

MNI Gas Weekly: Gas Markets Continue Slump

By Lawrence Toye & Daniel Dawson (16/04/2025)

Executive Summary:

- **European Gas Benchmarks** have faded earlier gains on limited signs of progress in US-EU trade talks.
- Asia's **LNG market** fell to an 11-month low, prompting some buyers to snap up cheaper cargoes.
- In the **Middle East & Africa**, Egypt is looking to move away from spot LNG tenders.
- **Henry Hub** has shed nearly 14% of its value since last week as the shoulder season sets in.
- In **the Americas**, BP was awarded all cargoes in Enarsa's second tender.
- **LNG Bunkering** is expected to receive a boost from new IMO regulations.

European Natural Gas:

TTF front month has traded within a range of €32.5/MWh and €36.5/MWh across the past week, with ongoing summer storage refill risks weighed against demand pressure from a US-China trade war. A 90-day pause on US tariffs supported TTF last week, although gains have been eroded by limited signs of progress in US-EU trade talks.

- Front month TTF prices traded between €32.545/MWh and €36.42/MWh this week, compared to €33.245/MWh and €43.095/MWh over the previous week.
- Temperatures in NW and central Europe are forecast to remain above normal in the coming week but could drift colder during the second week of the outlook towards the end of the month.
- European gas storage was up to 35.58% full on April 13, according to GIE, compared to the previous five-year average of 46.5%. Injection rates have averaged near the previous five-year average so far in April.
- Total European LNG sendout edged slightly higher to 415mcm/d on April 14 compared to an average of 405mcm/d in the previous week and around 355mcm/d in mid-April 2024, Bloomberg shows.
- Norwegian pipeline supplies to Europe have risen back near to highs at 335.3mcm/d today with no planned outages until April 26.
- Bloomberg reports that the EU expects US 'reciprocal' tariffs to remain in place as talks between the two sides have made little progress.
- The EU has plans to reopen talks about boosting US LNG purchases, Politico reports, with the EU specifically looking at ways to aggregate demand to place larger orders.
- 90% gas storage capacity is achievable by the end of summer 2025, assuming no disruption to Russian pipeline supplies and sufficient LNG flows, EU gas TSO body ENTSOG says in their summer outlook.

Negotiations Over Gas Storage Targets Ongoing

The European Parliament is proposing to reduce the EU's gas storage target to 83% ahead of winter, according to a document released on Friday cited by Montel.

- The document includes a broader deadline of Oct. 1 to Dec. 1.
- Member states should also "have the possibility to deviate by up to four percentage points from the filling target in the case of unfavourable market conditions," the document says, according to Montel.

