

MNI Gas Weekly: Gas Markets Under Pressure

By Lawrence Toye & Daniel Dawson (30/04/2025)

Executive Summary:

- **European Gas Benchmarks** have fallen on easing storage refill concerns amid healthy injections.
- Asia's **LNG market** is likely to face further pressure as the East-West arbitrage improves
- In the **Middle East & Africa**, a second cargo is set to load from Senegal & Mauritania's GTA project
- **Henry Hub** has been hit by recent volatility due to the contract expiry.
- In the **Americas**, Mexico's Amigo LNG signed a sales agreement with Oman.

European Natural Gas:

TTF front month has fallen further across the past week. It now stands at its lowest level since April 2024 as risks around Europe's summer storage refilling have eased amid healthy LNG supplies, lower demand in Asia, and signs that Europe is steadily progressing towards reducing its gas storage targets. A unilateral 72-hour ceasefire announcement by Russian President Putin briefly raised sentiment around a potential peace agreement, though Ukraine's push for a 30-day ceasefire has been met with hostility.

- Front month TTF prices traded between €31.195/MWh and €35.07/MWh this week, compared to €33.8/MWh and €35.93/MWh over the previous week.
- Temperatures in NW Europe are forecast to drop from the current warm weather below normal into early next week before potentially recovery back to near normal during the second week of May.
- European gas storage was up to 38.85% full on April 28, according to GIE, compared to the previous five-year average of 49.2%. Net injections rates have averaged nearly 21.8% above the previous five-year average so far in April.
- NW European LNG sendout edged up to 239mcm/d on April 28 and roughly in line with the average from the previous week and but above an average of 215mcm/d in the last week of April last year, Bloomberg shows.
- Norwegian pipeline supplies to Europe are 314mcm/d today, Bloomberg shows. Gassco shows planned capacity reductions of 22.7mcm/d today, rising to 28.2mcm/d tomorrow and reaching 71.2mcm/d on May 3.
- On April 28, Putin announced a 72-hour truce in Ukraine from midnight May 8 for Victory Day. Ukraine has not yet agreed to the ceasefire, saying it is ready to abide by a ceasefire of at least 30 days.

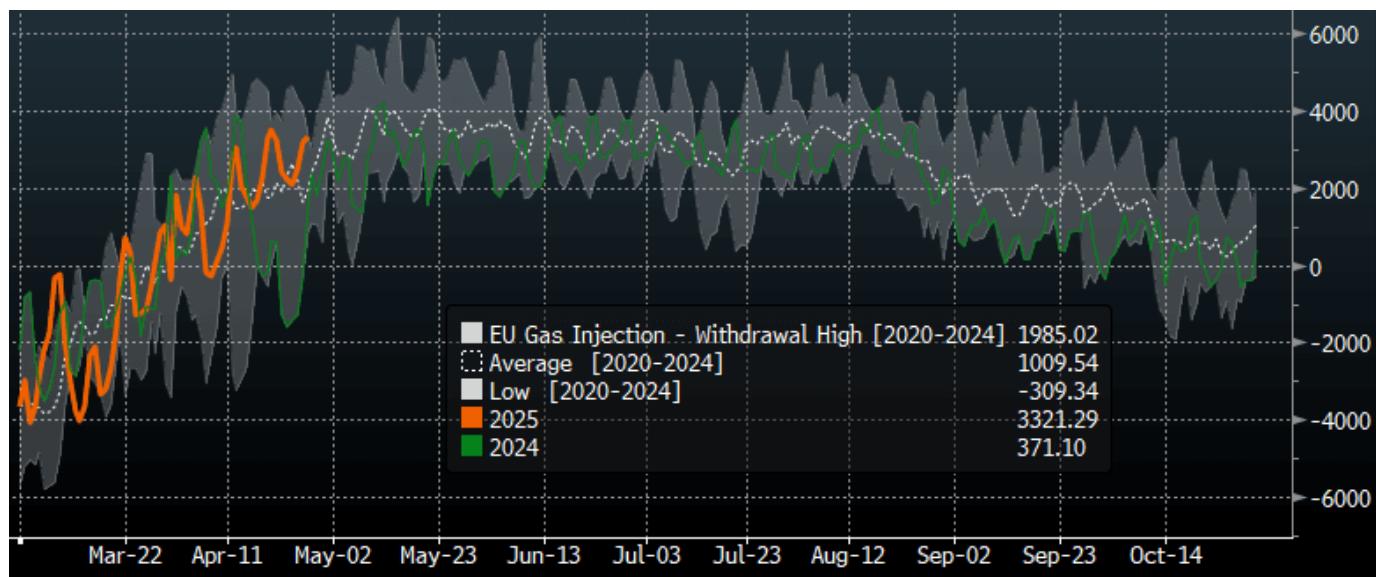
EU Gas Storage Injections 21.8% Above Average in April

