

MNI Gas Weekly: Global Gas Markets Under Pressure

By Lawrence Toye, Daniel Dawson, & Zach Simon (20/08/2025)

Executive Summary:

- **European Gas Benchmarks** face continued pressure from healthy fundamentals and intensified efforts to end the Russia-Ukraine war.
- Asia's **LNG market** is under further pressure amid weak demand and healthy inventories.
- In the **Middle East & Africa**, Iraq received bids from two companies to develop an FSRU.
- **Henry Hub** has fallen this week amid cooler temperatures and lower LNG feedgas flows.
- In the **Americas**, Mexico's Amigo LNG signed a supply agreement with Gunvor.

European Natural Gas

TTF front month has seen continued pressure across the last week, briefly dropping to its lowest level since May 2024, with steady gas imports, building storage and cooler weather in August adding to pressure, while the market assesses any chances of reduced Russia sanctions amid efforts to end the Russia-Ukraine war.

- Front month TTF prices traded between €30.3/MWh and €32.88/MWh this week, compared to €32.11/MWh and €33.435/MWh over the previous week.
- Temperatures in NW Europe are forecast to drop below normal later this week, recover back above normal into next week then drift back to near normal at the start of September.
- NW European LNG sendout is estimated up to 194.8mcm/d on Aug. 18 after dipping below 150mcm/d over the weekend, Bloomberg shows.
- European gas storage is up to 74.21% full on Aug. 18 compared to the previous five-year average of 81.9% full, according to GIE. Net injections are currently near normal having averaged 13.7% above normal so far this summer.
- Norwegian pipeline supplies to Europe are today steady at 320.7mcm/d, Bloomberg shows. Gassco shows planned outages of 28.7mcm/d today ramping up from Aug. 27 and above 100mcm/d from Aug. 30.
- Germany's SEFE was not able to allocate any Rehden gas storage capacity for the remainder of the storage year 2025/2026 in the latest auction offering 3 TWh during Aug. 20 to Jun. 1, 2026.
- European gas market fundamentals do not justify the extent of the sell-off seen recently, Morgan Stanley analysts said in a note cited by Bloomberg.
- Morgan Stanley expects prices to return to the top of their previous range of €32 to €35 as Europe needs to continue attracting enough LNG.

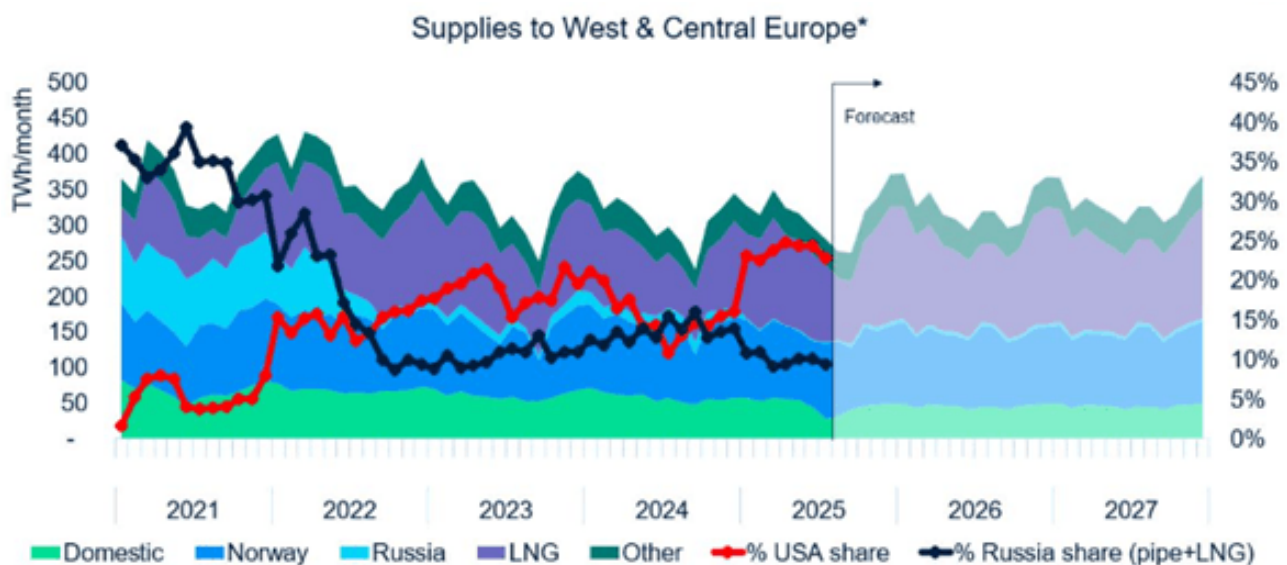
Share of Russian Gas in Europe Expected to Remain Near 10%

The share of Russian pipeline gas and LNG in European markets is forecast to remain at current levels (10%) after a drop at the start of 2025, according to ICIS analyst Andreas Schroeder.