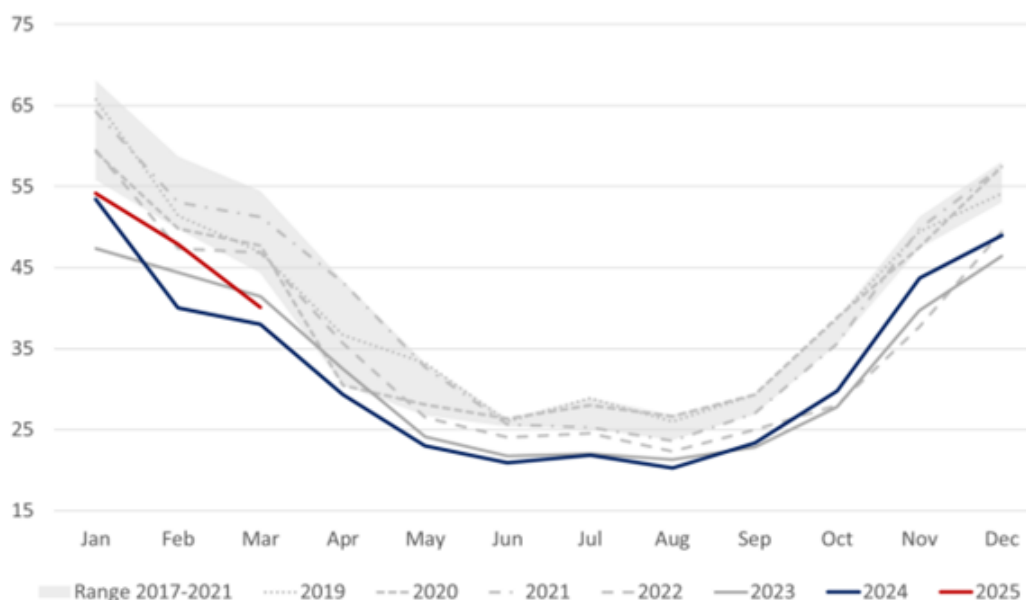
- The document says that the cumulative effects of flexibilities and derogations should not bring down overall storage filling obligations below 75%, Montel reports.
- Lawmakers in the EU parliament's energy committee are set to vote on their position on April 24. A wider plenary vote of all EU parliament members is then expected in May.
- Both the EU Council and EU Parliament must agree on a common proposal for it to become law.
- The EU Council last week backed proposal for a 10ppt deviation from 90% storage targets until 2027, according to Bloomberg, which also included a broader deadline of Oct. 1 to Dec. 1.
- Poland, which holds the EU's rotating presidency, intends for the rules to start before the end of September, Bloomberg reports.
- Germany will wait for the EU to decide on changes to gas storage obligations before it alters its rules, according to the energy regulator, cited by Bloomberg.

No Strong Signals for Robust European Demand This Year

There are no strong signals for robust European gas demand in 2025 with overall demand likely to be flat, or slightly up with a cold end of the year, OIES Quarterly Gas Review said.

- Renewables growth and good French nuclear availability will limit the role of gas for power generation most of the time in both in winter and summer.
- Episodes of low wind availability for more than a few hours will result in gas demand jumps due to short notice calls on gas-fired power.
- The steady rebound in industrial demand since 2023 is likely to be muted at best with a year-on-year decline a real possibility, despite expected lower gas prices.
- Geopolitical tensions, trade frictions, a worsening European economic outlook and tight global gas market could suppress recent industrial demand gains.
- Residential and commercial and power sector demand gains in Q1 should just about compensate for power sector declines for the rest of the year.

Observed European Gas Demand - Source (OIES)



Goldman Sachs Cuts TTF Price Forecast

Goldman Sachs has cut its TTF price forecast, citing reduced GDP growth and LNG demand growth in China this year, allowing Europe to attract supplies at lower prices, Bloomberg reports citing a note dated April 11.

- Goldman expects TTF to average €38/MWh this year, down from an earlier projection of €49/MWh for 2025.
- The bank has lowered its 2026 TTF price forecast from €36/MWh to €30/MWh and its 2027 forecast from €24/MWh to €20/MWh, Bloomberg reports.

EU to Release Roadmap for Russian Fuels Phase Out

The European Union is planning to outline steps to phase out Russian fossil fuels in the first half May, according to Bloomberg sources. The roadmap will be released on May 6 according to Montel and Reuters.

- The region is seeking to balance reducing dependence on Russian imports with a requirement to lower energy costs for industry.
- The EU postponed publishing a plan to phase out Russian fossil fuels originally scheduled for March 26 amid efforts to maintain unity among the EU members.
- Early discussions over the future of the Nord Stream pipeline also led to the delay, the FT says, which have been revived amid US efforts to end the Ukraine war.
- The European Commission is considering recommending the use of trade-related tools, such as quotas or tariffs and will be followed by a legal proposal later, the sources said.
- Sanctions would require unanimous support, but trade measures can be adopted by a qualified majority. Hungary and Slovakia have previously opposed measures with dependence still on Russian supplies.
- The EU is also exploring legal options that would allow European companies to break long-term Russian gas contracts without paying penalties to Moscow, the FT reports.
- The European Commission is studying the possibility of declaring force majeure on the contracts, FT sources say.