EU gas storage injections rates have averaged nearly 21.8% above the previous five-year average so far in April, supported by healthy LNG imports with muted demand in Asia. Meanwhile, summer-winter contango supporting injection economics.

- The net injection rate in the week to April 27 rose to 2,690GWh/d compared to 2,290GWh/d the previous week and the previous five-year average of 2,107GWh/d.
- The TTF Q325-Win25 spread is showing the largest winter premium since September at - €1.20/MWh on April 30 and helping to incentivize storage injections.

- Based on the withdrawal rates from the last ten years from now until the end of October, the EU storage level would build to an average of 86.3% of capacity at the end of the season with a range between 73% and 100%.
- European gas storage was up to 38.85% full on April 28, according to GIE, compared to the previous five-year average of 49.2%.
- Storage in Germany is at 79.3TWh (32.2% full), Italy at 95.2TWh (47.1%), Netherlands at 35.6TWh (24.7%), France at 51.3TWh (41%) and Austria at 46.4TWh (46.3%).

EU Gas Injections - Source (Bloomberg)



JPMorgan Sees Europe Reaching 90% Storage Target

JPMorgan expects end-of-summer European gas storage to reach 90%, according to an analyst note.

- Factors that drove prices up during winter are now shifting to a bearish outlook as LNG send-outs have reached record highs, renewable energy conditions have improved and Norway plans to increase gas exports, the bank says.
- These factors resulted in a 3.5 percentage point increase in forecasted storage levels, setting an end-of-October trajectory of around 90% full, according to JPMorgan.
- The potential relaxation of storage regulations could exert downward pressure on summer prices, the bank says, particularly if NW Europe corrects its storage path early in the injection season.
- Relaxed storage regulations could see prices fall below the current forward curve of €32-33/MWh.
- JPMorgan still expects a gradual return of Russian gas starting from Q3 2025, contributing about 5 percentage points to its end-of-October storage expectation.
- Summer cooling demand in Asia is a 'key bullish risk', according to JPMorgan.
- That said, preliminary forecasts suggest cooler conditions than last year in Asia and broadly in line with the 10-year average.

EU Parliament Moves Closer To Fully Backing Lower Storage Targets

The European Parliament's industry committee has voted in favour of reducing the EU's gas storage target to 83%, Bloomberg reports.

- Lawmakers have also backed widening the deadline to any time between Oct. 1 and Dec. 1, rather than Nov. 1, while storage targets must reach at least 75% upon accounting for additional flexibilities and derogations.
- The voted proposal is in line with a draft document released on April 14.
- A wider plenary vote of all EU Parliament members on the proposal is expected in the week beginning May 5.
- The EU Parliament and EU Council will then hold talks to shape the regulation. Both groups must agree on a common proposal for it to become law.
- If the rules enter into force before Oct. 1, they will affect this year's final storage target, something Poland - which holds the EU's rotating presidency - is intent on achieving, Bloomberg said.
- Earlier in April, the EU Council backed a proposal for a 10 percentage point deviation from 90% storage targets until 2027, which also included a broader deadline of Oct. 1- Dec. 1.

TTF Price Outlooks

The World Bank's Commodity Markets Outlook sees TTF rising 6% in 2025 to \$11.6/MMBtu as the filling of severely depleted inventories is facilitated by lower demand for LNG from East Asia.