- American LNG has gained ground, achieving a 25% market share in Europe in 2025.
- It has largely replaced Russian volumes, Schroeder says.
- Meanwhile, recent shipping activity from Arctic LNG 2 towards East Asia has led to some speculation on the future of US sanctions.

- ICIS maintains its base case gas market assumptions after yesterday's meeting between Trump, European leaders and Zelenskyy, brought about 'no major breakthrough.'
- These include continued sanctions on Arctic LNG 2 without a peace deal and bans on Russian gas in Europe in line with the EU's current roadmap.

European Gas Market Share - Source (ICIS)

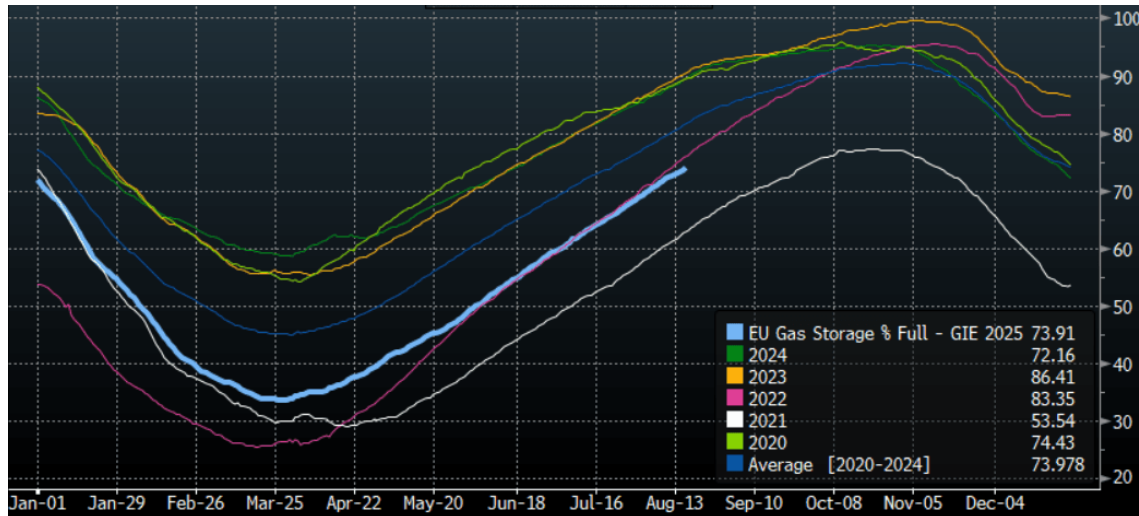


European Net Injections Below Normal for First Time Since July

Weekly European gas storage net injection rates averaged below normal last week for the first time since early July. Net injections fell to 3,297GWh/d from 3,855GWh/d the week prior and compared to the previous five-year average of 3,527GWh/d, GIE data shows.

- Based on the withdrawal rates from the last ten years, the EU storage level would build to an average of 86.3% of capacity at the end of October with a range between 80% and 93%.
- Injections have recovered to near normal in recent days with total stores up to 73.91% full on Aug. 17 compared to the previous five-year average of 81.6% full, according to GIE.
- A continuation rates 13.7% above normal so far this summer would see the EU pre-winter target reached around Sep. 11. However, injection rates could come under pressure as seasonal Norwegian maintenance ramps up from Aug. 27.
- Storage in Germany is at 166.3TWh (66.9% full), Italy at 173.2TWh (85.5%), Netherlands at 89.6TWh (62.1%), France at 102.8TWh (81.7%) and Austria at 79.1TWh (78.9%).

EU Gas Storage - Source (GIE / Bloomberg Finance L.P.)