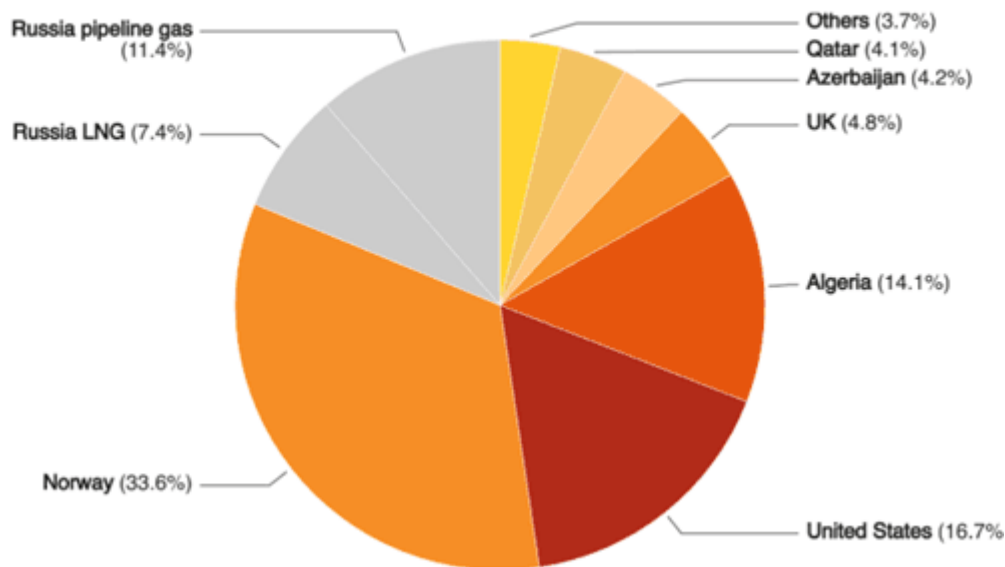
EU Energy Executives Mull Increased Russian Gas Flows

Despite the EU's commitment to phase out Russian gas, EU energy executives still see a future where Moscow's gas flows to Europe, according to Reuters.

- Didier Holleaux, executive VP at Engie, told Reuters that if there is "reasonable peace in Ukraine," Russian flows to Europe could rise to 60-70 bcm annually, including LNG.
- He added that Russia could send gas via Ukraine to meet arbitration repayments as a starting point of resuming contractual relationships with Gazprom.
- Patrick Pouyanne, head of TotalEnergies, says that Europe will never go back to importing 150 bcm of Russian gas like before the war, but that he would bet on "maybe 70 bcm", Reuters reports.
- Christof Guenther, managing director of Leuan Chemical Park in Germany said that the park was in a "severe crisis" and that "reopening pipelines would reduce prices more than any current subsidy programmes," according to Reuters.
- Russian gas accounted for 18.8% of EU imports last year, mainly via LNG from Novatek.

Top European Union Gas Suppliers In 2024 - Source (Reuters)

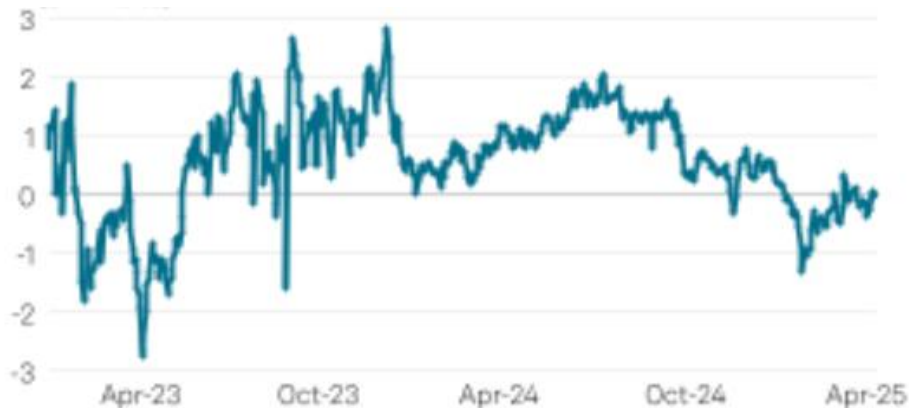
Last year Russian natural gas accounted for 18.8% of EU imports, ahead of the United States (16.7%) and behind Norway (33.6%).