- TTF is then expected to fall by 9% on the year in 2026 to \$10.6/MMBtu amid rising global LNG supply.
- HSBC has lowered its TTF price forecast by \$1/MMBtu to \$12.5/MMBtu in Q2/Q3, Reuters reports. HSBC's average 2025 TTF price forecast is now \$13.10/MMBtu, from \$13.75/MMBtu previously.
- JPMorgan forecasts TTF at €40/MWh in Q2 and €45/MWh in Q3.
- Rabobank TTF price forecasts (changes in €/MWh compared to March 24 forecast): Q2 €38.2/MWh (-3.8), Q3 €39.1/MWh (-3.9), Q4 €39.6/MWh (-4.4), Q1 2026 €33.5/MWh (-6).

APAC LNG

APAC LNG has fallen to its lowest level in around a year amid weak regional demand, cheaper alternative fuels, and continued trade disruptions.

- JKM is expected to remain under pressure this week as a reopening arbitrage window from the US offers healthy supply to the region, Platts said.
- JKM fell to around \$10.614/MMBtu, traders told Bloomberg April 30, the lowest since May 2024.
- The JKM front-month swap ranged between \$10.765/MMBtu and \$11.99/MMBtu in the week to Apr-29, compared to a range of \$11.318/MMBtu and \$12.52/MMBtu the week prior, according to Bloomberg.
- Asian spot LNG have been on a downtrend since April 21, likely caused by inflows of US cargoes and recovering APAC production, Platts said.
- China has re-exported a monthly record of more than 280k tons of LNG so far in April, Bloomberg said.
- China's trucked LNG price averaged an equivalent to \$12.44/MMBtu April 27, down 0.8% from April 21, according to ENN.

- LNG stockpiles held by Japanese utilities fell by 3.3% on the week to April 27 to 2.05m mt, according to data released by the trade ministry cited by Bloomberg. Stocks have fallen below levels seen a year ago and are below the average for the end of April of 2.14m tons.
- In South Asia, Indian downstream demand remains muted, as price declines for competing fuels such as naphtha and fuel oil outpace that of LNG, Platts added.
- The quantity of LNG on tankers that have not unloaded for at least 20 days rose to the highest since December this week up to 3.99m mt as of April 27 compared to 3.76m mt a week ago, Bloomberg said. The volume is 30.4% more than a year earlier and well above the previous five-year average of around 2.33m.

LNG at Sea 20+ Days - Source (Bloomberg)