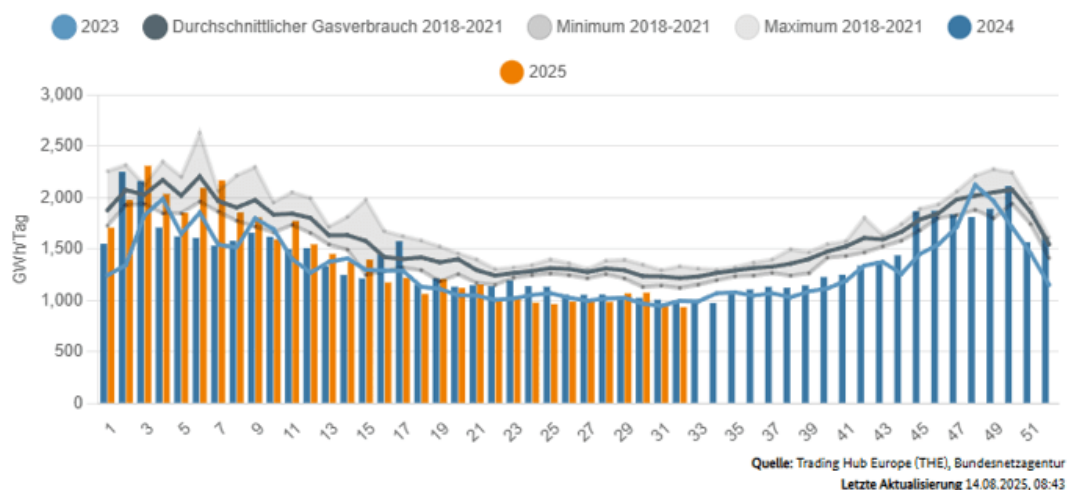


German Natural Gas Consumption Fell 1.8% W/W

German natural gas consumption in the week to Aug 10 fell by 1.8% on the week and was 20.8% below the 2018-21 average, Bnetza data showed. Industrial demand fell by 1.2% on the week while demand from households and small businesses fell 4.6%.

- Industrial gas consumption decreased to 936GWh/d in the week, to 23.2% below the 2018-21 average and compared to 1,002GWh in 2024. Gas consumption from electricity generation is also included in the data.
- Demand from households and small businesses was down to 206GWh/d last week, 7.6% below the 2018-21 average and compared to 187GWh/d in 2024.
- German gas demand stood 20.1% below the 2018-21 average the week prior.
- Gas inventories in Germany were up on the week to 65.18% full on Aug 12 compared to 62.9% a week ago, GIE data shows. Injection rates dipped below normal on Aug. 12 after holding above so far in August.

German Industrial Gas Consumption – Source (Bundesnetzagentur)

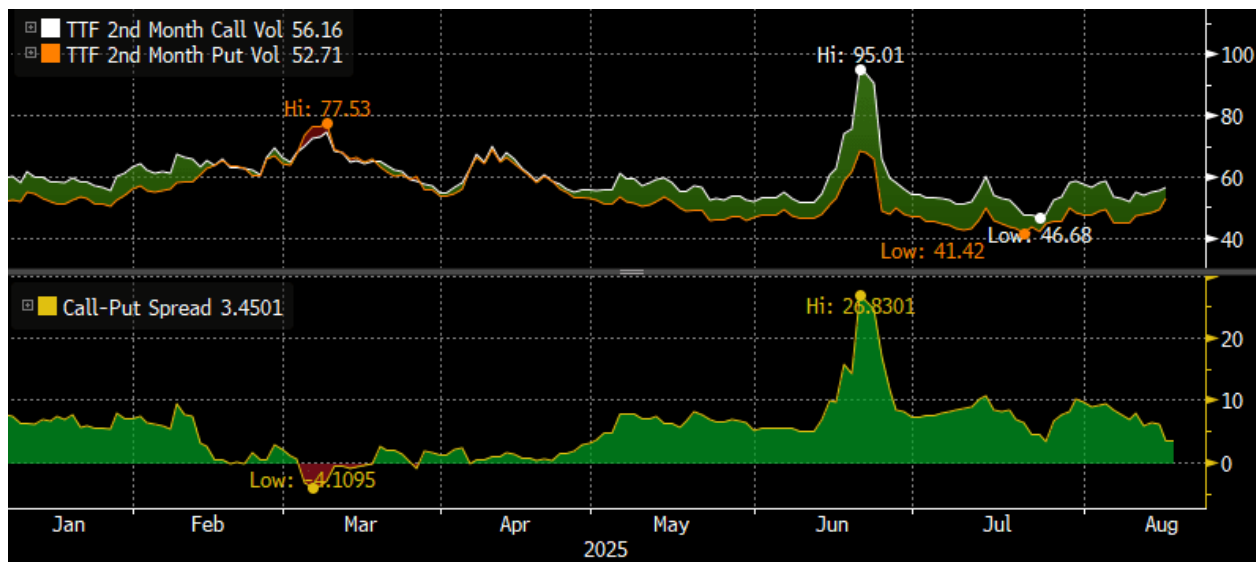


TTF Call Volatility Skew Narrowing

The TTF call volatility skew continues to slowly narrow as the front month futures have trended lower so far in August.