APAC LNG

JKM prices are expected to remain stable during April 14-18, despite recent price drops amid escalating trade tensions.

- On April 11, JKM May spot price fell to \$11.009/MMBtu, the lowest since May 2024, Platts said.
- The JKM front-month swap ranged between \$10.938/MMBtu and \$12.77/MMBtu in the week to April 15, compared to a range of \$10.985/MMBtu and \$13.574/MMBtu the week prior, according to Bloomberg.
- Despite muted Chinese buying, South Korean importers sought spot cargoes, while Japanese buyers remained inactive in the spot market.
- The price slump prompted Asian buyers, including those from Korea and India, to purchase cargoes at low \$11s/MMBtu to replenish inventories, with China eyeing the \$10-\$11s/MMBtu level before agreeing trades.
- Meanwhile, China's trucked LNG prices stayed steady at around \$12.58/MMBtu, according to ENN.
- China is set to increase imports of Russian LNG this year, its ambassador said April 15, Reuters reported.
- Despite the softer outlook for gas in APAC, LNG flows could soon favour Asia rather than Europe as the arbitrage narrows, Bloomberg said.

JKM vs Front Month TTF (\$/MMBtu)- Source (Platts)

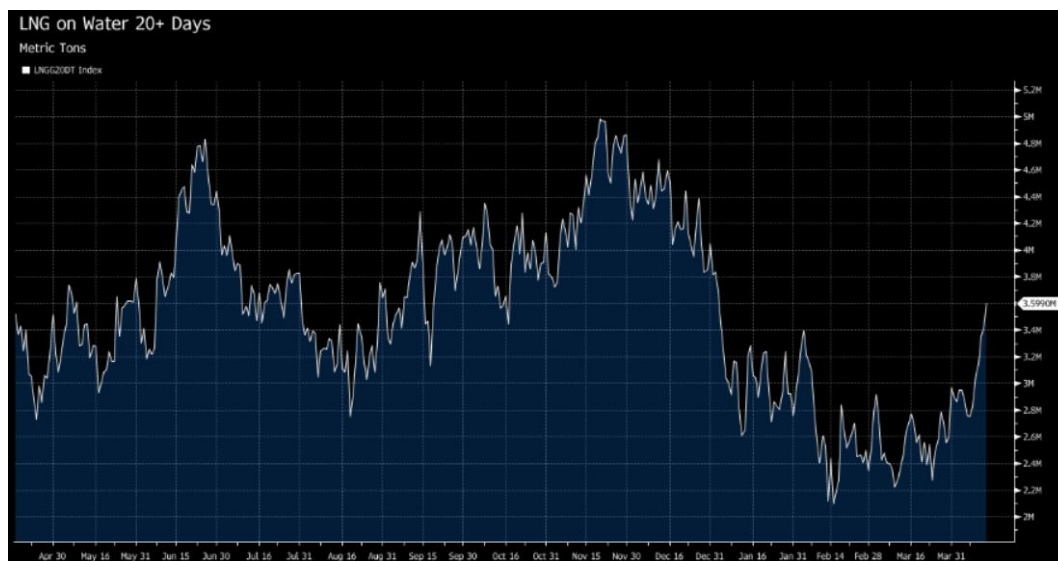
- The Indonesian government is considering LNG imports starting in Q3 or Q4 of 2025, according to Djoko Siswanto of SKK Migas, cited by Platts.
- Gail India released an invitation for Expression of Interest to purchase 26% equity stake in a US LNG project
- Inpex is seeking to buy an LNG cargo on a DES basis for May delivery to Taiwan, Bloomberg said.
- Thailand plans more US LNG imports over the next 5-years its finance minister Pichai Chunhavajira said on Wednesday ahead of tariff talks.
- Petronas has secured extra gas supplies to minimise supply disruptions caused by a pipeline fire at the Putra Heights pipeline earlier this month, Reuters reports.
- Asia's share of global LNG in Q1 2025 fell from 52% the same quarter in 2024 to 47%, according to ICIS.