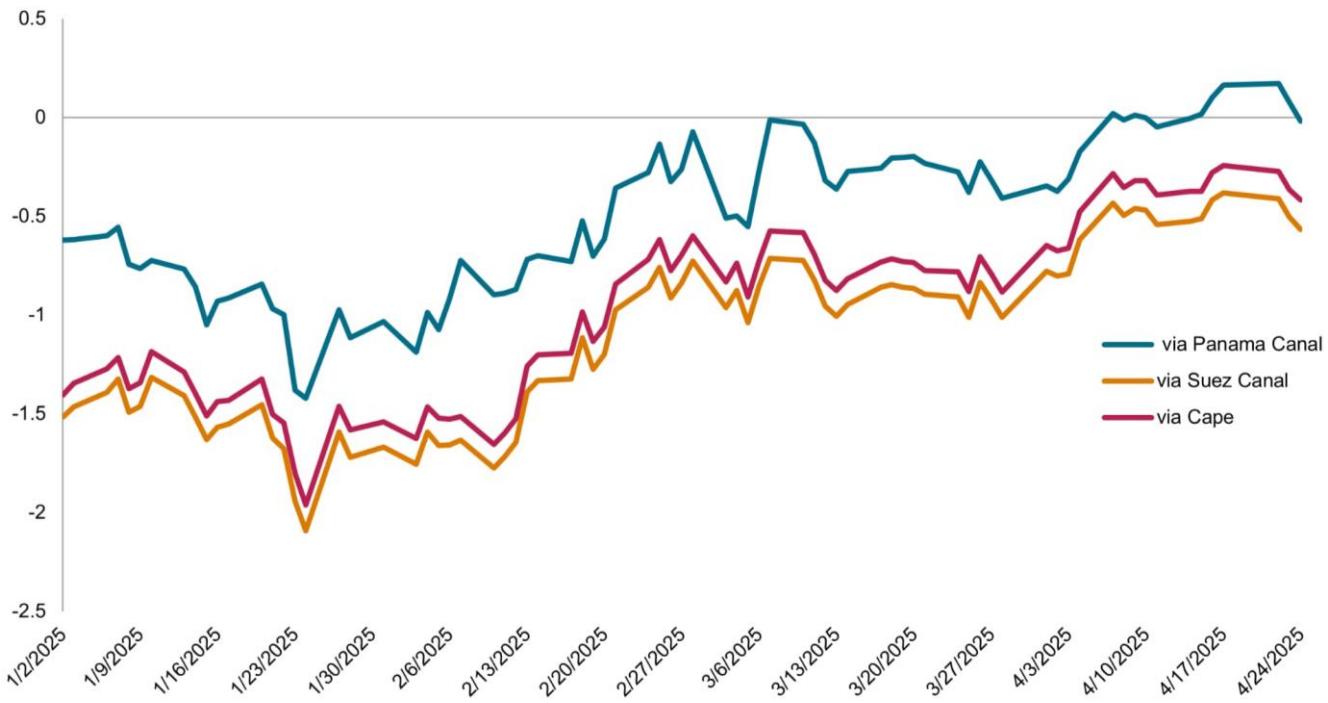


East-West Arb Improving

The East-West arbitrage for US-sourced LNG cargoes to Asia has started to open for the first time since September, as NWE weakens relative to APAC, Platts said.

- However, East-West arbitrage is only favourable for suppliers with their own LNG fleet or with long-term charters, as arbitrage economics have not fully widened.
- Economic calculations are still suggesting a closed arbitrage, but some Asian LNG traders noted potential for redirecting US cargoes eastward, which is viable under if they can optimise shipping.
- Meanwhile, the arbitrage could narrow rapidly without stronger Asian demand.
- The small influx of US LNG into Asia would be a headache for portfolio players and traders since these cargoes are off limits to Chinese buyers. Consequently, some reshuffling of trade flows is possible, Platts said.

LNG Arb North Asia vs Atlantic (USA Loadings) \$/MMBtu - Source (Platts)



JKM Price Forecasts:

The World Bank forecasts that delivered LNG prices into Japan are seen at \$12.5/MMBtu, down 30 cents/MMBtu on the year in 2025, before falling further to \$11.5/MMBtu in 2026. These forecasts are both down \$1/MMBtu on the Oct. 2024 outlook.

- Rabobank JKM price forecasts (changes in \$/MMBtu from March 24): Q2 \$12.42/MMBtu (-0.57), Q3 \$12.99/MMBtu (0.04), Q4 \$12.87/MMBtu (0.74), Q1 2026 \$12.09/MMBtu (-0.24).

Malaysia Looks to Normalise Production Operations

Petronas' subsidies cancelled 4-5 cargoes scheduled for April loadings from Malaysia amid a recent production disruption, but have refrained from cancelling May/June cargoes, aiming to normalise operations by end-April, sources told Platts.

- The number of ballast LNG vessels waiting near Malaysia's 29.3 mtpa Bintulu LNG export facility has dropped from 15 mid last week back to 12 as exports rise, Bloomberg said.
- Malaysia's Petronas is also in talks with Commonwealth LNG to buy at least 1mtpa of LNG from the 9.5mtpa Cameron facility, Louisiana, according to Reuters sources
- Nearby in Indonesia, the country faces a growing natural gas supply shortfall from 2025 -2035, driven by rising domestic demand and declining production from aging fields, according to PGN's President Director Arief Setiawan Handoko, cited by Platts.

World Bank Sees Supply Growth Outstripping Demand for 2025

The World Bank expects that the rises in supply are likely to outstrip demand growth in 2025, but supply increases will fall behind those of consumption again in 2026.