- The TTF second month call-put volatility spread options has narrowed from around +10% on July 30 to +3.45% on Friday and just above the least bullish since April.
- The ICE TTF second month at-the-money implied volatility has risen over the last week to around 51% compared to a low this month of 46.1%.
- TTF markets have come under downside pressure this month with focus on any signs of progress towards a Ukraine peace deal while European imports and injections remain healthy ahead of seasonal maintenance in Norway starting later this month.
- TTF futures and options traded volumes averaged below normal for much of last week although increased on Aug. 15 up to 329k for futures and 70k for options. Put options have been trading in higher volumes than calls over the last week.

TTF Call-Put Volatility Skew – Source (Bloomberg Finance L.P.)



APAC LNG

Asia's spot LNG prices declined last week due to continued soft demand and strong storage inventories, according to Reuters.

- The average LNG price for September delivery into north-east Asia was at \$11.65/MMBtu, down 25 cents/MMBtu, Reuters added.
- The JKM front-month swap ranged between \$10.763/MMBtu and \$11.899/MMBtu in the week to Aug-19, compared to a range of \$11.365/MMBtu and \$12.011/MMBtu the week prior, according to Bloomberg.
- Although temperatures began to rise again in Asia, this failed to boost major spot activity. This was in part due to - pressure on oil prices - leaving oil-indexed LNG contracts more competitive against spot cargoes.
- Argus said that some Chinese demand has emerged, with Beijing Gas buying two cargoes below \$12/mmBtu. The company said that it viewed \$12/MMBtu and above as too expensive.
- Pressure on JKM is expected to continue through this week as high Chinese inventories cap regional demand, with stable Pacific supply and seasonal temperatures adding to the bearish tone, according to Kpler.
- Meanwhile, the US arbitrage to Northeast Asia via the Cape of Good Hope is still incentivising cargoes to flow to Europe, according to Spark Commodities.
- The Platts MOC process for Asia's LNG physical market saw record-high activity during the September JKM pricing period, with 611 entries across H2 August to October deliveries, a 27% monthly and 241% yearly increase, Platts said.

China

China's domestic LNG prices continued to decline in August as a crucial indicator of China's LNG spot appetite enabling strong LNG supply to Europe to help refill storage, according to IEA analyst Greg Molnar.

- The Guangdong benchmark fell 10% amid weak demand fundamentals and strong domestic production growth.
- August suggests a continuation of the trend partly driven by weaker industrial sector gas demand, with China's PMI back to below 50 in July.
- Domestic gas production continued to expand strongly, with July output up by 7.5% yoy to reach a new seasonal record high, and Russian gas deliveries via the Power of Siberia were up by around 25% yoy.
- Meanwhile, China's falling domestic wholesale trucked LNG prices towards the 4,000 y/mt signals weakening gas demand, bearish for spot LNG prices heading into the shoulder season, Platts said.
- China's average wholesale trucked LNG price had dropped to a 16-month low of 4,205 y/mt nationwide last week, from over 4,600 y/mt at the end of July.
- The threshold for Chinese buying interest in spot LNG has dropped further to below \$10/MMBtu as buyers expect prices to weaken and are likely to wait on the sidelines until the market shifts.

- Furthermore, China's tepid LNG imports face further pressure after market reforms in the southern province of Guangdong that could cut LNG demand for power generation.
- China has already seen LNG imports fall 19% over the first seven months of the year, including a 6.7% drop in July.
- Industrial demand has been weak, while traders have rerouted cargoes to markets willing to pay higher prices.

