

MNI Gas Weekly: Market Awaits Heatwave Driven APAC LNG Boost

By Lawrence Toye & Daniel Dawson (09/07/2025)

Executive Summary:

- **European Gas Benchmarks** edge higher on warm weather forecasts and low wind/hydro output.
- Asia's **LNG market** faces further pressure as supply length builds.
- In the **Middle East & Africa**, Egypt's Q2 LNG imports rose 14% in Q2.
- **Henry Hub** has softened amid milder weather forecasts and strong storage figures.
- In the **Americas**, Argentina was Latam's top LNG importer in June.

European Natural Gas:

TTF front month has edged higher in recent days with support from relatively low wind and hydro output this week, alongside a warm weather forecast, which is expected to support cooling demand.

- Front month TTF prices traded between €32.9/MWh and €34.75/MWh this week, compared to €32.64/MWh and €35.65/MWh over the previous week.
- Temperatures in NW Europe are forecast above normal throughout the coming two-week forecast while reasonably low wind generation is expected into early next week.
- Hot summer weather has spurred some spot LNG cargo purchases in North Asia although spot LNG purchases from China remain muted, allowing European LNG sendout to remain above year ago levels.
- NW European LNG sendout is estimated at 201.6 mcm/d on July 8 compared to an average of 196.5 mcm/d over the previous week and well above the seasonal five-year average of 128mcm/d, Bloomberg shows.
- European gas storage is up to 60.92% full on July 7 compared to the previous five-year average of 70.3% full, with net injections holding just above normal, according to GIE.
- The European average net injection rate was down on the week and just below normal at 3,383GWh/d in the week to July 6.
- Based on the withdrawal rates from the last ten years, the EU storage level would build to an average of 86.8% of capacity at the end of October with a range between 74.3% and 96.0%.
- Norwegian pipeline supplies to Europe are today nominated at 322.7mcm/d, Bloomberg shows, with planned Gassco outages of about 14.8mcm/d until July 20 amid Troll and Karsto seasonal works.
- The European Parliament on July 8 gave its final sign-off allowing member states more flexibility with their gas storage targets after a deal was agreed last month.
- Germany successfully marketed all of its regasification slots at the Wilhelmshaven 1 and 2 LNG terminals for this year and the next, according to a statement from state operator Deutsche Energy Terminal.

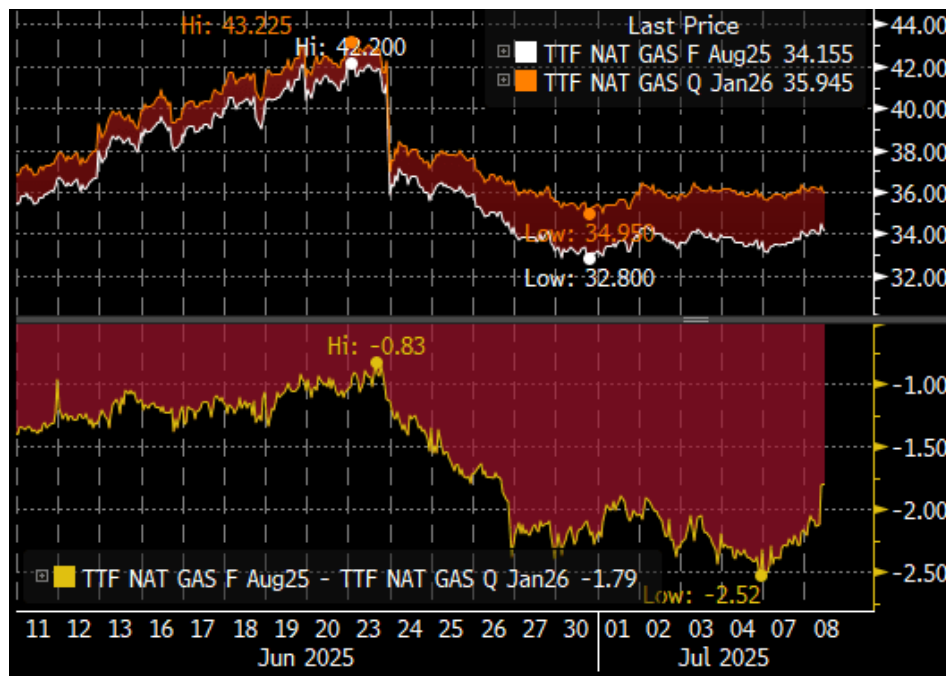
3.9 TWh Allocation Supports Near-Term Prices, Tightens Time Spreads