- Supply increases for 2025 are seen split equally between Asia Pacific, Eurasia, the Middle East, and North America.
- For 2026, Qatar is the main source of supply expansion, delivering almost half of the 110 bcm increase in global production.
- Demand growth for natural gas is expected to moderate to about 60 bcm in 2025, before rising to 110 bcm in 2026, driven by growth in APAC and the Middle East.

Middle East & Africa:

BP's British Achiever LNG vessel is circling near the GTA project off Senegal/Mauritania and looks to be loading or have part-loaded the second-ever cargo from the 2.3m mtpa project, ICIS said.

- The first cargo left two weeks ago. At its peak, the GTA project could load around two to three cargoes per month.

Egypt Could Resume LNG Exports in Two Years

ENI sees Egypt resuming LNG exports in about two years if it increases renewables capacity along with developing gas discoveries in Cyprus, Eni COO Guido Brusco said, cited by Bloomberg.

- On the offshore Cronos gas field in Cyprus, Eni is working on a final investment decision and expects production between Q4 2027- Q1 2028.
- Gas from Cronos will be transported and processed in existing Zohr facilities to then be liquefied in Damietta LNG for export to Europe, Bloomberg said.

Morocco Issues Tender for Developing LNG Terminal

Morocco issued an expression of interest to develop the first phase an LNG terminal near the eastern Mediterranean city of Nador.

- The new infrastructure will be linked to an existing pipeline through which Morocco imports 0.5 bcm of gas from Spanish terminals.
- The terminal will be linked to industrial zones near the NW Atlantic cities of Kenitra and Mohammedia.
- The new floating storage and regasification unit will be located in the currently under-construction deepwater Nador West Med port, Reuters previously reported.
- Morocco's ministry estimates natural gas requirements will increase from 1 bcm to 8 bcm in 2027, as the country looks to diversify energy sources.

Morocco's Planned LNG Terminal & Gas Pipelines Source (MEES)



Bahrain Plans for Regular LNG Imports

In the Middle East, Bahrain is set to make regular use of its 5.9m mtpa LNG regasification terminal for the first time since commissioning it at the end of 2019, according to MEES.

- The nation's energy company Bapco said that the ability to import LNG 'future proofs' energy supply and provides flexibility.
- Bahrain has taken delivery of its first cargo from the terminal, with regular imports to start over the coming months.
- The LNG imports will supplement domestic production at around 2.6 bcf/d, record highs.

Bahrain's Natgas Output (Bcf/d)- Source (MEES)



ADNOC Strengthening China Ties

In the UAE, ADNOC has opened a sales and marketing office in Beijing, as it looks to boost ties with China in the sales of LNG, MEES reported.

- The office is “aimed at strengthening long-term business relationships between Adnoc and its customers and partners in the People’s Republic of China.”
- ZhenHua Oil signed a five-year LNG sales and purchase agreement with ADNOC Trading, starting in 2026, for 12 cargoes per annum, Platts said.

Russia May Supply 1.8 Bcm of Gas to Iran in 2025

Iran’s Oil Minister on a visit to Moscow said the deal had not been finalised, but the two countries were working to finish it as soon as possible.

- Russian President Putin said in January that Russia may eventually supply up to 55 bcm to Iran per year, though starting from lower volumes of up to 2 bcm.