China's Domestic LNG Price vs JKM- Source (IEA/Greg Molnar)



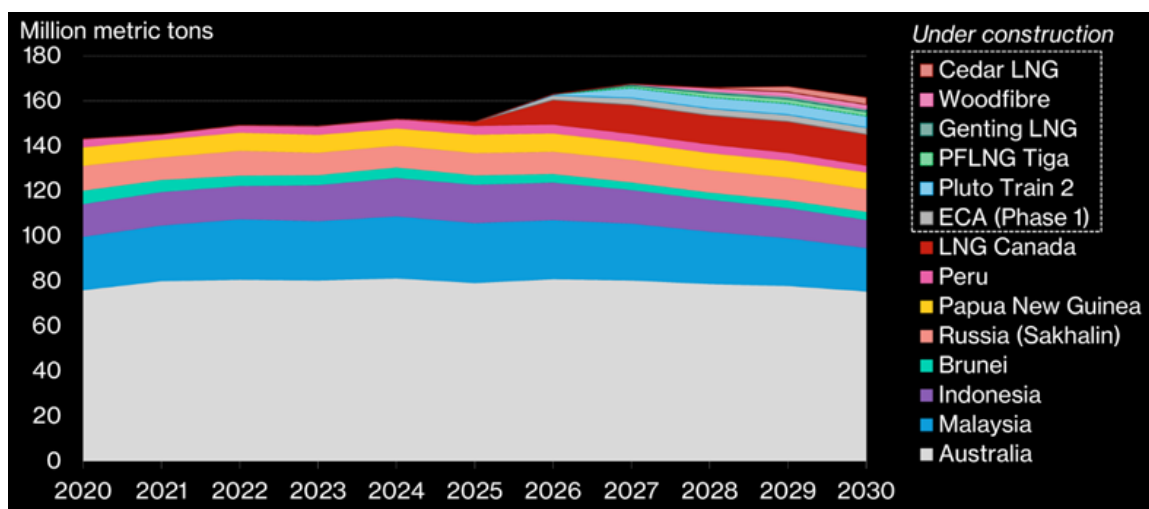
APAC LNG Supply

Aggregate Asian LNG arrivals last week were the lowest in three weeks at 4.9 mt while European imports were in line with the H2 average at 2.0 mt, according to Vortexa.

- Australia's 9m mtpa Ichthys LNG plant has shut for maintenance expected until early October. During the works the two-train facility's heat exchangers will all be replaced. The last cargo to depart was the Solaris on 17 August, headed towards Japan.

- The LNG volume at sea for at least 20 days increased 20% over the last week, according to Bloomberg estimates. LNG on water volumes were 3.54m mt as of Aug. 17, compared to 2.96m mt the week prior.
- LNG stockpiles held by Japanese utilities increased by 2.55% on the week to Aug. 17 to 2.01m mt, according to trade ministry data. Stocks extended a recovery after trending lower in June and July down to 1.8m mt on July 27.
- Woodside's Scarborough LNG project, Australia is 86% complete as of the first half of 2025, with first LNG cargo targeted for the second half of 2026 the company said on its results call on Tuesday.
- Total Pacific Basin LNG supply is projected to peak in 2027 before declining as new supply from Canada, Mexico and Australia helps to counter declining output from legacy Southeast Asian assets, such as in Malaysia and Indonesia, BNEF said.
- Pacific Basin LNG exports will rise 6% from 2024 to 162m tons by 2030 with 17mtpa of capacity under-construction to come online by the end of the decade.

Pacific Basin LNG Supply Outlook- Source (Bloomberg Finance L.P.)



Russia

The Voshkod tanker, carrying fuel from the US-sanctioned Arctic LNG 2 facility in Russia, is heading to China, according to Bloomberg citing an NSR notice. The ship is estimated to arrive in Beihai Sep. 4. PipeChina has an LNG import terminal in Beihai.

- Several LNG tankers carrying shipments from the Arctic LNG 2 plant in Siberia have recently began traveling to North Asia via the Northern Sea Route, Bloomberg reported Aug. 18.
- The start of production at Novatek's Murmansk LNG has been pushed back by several years, according to Vedomosti newspaper cited by Reuters. The Murmansk LNG project is slated to be Russia's largest LNG plant, with eventual output of 20.4 mtpa.

Wider APAC LNG

Pakistan wants to renegotiate its long-term LNG contracts with Qatar as falling industrial output and low power demand will leave the country with over 50 surplus cargoes during the next 18 months, The Express Tribune reported.

- Pakistan may ask Qatar to reduce the number of monthly cargoes to around 6-7 from the existing 9. A second option is that the government may seek an extension in the expiry period with the request to postpone the delivery of the surplus cargoes beyond the original expiry period of 2031.
- Bangladesh has awarded three spot LNG cargo tenders to Total for October delivery at prices ranging from \$11.34 to \$11.54/MMBtu, according to state-run RPGCL.
- Indonesia's state-owned Gas Negara is speeding up efforts to get additional gas and LNG allocations amid supply disruptions, Bloomberg said.
- LNG demand and prices are both set to rise through the end of this year, according to Woodside Energy Group Ltd., Australia's biggest producer of the fuel, Bloomberg reported. Declining domestic gas production and rising energy needs in emerging Asian economies such as India, the Philippines, Vietnam and Malaysia will help drive the growth, CEO Meg O'Neill said in an interview on Tuesday.