SEFE allocated 3.9 TWh of storage space at Rehden on Tuesday.

- The offer was for 5 TWh out of around 45 TWh of technical capacity.
- At 3.9 TWh this marks the biggest booking for Rehden so far this year, with only 0.9 TWh booked at the May auction and several failed attempts to agree on reservations.
- Near term TTF prices rallied but the winter price reaction was muted following the 3.9 TWh allocation.

- The TTF Aug-Q1 spread narrowed from as wide as -€2.5/MWh on July 4 back to around -€1.8/MWh following the auction. The spread was trading between -€1/MWh and -€1.4/MWh for much of May/June.
- The near-term price reaction came amid the potential for increased injections to refill stores at the facility in the coming months and raised the potential for higher storage to cover winter demand.

TTF Aug-Q1 Spread - Source (Bloomberg Finance L.P.)



- Near-empty storage at Rehden had highlighted challenges to fill storage amid tight seasonal spreads and insufficient regulatory incentives, IEA analyst Greg Molnar said.
- Rehden is Europe's second largest facility with capacity of near 4 bcm. It was filled to 98% at the start of the previous heating season and alone met 7% of Germany's winter demand.
- SEFE has said that injections would need to pick-up by mid-August to reach the 45% goal.
- THE has previously said that it will only step in to fill Rehden at the end of summer.
- Filling has likely been slowed by a lack of long-term supply contracts, historically tied to Gazprom.
- Seasonal spreads around €1-2/MWh are not enough to incentivise storage injections.
- Low storage levels in Rehden could lead to a more fragile NWE gas balance through the heating season, especially if winter is colder than usual.