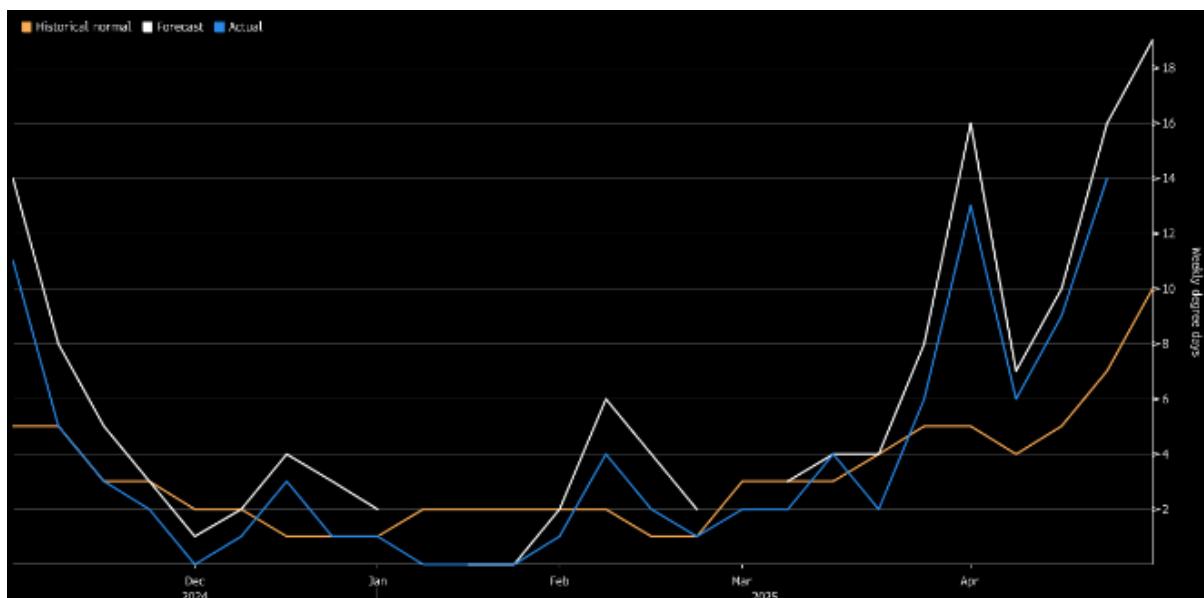
US Natural Gas:

Henry Hub has ticked up in recent days, as the May expiry triggered volatility and larger price swings. It had previously been under downward pressure as Spring temperatures slash natural gas residential demand.

- Henry Hub Front Month has traded between \$2.858/MMBtu and \$3.457/MMBtu this week, compared to \$2.955/MMBtu and \$3.334/MMBtu over the previous week.
- Henry Hub is expected to surge by 51% on the year in 2025 to \$3.3/MMBtu, before rising by around 3% on the year in 2026 to \$3.4/MMBtu, according to the World Bank.
- Rabobank Henry Hub price forecasts (changes in \$/MMBtu): Q2 \$3.65/MMBtu (-0.2), Q3 \$3.75/MMBtu (-0.2), Q4 \$4/MMBtu (-0.1), Q1 2026 \$4/MMBtu (-0.2).
- Lower 48 natural gas production averaged 105.99 bcf/d in the 10 days to April 29, compared to last week's 10-day average of 106.85bcf/d.
- US gas rig count according to Baker Hughes: 99 (+1). This is down 3 rigs, or 2.9% on the year.
- The EIA weekly gas inventories for the week ending Apr. 18 showed a build of 88 bcf.
- The seasonal five-year average shows a net build of 58 bcf. Stocks built by 86 bcf this time last year.
- Total stocks are up to 1934 bcf. This is 478 bcf below levels seen a year ago and 44 below the previous five-year average of 1978 bcf.
- Looking at domestic US natgas networks, EPNG lifted its Friday-issued FMJ at Hueco station on Saturday, which was affecting flows through the CORN LPW constraint point, restoring full flows through the constraint.
- Tennessee pipeline issued a Critical Notice at 10:30am ET that restricts shippers from over-injecting into storage and limiting PAL activity
- Morgan Stanley in Talks to Sell \$2bn Permian Pipeline. Pipelines, (which earn money by collecting fees for transporting fuel) sales are generally a signal of future expected growth in production as buyers seek to expand their businesses and capture more revenue from increased transportation flow volumes.

- Canada net withdrew 4.005 mcm for the month of Feb 2025. This is down from a net withdrawal of 4.716 mcm in Jan, and up 2.446 mcm on Feb 2024's net withdrawal.
- US cooling demand for the week ending May 3 is forecast to be 7 cooling degree days (CDD) above the long-term normal, according to Bloomberg, citing the NOAA.