Middle East & Africa:

Iraq has received bids from two companies to develop an FSRU for LNG imports, in order to meet urgent electricity needs, according to an oil ministry statement on Aug. 17, cited by Platts.

- The winning bidder will be chosen at the next Diwani Order Committee meeting, though no date has been given. The names of the qualified companies were not disclosed.
- If completed, Iraq would join Kuwait, Bahrain, Egypt, the UAE and Jordan as LNG importers in the MENA region.
- Kuwait has imported around 4.99m mt of LNG this year, followed by Egypt with 4.25m mt, Jordan with 620,000 mt, the UAE with 490,000 mt and Bahrain with 430,000 mt.
- Two new pipelines are ready to distribute LNG imports into Iraq, including a 40-km link from Khor al-Zubair to Shatt al-Arab and a 45-km line from Al Mahmoudiya to the Bismayah power station.
- Elsewhere in Iraq, first gas from the Miran field in the Kurdistan Region could be achieved by H2 2027, the region's third non-associated gas field to come online, MEES said.
- The gas will feed the nearby Bazian power plant, MEES added.

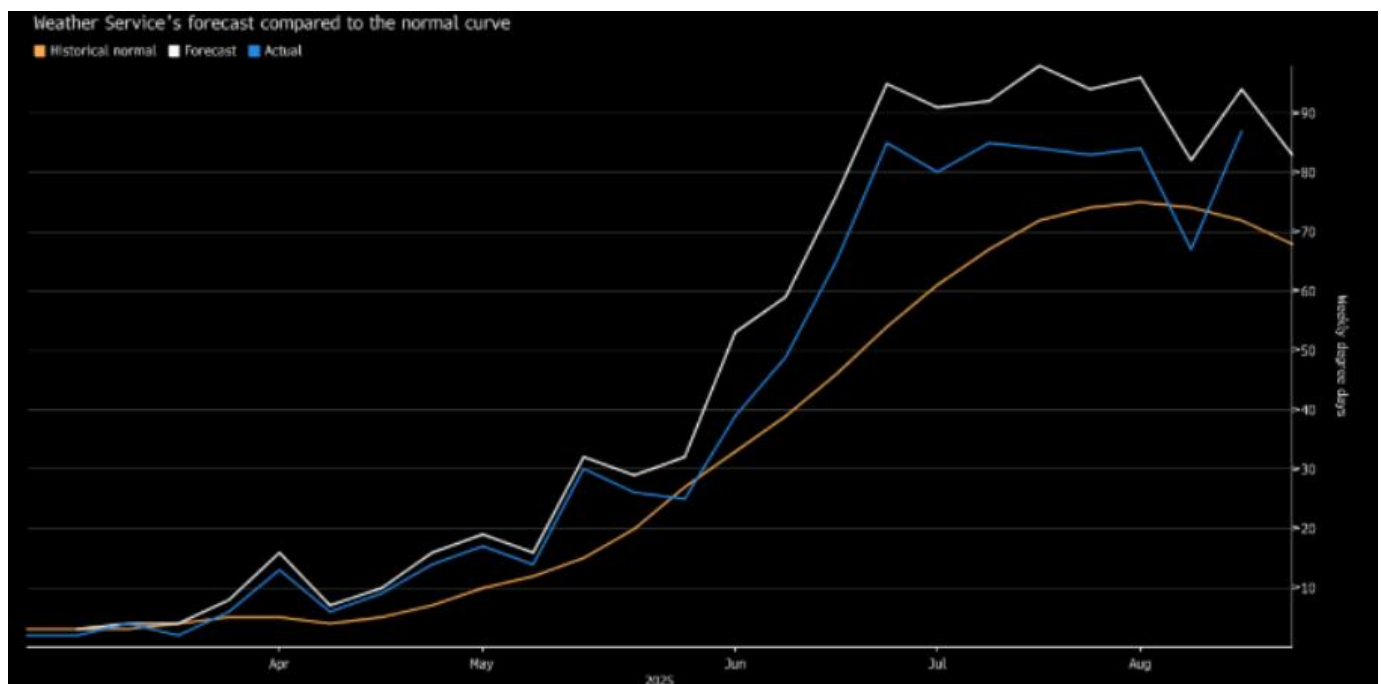
US Natural Gas:

