levels to 53m metric tons in 2030, according to BNEF.

- Greater reliance is expected on LNG imports due to declining gas production in the region while gas remains essential for the power sector.
- Thailand is expected to account for 36% of the region's total in 2030 with growth supported by falling domestic gas output and declining pipeline imports from Myanmar.

- Singapore's LNG demand is expected to rise above 11m tons by 2030 due to the expiry of pipeline import contracts with Indonesia by 2028.
- Vietnam is expected to import about 5m tons by 2030 driven by new LNG power capacity.
- Philippines' LNG imports are expected at 4.2m tons primarily due to declining output from the Malampaya offshore gas field.

LNG Demand Outlook for Southeast Asia Countries- Source (Bloomberg Finance L.P.)

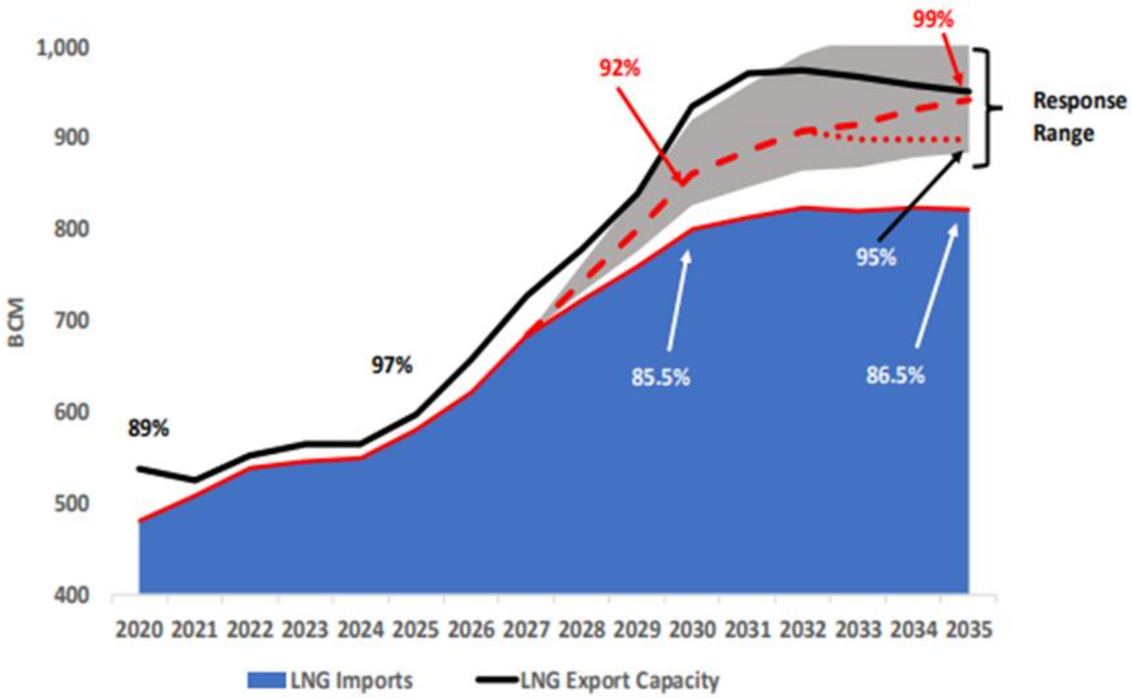


LNG Supply Wave to Outstrip Demand

The long-expected wave of LNG supply is expected to outstrip the rise in demand, and prices could fall to the $6/MMBtu level in Europe and Asia as a result, according to OIES.

- European and Asian prices at $6/MMBtu could be sustained, with the surge in LNG supply lasting for a number of years.
- In such a scenario, not only might there be a short-run fuel switching response (coal and oil to gas) but also a longer run response, possibly delaying the roll out of renewables, especially more expensive offshore wind.
- The potential demand response would vary by market and sector but an overall 60 bcm demand uplift is estimated by 2030 with one-third seen in industry and two thirds in the power sector.
- Much of the response is expected in Asia, especially China and ASEAN, with a more muted response in Europe, as coal plants are closing.
- In a $6/MMBtu world, LNG demand could rise to 900 bcm in the early 2030s (2024: 550 bcm). This compares to OIES underlying LNG demand forecast of 820 bcm in the early 2030s without a demand response.

Market Response to $6/MMBtu Pricing- Source (OIES)



Middle East & Africa

Egypt is embarking on a plan to buy more oil products for power generation as the cash-strapped nation frees up gas for LNG exports, Bloomberg said.