APAC Supply

The 8.9m mtpa Ichthys LNG export plant in Australia delayed scheduled shipments after an unplanned outage earlier this month curbed production, Bloomberg reported.

- Brunei LNG is managing an "operational upset" that occurred at the facility the morning of April 11, Bloomberg reported. The company said at the time that the "normalisation process is currently in progress."
- On April 11, Brunei has cancelled a spot LNG sell tender issued earlier in the day, according to Bloomberg citing market sources.
- The quantity of LNG on tankers that have not unloaded for at least 20 days rose to 3.6m mt as of April 13 compared to 2.76m mt a week ago, Bloomberg said.
- LNG stockpiles held by Japanese utilities were unchanged on the week to April 13 at 2.13m mt, according to data released by the trade ministry cited by Bloomberg. Stocks are still just above the five-year average of 2.03m mt and near the average for the end of April.

LNG at Sea 20+ Days - Source (Bloomberg)

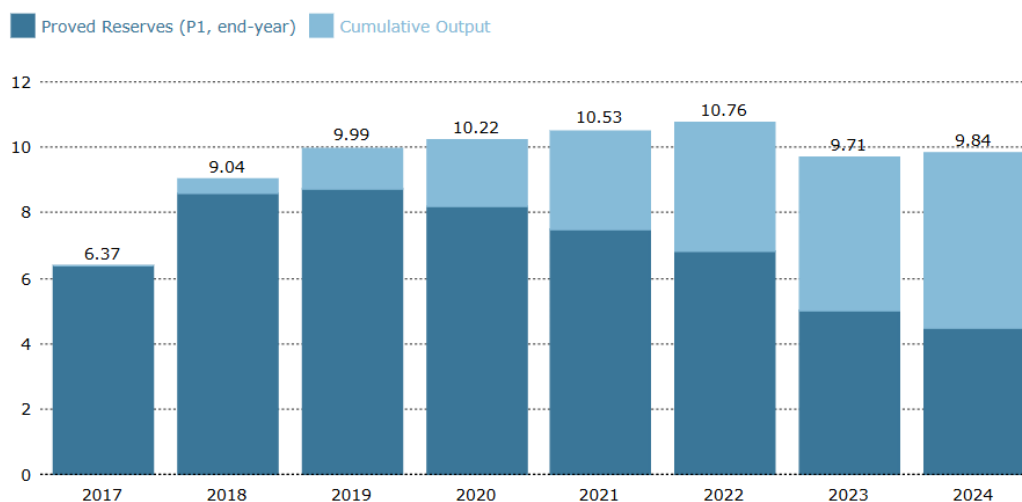


Middle East & Africa:

Egypt is moving away from public spot tenders procure necessary LNG cargoes for the summer, MEES said.

- Cairo intends to pay a maximum of \$14/MMBtu for LNG but will likely have to offer an addition \$2/MMBtu premium for 12 month-deferred payments, MEES added.
- Egypt imported 1.1m mt of LNG in Q1, Kpler showed – typically a low demand period. This leaves it on track to exceed 2024's seven-year high LNG import level of 2.5m mt.
- Egypt is also reliant on around 1 bcf/d of pipeline inflows from Israel.
- Gas comprises over 80% of Egypt's power generation feedstocks. The country will thus require sufficient volumes to avoid blackouts during the summer peak.
- Since July last year Egypt's gas deficit has averaged 1.7bcf/d, MEES added.
- Elsewhere in Egypt, ENI revised up the Zohr gas field's 1P reserve estimate by 125bcf to 9.84tcf at the end of 2024, MEES said.