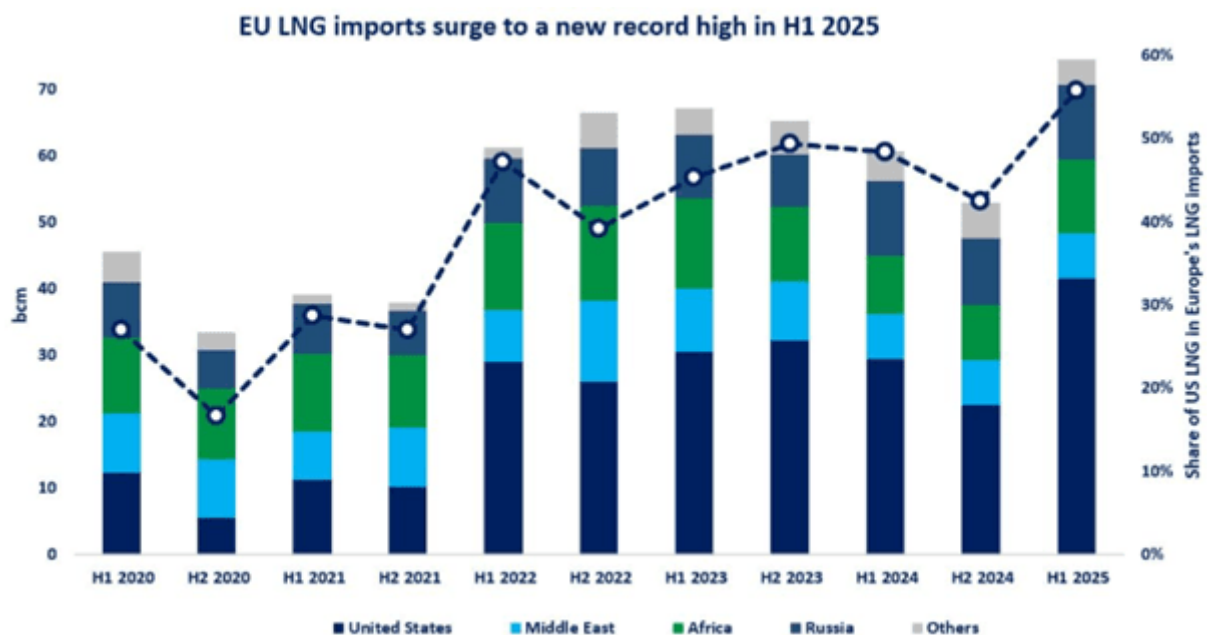
EU LNG Imports up 40% Y/Y in H1 2025

EU LNG imports surged by 40% (or 22 bcm) y/y in H1 2025 to a new record high of 75 bcm, according to IEA analyst Greg Molnar.

- EU gas consumption increased by nearly 5% (or 8 bcm) in H1 2025, primarily driven by lower renewables power output and colder winter temperatures in Q1.
- Russia piped deliveries to the EU almost halved compared to last year, translating into a loss of 6.5 bcm, due to the halt of transit via Ukraine. Norwegian piped deliveries are also somewhat lower, down 3.5% (or ~2 bcm) amid higher maintenance.

- EU storage injections were up by 35% y/y since April, translating to almost 7 bcm. Nevertheless, EU storage remains almost 20 bcm below last year's levels.
- EU exit flows to Ukraine surged by near twelvefold (or almost 2 bcm) as the country needs to refill its historically low gas storage.
- The US accounted for almost 90% of the EU's incremental LNG imports, with the majority of additional LNG supplied from Plaquemines LNG, which alone met almost 30% of the EU's incremental LNG demand.

EU LNG Imports by Producer- Source (Greg Molnar)



Europe Took 30% of Global LNG Imports in Q2 2025

Europe took a 30% share of global LNG imports in Q2 2025, up six points from a 24% share in Q2 2024, according to ICIS analyst Alex Frolely.

- Most of this share was won from East Asia, which dropped four points to 46%, mainly due to China.
- Europe was fighting harder for LNG than at the same time in 2024 in order to ensure a steady flow to refill Europe's storage sites. In Q2 2024, there was less stress on refilling storage after a relatively mild winter.
- China's LNG demand in Q2 2025 was down 16% y/y, equal to a loss of 3.1m tons.
- The year-on-year decline rate was reduced in June to only 9%. At the start of the year, monthly Chinese LNG demand was down around 20-25% y/y.
- The Middle East took a 4% share of global LNG imports in Q2 2025, up from 3% the year before.
- Egypt has been importing increasing amounts of LNG to compensate for reduced gas production, while Bahrain has also begun importing regular cargoes.

Quarterly LNG Imports by Region - Source (Alex Froley)

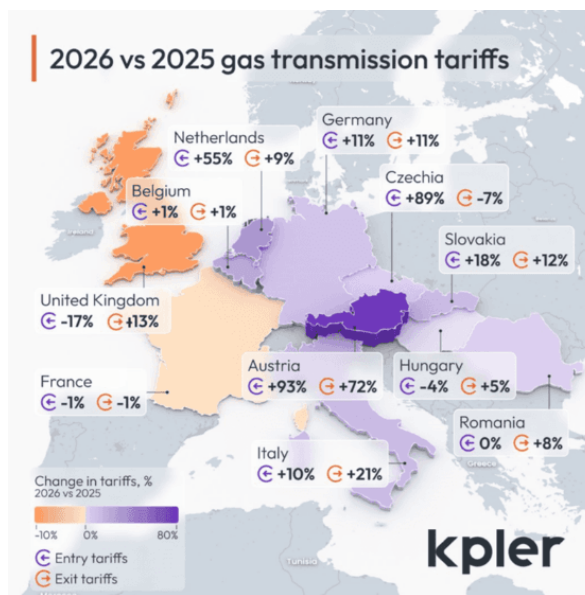


European Gas Transmission Tariffs Rise in Central and Eastern Europe

European gas transmission tariffs reveal stable or lower tariffs in the West but sharp increases in Central and Eastern Europe, Kpler reports.