US CDD Count- Source (Bloomberg/NOAA)

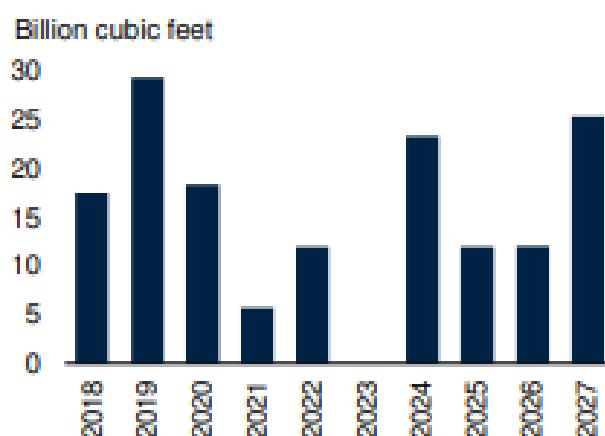


US LNG

Natural gas deliveries to US LNG terminals averaged 15.57 bcf/d in the seven days to April 30, compared to the seven-day average of 15.28 bcf/d during the previous period.

- Woodside Energy made a final investment decision to develop the three-train 16.5m mtpa Louisiana LNG.
- Jera, the world's largest LNG buyer, said in an announcement today that they "see Alaska as one promising procurement source", according to Bloomberg

Additional US Liquefaction Capacity- Source (World Bank)



- Louisiana LNG's owner Woodside is said to be in investment talks with Kuwait's Foreign Investment arm, KUFPEC, according to Bloomberg
- US LNG supplies to Europe will continue to rise, US Energy Secretary Chris Wright told Reuters April 25. "The U.S. supply will continue to grow in a meaningful way. There's a lot of dialogue about contracts," Wright told Reuters. "I think we will absolutely see more off-take agreements for LNG from the U.S. in Europe."

Latam

Export developer LNG Alliance, planning the Amigo LNG project in Sonora, Mexico, finalised a sales and purchase agreement to supply OQ trading, the commodity arm of the government of Oman, Bloomberg said.

- Preliminary agreement was first announced last August for OQ Trading to buy 0.6m mtpa of LNG on a FOB basis for 15 years.
- The project is set to start in Q2 2028, although has not secured all its financing.

BP Delivering Cargoes to Colombia & Argentina

The BP-chartered British Mentor is heading to Argentina's Escobar LNG import terminal, expected to arrive on May 20, after delivering a cargo to Colombia's SPEC LNG terminal in Cartagena on April 25, according to Platts.

- Loaded at Louisiana's Calcasieu Pass on April 17, the Colombia cargo was awarded to BP via tender April 16.
- Argentina and Colombia often procure partial LNG cargoes—Argentina due to Escobar's 2.1 TBtu port limit, and Colombia due to variable gas-fired power demand, Platts said.
- BP optimises supply using Trinidad and Tobago's Atlantic LNG, where it has a stake.

Chile & Trinidad Eliminate Tariffs on LNG

Chile and Trinidad and Tobago signed a trade treaty on April 25 to eliminate tariffs on LNG and ammonia imports to Chile, as announced by Chile's international trade department, Platts said.

- Chile, which also imports tariff-free LNG from the US under a 2003 agreement, operates two LNG terminals with a 20 mcm/d regasification capacity.
- LNG imports have declined since Chile resumed pipeline gas imports from Argentina in 2018. The treaty enhances energy and logistical ties between the nations.

ENI Price Up Argentina LNG Investment Plans

A 12m mtpa LNG export venture that ENI is exploring in Argentina with YPF would require an investment of \$20bn to be realised, ENI's COO of global natural resources Guido Brusco, said, cited by Bloomberg. That cost includes drilling, pipelines and liquefaction.

- "The project of course is in a very early stage," Brusco said, adding that "We think that the combination of the expertise of YPF on the upstream of Vaca Muerta and the expertise of Eni on the midstream-floating LNG will set this venture for success"