Zohr Gas Reserves (Tcf)- Source (MEES)

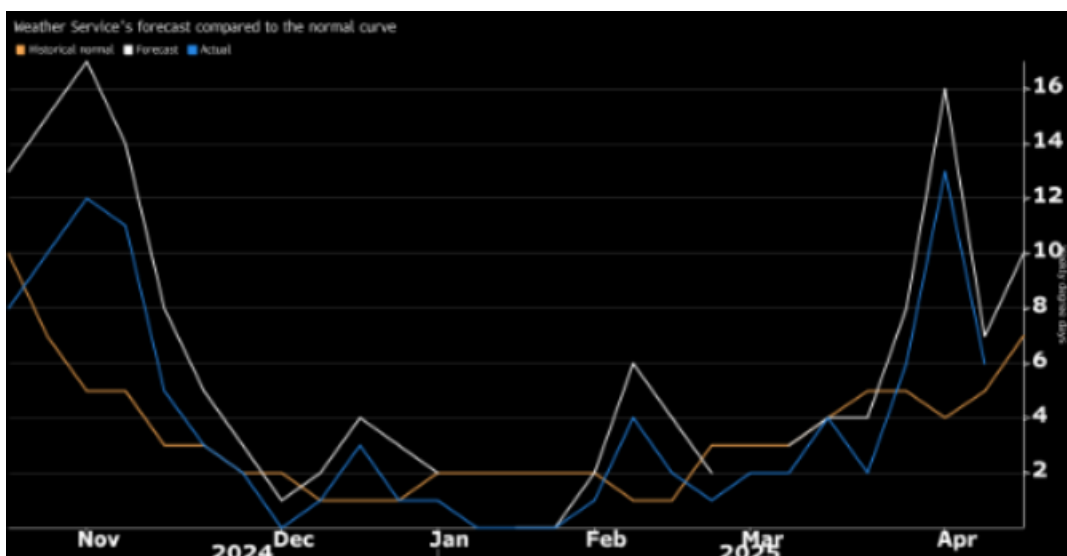


US Natural Gas:

Henry Hub front month has lost around 14% this week, as milder spring weather and a more bearish outlook for global LNG demand have added pressure to prices.

- Henry Hub Front Month has traded between \$3.216/MMBTU and \$3.829/MMBtu this week, compared to \$3.336/MMBtu and \$4.203/MMBtu over the previous week.
- US Henry Hub spot prices for 2025 have been raised by 1.9% to \$4.27/MMBtu, according to the EIA in its April Short Term Energy Outlook. US dry natural gas production across 2025 has been revised up 0.1 bcf/d to 105.3 bcf/d.
- The EIA weekly gas inventories for the week ending April 4 showed a build of 57 bcf.
- The seasonal five-year average shows a net build of 17 bcf. Stocks built by 16 bcf this time last year.
- Total stocks are up to 1830 bcf. This is 450 bcf below levels seen a year ago and 40 below the previous five-year average of 1870 bcf.
- BNEF forecast storage levels for the US: Oct25 at 3,705 bcf, 48 bcf below 5yr avg. Mar26 at 1,439 bcf, 417 bcf below 5yr avg. Oct26 at 2,986 bcf, 772 bcf below 5yr avg.
- Lower 48 natural gas production averaged 106.73 bcf/d in the 10 days to April 15.
- US gas rig count according to Baker Hughes: 97 (+1) - down 9 rigs, or 8.5% on the year.
- US dry natural gas production across 2025 has been revised up 0.1 bcf/d to 105.3 bcf/d, according to the EIA's STEO for April. Production in 2026 is expected to be 107.1 bcf/d, down 0.4 bcf/d from the March forecast.
- US electricity generation from gas-fired power plants fell to a near three-year low on April 13 as mild spring weather kept demand for both heating and cooling low.
- US cooling demand for the week ending April 19 is forecast to be 3 cooling degree days (CDD) above the long-term normal, according to Bloomberg, citing the NOAA. During the week to April 12, the US was 1 CDD above normal.
- During the week to April 12, the US was 14 HDD above normal.