- In most of Western Europe, newly announced transmission tariffs have remained relatively stable year on year, reflecting robust pipeline supply and growing utilisation of LNG regasification terminals.
- In Central and Eastern Europe, tariffs are trending higher for 2026.
- The sharp decline in gas volumes transiting the region, following the loss of Russian pipeline gas, has left the grid under-utilised and more expensive to maintain.
- Notable tariff increases have been seen in Slovakia (+12%) and Austria (+72%).
- Slovakia has seen a €5.6/MWh premium, while other major European hubs have an average premium of €2/MWh.

European Gas Transmission Tariffs - Source (Kpler)



- The magnitude of the increase in Austria is significant given its pivotal role as a transit hub for gas supplies from Germany and Italy.
- The variation in transmission tariffs is likely to contribute to further divergence in hub prices relative to TTF.
- Ukrainian hub prices have averaged a €22/MWh premium over TTF since mid-June.

European Natgas Demand 5% Higher W/W: JPMorgan

European natgas demand was 5% higher w/w but 3% lower y/y, JPMorgan said in a note.

- Total natural gas demand in NWE during the week of June 30-July 6 averaged 227 mcm/d, up by 10 mcm/d w/w.
- The increase in weekly demand stemmed from higher natural gas burn in the power sector (+50% w/w) to offset lower wind (-39% w/w) and hydro (-5% w/w) output.
- Demand in the Netherlands and Belgium increased by 12% and 9% w/w respectively, while demand in France and Germany remained broadly flat.
- Year-to-date demand is averaging 447 mcm/d, compared to 439 mcm/d during the same period last year.
- The outperformance has been driven by heightened demand in February due to colder weather and less favourable renewables conditions.

APAC LNG

Asia's LNG prices eased further last week as subdued demand, rising supply and ample inventories have added downward pressure. Furthermore, the risk premium linked to the Israel-Iran conflict has vanished post ceasefire.

- The average LNG price for August delivery into north-east Asia was \$12.70/MMBtu, down from \$13.10/MMBtu last week, Reuters said.
- The JKM front-month swap ranged between \$12.137/MMBtu and \$13.285/MMBtu in the week to Jul-08, compared to a range of \$12.578/MMBtu and \$14.709/MMBtu the week prior, according to Bloomberg.

Heat Wave Could Boost Demand but China's Buying Remains Slow

Some Asian end-users are expected to ramp-up summer LNG procurement activities to meet rising cooling demand as Northeast Asia grapples with unprecedented heat waves, according to Platts.

- Multiple regions across northern Asia have reached record-high temperatures for June, with meteorological agencies issuing heat wave warnings for the coming weeks.
- Taiwan's CPC bought a shipment of LNG for September delivery via a tender late last week, while Vitol and Glencore acquired cargoes for August delivery to North Asia, Bloomberg said.
- Some importers in South and Southeast Asia are also looking for LNG shipments for August, in what is likely a move to take advantage of the recent decline in prices, Bloomberg reported.
- Despite the warmer weather, there has been no significant uptick in Chinese demand, with recent purchases aimed at ensuring adequate storage, Platts said. Furthermore, there are no immediate plans to purchase spot cargoes, sources told Platts.
- In China, LNG inventories remain high, while industrial demand is weak, Reuters said.
- Oil prices may also limit China's LNG buying of spot LNG this month, with ample crude-linked piped natural gas available to meet spikes in summer demand, ENN Group said.