- EGPC plans to buy more than 1m mt of diesel, gasoline, and butane for November delivery, up 60% year-over-year, sources told Bloomberg.
- Declining domestic gas output amid surging local demand led Egypt to become a net LNG importer to prevent blackouts.
- Three LNG cargoes have been exported from Egypt since September, including one that was shipped from Egypt's Inku on behalf of Shell. The government is in talks to export two cargoes per month from Nov-March.
- Egypt is also seeking to bring forward two LNG cargo deliveries this month as maintenance work at Israel's Tamar gas field cuts supplies, Bloomberg reported.
- The Tamar gas field will be shut down on Wednesday for maintenance for about 12 days.

Iraq's LNG Plans

Elsewhere in the region, Iraq will sign an agreement with U.S.-based LNG company Excelerate Energy to supply U.S. gas to Iraq, the Iraqi PM's office said Oct. 20 without providing further details.

- On Oct. 16, Iraq signd a contract with GE Vernova and an unknown UAE-based firm called 'Superior Technology Systems' for a 3GW power plant with an integrated LNG import terminal at its new Grand Fao Port, MEES reported.

- The project includes a CCGT power plant and an offshore terminal to receive LNG cargos. Gas would be returned by a pipeline).
- The project is targeted for completion by late 2030, MEES said.

US Natural Gas

Nov 25 gained over the week as cooler temperatures in the forecast began to signal heating demand while L48 dry gas production ticked down. LNG feedgas demand also provided some support as export facilities along the Gulf Coast have already loaded a monthly record number of cargoes for October.

- Henry Hub Front Month has traded between $2.893/MMBTU and $3.572/MMBtu this week, compared to $2.964/MMBtu and $3.393/MMBtu over the previous week.
- Lower 48 natural gas production averaged 107.99 bcf/d in the 10 days to Oct-21, compared to last week's 10-day average of 108.24bcf/d.
- Baker Hughes US rig count: Gas: 121, up one from the prior week.

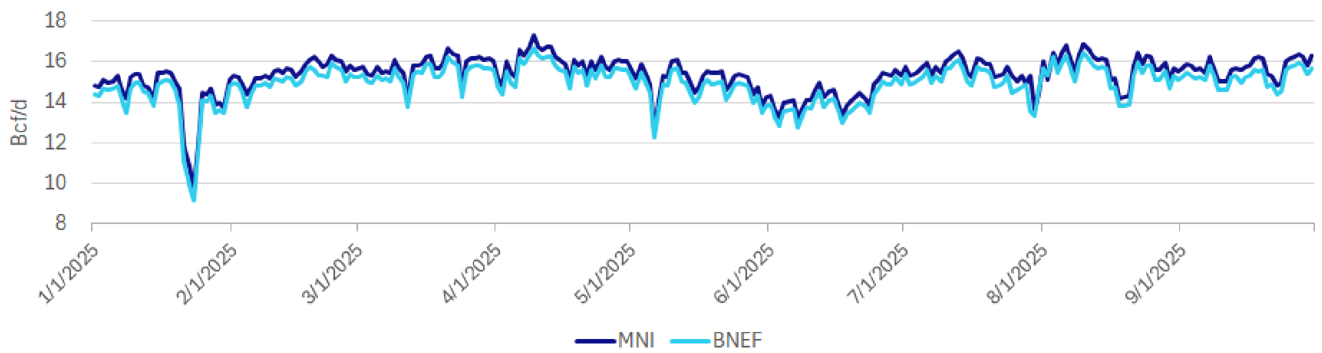
Regional Hubs

Regional hubs remain stable over the week. Waha cash prices remain positive over the week after nearly a month of negative averages.

US LNG

Natural gas deliveries to US LNG terminals averaged 16.3 bcf/d in the seven days to Oct-22, compared to the seven-day average of 16.15 bcf/d during the previous period.

Daily L48 LNG Feedgas Total - Source (Bloomberg Finance L.P./MNI)



Plaquemines LNG

Venture Global's Plaquemines LNG received FERC authorization to begin introducing hazardous fluids to Block 17 of the facility, the final block of the 18-block facility to begin receiving gas

- Plaquemines will soon be producing its total capacity of LNG, more than a year ahead of when long-term customers expect to receive contracted volumes, according to Reuters.

- Completion of all trains at the Plaquemines export facility in Louisiana will bring it to its full capacity of 27.2 mtpa.
- Venture is in talks with Ukraine's DTEK to procure more LNG cargoes from Plaquemines after a year of gas infrastructure attacks by the Russians. Venture CEO Michael Sabel met with Ukrainian President Volodymyr Zelenskiy on Thursday October 16 during his visit to Washington.