Henry Hub front month continued its downward trajectory as cooler weather forecasts linger on the horizon and LNG feedgas dwindled due to outages at three major facilities

- Henry Hub Front Month has traded between \$2.725/MMBTU and \$2.966/MMBtu this week, compared to \$2.764/MMBtu and \$3.148/MMBtu over the previous week.
- Lower 48 natural gas production averaged 109.36 bcf/d in the 10 days to Aug-19, compared to last week's 10-day average of 109.46bcf/d.
- Baker Hughes US rig count: Gas: 122 – down 1 on the week

- US cooling demand for the week ending August 23 is forecast to be 19 cooling degree days (CDD) above the long-term normal, according to Bloomberg, citing the NOAA. During the week to August 16, the US was 18 CDD above normal.
- Hurricane Erin briefly strengthened into a Category 5 storm on August 16 with 160 mph winds, according to AccuWeather. Since then, it has softened to Category 2, moving on a northeast trajectory away from the mainland US.
- Another disturbance moving in Erin's path has a 60% of strengthening into a cyclone over the next week as it moves west toward Puerto Rico, according to the National Hurricane Center.
- The Electric Power Research Institute (EPRI), working with Epoch AI, forecasts that electricity demand for artificial intelligence in the United States could grow from around 5 GW today to more than 50 GW by 2030, Platts reported.

US CDD Count- Source (Bloomberg Finance L.P./NOAA)



Regional Hubs

Regional prices steadied over the week, with no major changes to note

- Waha priced below \$1.00/MMBtu as robust production in the Permian Basin maintained pipeline constraints in the region and exports to the Gulf Coast sagged on LNG export facility outages. Pipeline utilization hovered around 75% over the week.
- EPNG updated its August maintenance schedule on August 18, removing 70 MDth/d (~68 mmcf/d) from August 18 through the end of the month and 250 MDth/d (~243 mmcf/d) from August 19-21, for a total of 320 MDth/d (~311 mmcf/d) offline capacity on August 19-21.
- The Chaplin compressor station servicing New England dropped its capacity notably on August 19 to 481 mmcf/d down 217 mmcf/d from the previous day. This compares to the 7-day average of 760 mmcf/d. Operational capacity on August 19 was down to 47.9%

US LNG

Natural gas deliveries to US LNG terminals averaged 14.74 bcf/d in the seven days to Aug-20, compared to the seven-day average of 15.86 bcf/d during the previous period.

- Freeport, Sabine Pass, and Cameron LNG experienced drops in feedgas nominations over the weekend and into the early week.
- Freeport began taking in more feedgas on August 19 after Train 1 was shut the day before due to a problem with its compressor system. LSEG data showed Freeport was on track to reach 2 bcf/d on August 19, up from 1.2 bcf/d the day previous, this compared to a 7-day average of 1.9 bcf/d.
- Sabine Pass was down to 3.7 bcf/d below its normal 4.5 bcf/d capacity on August 18. Feedgas to Sabine Pass averaged ~4.4 Bcf/d MTD prior to the reduction on August 18, though flows were also down ~1.0 Bcf/d from the previous week's levels. The facility began increasing feedgas following routine maintenance in June but had unutilized capacity of ~0.6 Bcf/d MTD as compared to historical peaks.
- Cameron LNG said on August 19 that short-term maintenance led to the reduction in feedgas flows, but that no cargo loadings would be affected by the outage. Cameron LNG feedgas remained low for the second consecutive day as feedgas deliveries from Cameron Interstate Pipeline and Columbia Gulf had yet to recover.
- Construction of Train 1 at Woodside's Louisiana LNG project is 22% complete the company said on its Tuesday earnings call.