US CDD Count- Source (Bloomberg/NOAA)



US LNG Roundup

Optimism and expansion in US LNG still the status-quo, though uncertainty exists in global demand markets by 2030 when many new facilities are scheduled to come online and may oversupply the global marketplace

- Natural gas deliveries to US LNG terminals averaged 16.01 bcf/d in the seven days to April 16, compared to last week's average of 15.75 bcf/d.
- The DOE lifted the policy blocking the extension of in-service dates which Energy Transfer's Lakes Charles LNG project has applied for, pushing the expected start date out to 2031
- Total invested in the Rio Grande LNG expansion and committed to future investment and off-take
- The 13.2 mtpa Delfin FLNG project received off-take agreement from Germany and secured additional permitting for construction. It expects to move to FID by end 2025
- Venture Global announced on Tuesday it had begun commercial operations at its 10m mtpa Calcasieu Pass plant in Louisiana after a controversial 3-year commissioning process.
- Venture Global's Plaquemines facility is ramping up faster than expected and continues setting new record highs
- Woodside's Louisiana LNG project received additional investment from Stonepeak
- Alaska LNG received non-binding investment and off-take agreement from Taiwan; South Korea and Japan to include investment and off-take from the facility in part of trade deals with the US.
- Alaska LNG won an Environmental Court Case meaning the LNG project has survived legal challenges and will maintain its non-free-trade export license issued from the DOE.

Latam

BP won all eight cargoes in Argentina's second LNG tender of 2025, Platts said.

- The cargoes were awarded at a slight discount to TTF, sources told Platts.
- This marks the second consecutive win for BP, who were also awarded all cargoes for Enarsa's buy tender which closed last month.
- Six companies participated in the most recent tender—Total, BP, Vitol, Glencore, Trafigura, and DXT Commodities, Platts said.
- Seven cargoes are for delivery dates between June 10-28, with a further cargo for July 1.
- Initial projections had estimated that Argentina's 2025 imports at 20-25 cargoes, but this has been revised down to around 20, depending on winter temperatures, sources told Platts.

ENI Eyes LNG from Vaca Muerta

Italy's ENI and Argentina's YPF have signed an MoU to evaluate ENI's participation in the Argentina LNG project, according to Bloomberg headlines.

- ENI said that it aims to export up to 30m mtpa of LNG from Argentina by the end of the decade.
- The MoU Relates to the Development of Upstream, Transportation and Gas Liquefaction Facilities, ENI added, cited by Bloomberg.
- An LNG export plant in Argentina was originally proposed between YPF and Petronas, but the Malaysian company said in December that it was exiting the project.

- Given Vaca Muerta's reserves of natural gas, LNG is being eyed as a key method to facilitate hydrocarbon exports from Argentina.

LNG Bunkering

The IMO's new regulation imposing emissions goals and a carbon levy for ships is bullish for LNG bunkering demand, Platts said.

- The legislation is likely to accelerate the shift to LNG for bunkering, given that it produces 30% fewer emissions than conventional marine fuels.
- IMO's Marine Environment Protection Committee meeting (MEPC83) on April 7-11 requires ships of 5,000 gross tons or larger using conventional marine fuels to pay fines from 2028. The carbon levy ranges from \$100/mtCO₂e to \$380/mtCO₂e.
- The 2028 timeline coincides with expected growth in LNG supply, which should help to cut LNG bunker prices, Platts added.
- While oil remains the dominant bunker fuel, LNG makes up 27% of global orderbook for new vessels under construction that will become operational in the next three years, BNEF said.
- BNEF's Economic Transition Scenario Model expects LNG as a fuel to reach 30% of total maritime fuel by 2050 equivalent to 70 mtpa, or the amount of China's total imports in 2023.

Singapore Bunker Fuel Price Comparison- Source (Platts)