Rio Grande

NextDecade reached FID on Rio Grande Train 5 and began to discuss developing Train 6

- Train 5 will have a capacity of about six mtpa, bringing Rio Grande's total capacity to about 30 mtpa. The train has a total of 4.5 mtpa committed 20-year offtake agreements with JERA, EQT, and ConocoPhillips and is expected to come online in the first half of 2021.
- NextDecade is planning to ask FERC for authorization to begin the review process for adding a sixth liquefaction train at Rio Grande. Speaking to investors, CEO Matt Schatzman said that NextDecade would enter a pre-filing review process for Train 6 by the end of the year before submitting a full application sometime in 2027 and reach FID late-2027, with startup in 2032, according to Platts. The train would bring an additional 6 mtpa (~1.3 bcf/d) online and get Rio Grande to 6/10 possible trains in the facility.

LNG Canada

Ongoing repairs at LNG Canada Train 1 are nearing completion while Train 2 is expected to come online earlier than previously thought, according to Kpler

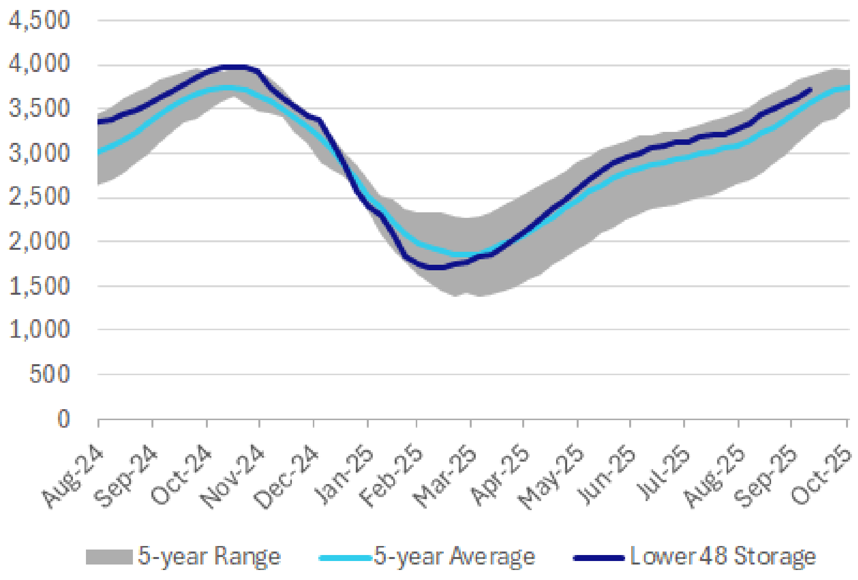
- October exports so far of 0.29 mt are on track to beat the monthly average July through September of 0.29 mt total, which indicate that repairs are possibly complete on the second liquefaction string.
- Four cargoes have already been loaded this month with five more tankers having intended port calls at the facility before the end of October, bringing total monthly exports to 0.66 mt and exceeding the total Train 1 capacity of 0.58 mt.
- Train 2 began commissioning activities recently and will likely load its first cargo around November 22 based on the past Train 1 timeline. As a result, Kpler pushed up its Train 2 start from early December to mid-November and will reach nameplate capacity in early-to-mid December.

US Natgas Inventories

The Oct 10 injection of 80 Bcf was below the five-year average of 83 Bcf and lifted storage to 3,721 Bcf, 154 Bcf above the five-year average of 3,567 Bcf.

- The storage report was overestimated by Reuters by 1 (+81), overestimated by BBG by 1 (+81), overestimated by NGI by 6 (+86), underestimated by WSJ by 2 (+78).
- To exit injection season below 3.8 Tcf, builds must average ~26 Bcf or less, while an average closer to 60 Bcf would push inventories to 3.9 Tcf.
- The final three weeks of injections season have averaged 62 Bcf over the past five years (+81, +65, +31). If this pattern holds, storage would come out to 3.907 Tcf.

US Gas Inventories – Source (EIA)



Latam

US exports of natural gas to Mexico hit a record high in May of this year, averaging 7.5 bcf/d as power sector demand increases in the county, the EIA said.

- Total consumption of natural gas in Mexico increased from 7.7 bcf/d to 8.6 bcf/d from 2019 to 2024, found the EIA.
- Mexico plans to expand its domestic pipeline network to meet demand and export LNG cargoes via Altamira FLNG and eventually Energia Costa Azul.
- Total combined LNG capacity will be 0.6 bcf/d via US supplies through the Sur de Texas-Tuxpan and Gasoducto Rosarito expansion.
- In August, NGI reported that traders should expect continued strength in Mexico's demand for US natural gas for the remainder of 2025 and into 2026 as output stalls at Mexico's state-owned Pemex.
- Pemex's Q2 gas output averaged 3.592 mmcf/d, down 139 mmcf/d on the year and dry gas production from Pemex plans was 1.615 bcf/d in Q2, a 12% annual decline.
- The decline continues a downtrend that has been ongoing since late 2023, and despite the government's promise that there is a plan to revive production, the market sees no short-term reversal in output declines.