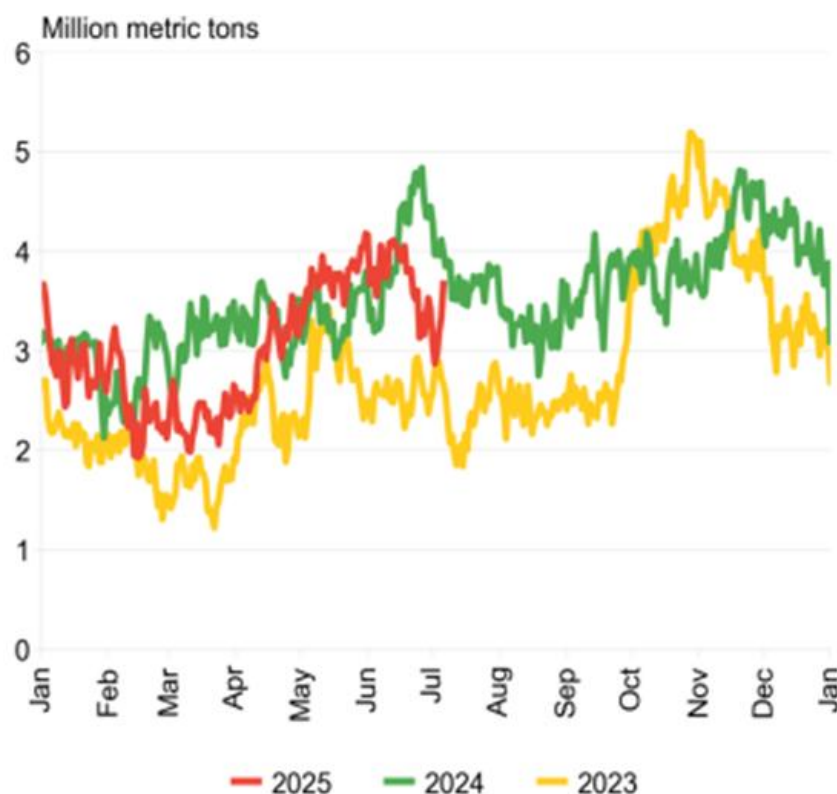
- Commensurately, South Korean end-users have not actively sought August LNG cargoes despite a heat wave as inventory levels remained buoyed.
- In Japan, LNG stockpiles fell by 6.98% on the week to July 6 to 2.0m tons, according to data released by the trade ministry cited by Bloomberg.

Healthy Supply Could Keep Market Bearish

An overall bearish outlook for JKM is expected to continue, as the ramp up in volumes from LNG Canada adds further supply length to the region. However, further price declines could spur some restocking demand in Japan, Kpler analysts told Reuters.

- US LNG netbacks show a premium to Asia over Europe throughout the balance of 2025 based on settlement prices late last week, BNEF said.
- LNG tanker Cool Explorer appeared to be diverting away from Europe, having made a sharp turn south in the mid-Atlantic, according to ICIS analyst Alex Froley.
- LNG volumes at sea for at least 20 days increased 4.1% over the last week to 3.67m mt, according to Bloomberg estimates. The volume on July 6 was 8% lower on the year but 39% above the 2020-24 average.

LNG Volumes on Water - Source (Bloomberg Finance L.P)



LNG Trade Outlooks

APAC's LNG imports are projected to rise 32% from 2024 to 366m mt by 2030, according to BNEF.

- The increase is driven primarily by mainland China, Southeast Asia and South Asia. Conversely, Japan is expected to see a decline. Imports are supported by decarbonisation, economic and infrastructure growth, gas supply gaps, and more competitive LNG pricing.
- Global LNG trade in June reached 46.5 Bcm, down 1.8% on the month and up 5.9% on the year, according to a JPMorgan note.
- Global LNG trade remained remarkably steady in 2024 with volumes 1% higher at 406mt, despite contrasting regional dynamics, the GIIGNL annual report showed.
- Healthy expansion in Asia, led by China and India, was set against declining gas consumption in Europe. However, the global LNG demand outlook remains "deeply uncertain," GIIGNL said.
- Global LNG liquefaction capacity is expected to grow by 37% to over 672.1m mtpa by 2028 with around 180mtpa of new capacity. Global regasification capacity rose to 1188m mtpa with 12 new terminals in 2024.