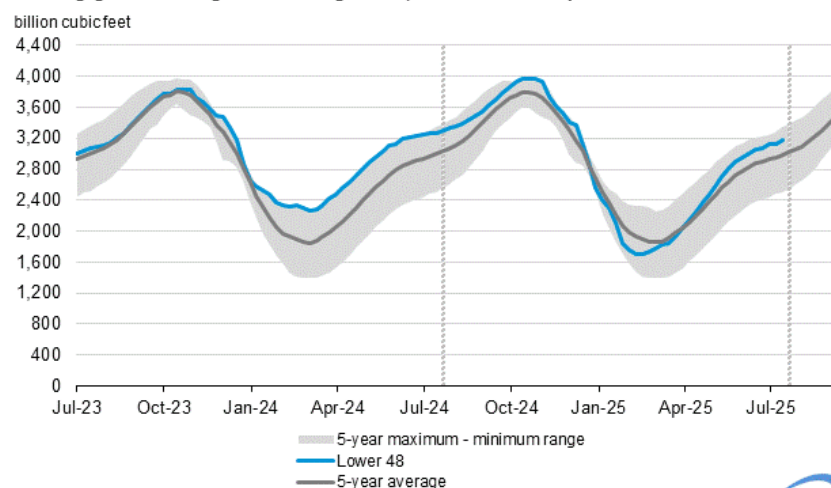
US Natgas Inventories

The EIA weekly gas inventories for the week ending Aug. 08 showed a build of 56 bcf. The seasonal five-year average shows a net build of 33 bcf.

- The inventory change survey averages prior to the release were (bcf): +54 (Bbg), +55 (WSJ), +54 (Reuters), and +59 (NGI)
- Total stocks are up to 3,186 bcf. This is 79 bcf below levels seen a year ago and 196 above the previous five-year average of 2,990 bcf.

US Gas Inventories – Source (EIA)

Working gas in underground storage compared with the 5-year maximum and minimum



Data source: U.S. Energy Information Administration



Latam

Mexico's planned Amigo LNG liquefaction terminal has announced the signing of a long-term sale and purchase agreement with Gunvor.

- Under the agreement, Gunvor will buy 0.85m mtpa of LNG for 20 years, with deliveries commencing in H2 2028.
- The long-term deal marks a major milestone for Amigo LNG, reinforcing its position as Mexico's first large scale LNG export terminal on the country's Pacific coast.
- The facility will receive gas from the US Permian basin to supply as LNG cargoes to customers in Asia and Latin America.
- The first train of the facility has a planned capacity of 3.9m mtpa, with the potential to add a second 3.9m mtpa at a later date.
- Also in Mexico, a Shell LNG carrier is set to arrive at Mexico's Altamira import terminal on Aug. 27, according to Kpler data
- Shell's chartered Maran Gas Agammon carrying 168,780 cubic meters of gas loaded at the 4.5 mtpa Peru LNG terminal over August 10-11
- The shipment was likely tendered by Mexico's state-owned power utility CFE, which also tendered a shipment for Manzanillo LNG.

Mexico Seeks to Boost Natgas Output Without Fracking

As Mexico's domestic natural gas output struggles, the country's President Claudia Sheinbaum said that she wants Mexico to increase its production of natural gas without resorting to fracking, BNamericas said.

- "Fracking, as it is, cannot be used to exploit shale gas because it has very serious environmental impacts," Sheinbaum said at her daily press conference in Mexico City on Monday.
- Her predecessor AMLO proposed a constitutional amendment to ban fracking
- Mexico imports around 70% of its natural gas from the USA, mainly to supply power plants.
- The aim is for state-owned Pemex to boost output from 3.6 bcf/d to 5 bcf/d by 2030.

Panama Canal Faces Severe Congestion

The Panama Canal is facing severe congestion, with soaring costs reshaping global shipping dynamics, Platts said. A surge in ship arrivals, combined with limited capacity, has driven record auction prices. In some cases, transit fees have exceeded \$1 million, compared with typical bulk carrier rates of around \$55,000–65,000.

- Container and LNG carriers, willing to pay premiums, are prioritised over dry bulk ships, leaving the latter at a competitive disadvantage with longer delays and rising costs.

Colombia Considers Further Regasification

Colombia's Ecopetrol is considering using its existing Caribbean Coast infrastructure to develop an LNG regasification facility, Platts said.

- The project, targeted for late 2026 or 2027, would depend on installing a FSRU and mooring system.
- Two sites are under review: Coveñas in Sucre Department and near the Ballena gas field in La Guajira.

Trinidad & Tobago's LNG Exports Climbed to Near 5-Year High

Trinidad and Tobago's LNG exports reached their highest level in nearly five years in July, despite no significant change in domestic gas supply, Platts said.

- Exports from the Atlantic LNG facility totalled 42.49 Bcf, a 17% rise from June's 36.38 Bcf and the largest monthly volume since August 2020. This was 38% higher than July 2024 and 31% above July 2023.

Trinidad's LNG Exports (Bcf) – Source (Platts)