South Asia

Pakistan's LNG demand is expected to remain stable or slightly increase in the 2025–26 fiscal year, supported by improved macroeconomic stability, lower interest rates, and efforts to secure continued IMF funding, Platts said.

- Analysts expect LNG demand to range between 1,000–1,200 mmcf/d, depending on availability and pricing, with overall gas demand holding steady.
- While LNG imports may pick up in the short term, long-term industrial demand is expected to remain weak due to affordability issues and structural challenges in Pakistan's energy mix.
- Indian LNG imports for June were down 18% on the year, according to ship-tracking data compiled by Bloomberg, due in part to lower-than-expected summer temperatures.
- India's Gujarat State Petroleum was seeking to purchase cargoes for August via tenders, traders said.

Russia's Far East

Russia's Sakhalin 2 LNG plant has resumed loadings after planned maintenance, LSEG data showed.

- Elsewhere, The Vladimir Voronin LNG tanker appears to be the second cargo of the year heading through the Northern Sea Route from Russia's Yamal LNG towards Asia, according to ICIS analyst Alex Frolely.
- The Georgiy Ushakov was the first of the year leaving Yamal LNG on June 18 and is now nearing China.

Middle East & Africa:

Egypt's LNG imports rose 14% quarter on quarter in Q2 to 1.28m mt — the second-highest volume since Egypt resumed LNG imports, Platts said.

- However, at least three June cargoes were diverted, likely due to excessive purchasing and infrastructure limitations.

- Traders cited a lack of FSRU capacity rather than demand as the main issue, with Egypt operating only one active FSRU at Ain Sokhna.
- Two more FSRUs — Energos Eskimo and Energos Power — are expected to be operational soon, and a third is en route from Turkey under a recent agreement.
- Furthermore, the Floating LNG terminal Energos Force, originally leased to Germany, is now bound for Egypt having been let to EGAS, Bloomberg reported. This would take the FSRUs up to five.
- Germany had originally chartered the Energos Force for 10 years. However, the ship has not delivered any gas since arriving to Stade in March 2024, partly because of delays related to construction work on dry land.
- Meanwhile, Egypt's Damietta terminal received its first laden ship in over two years, signalling a shifting role in LNG flows.

Egyptian LNG Imports Increased by 14% in Q2 – Source: Platts



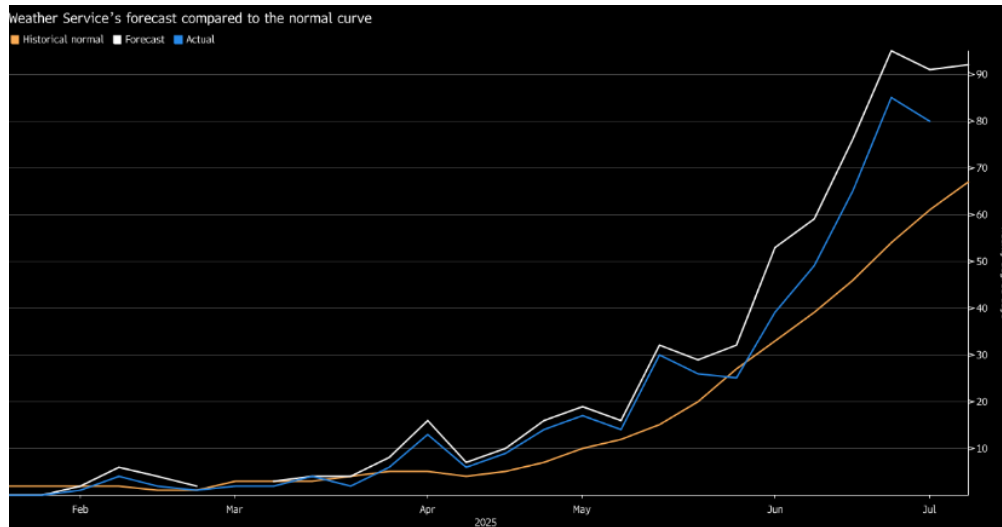
- In other news, Australia's Santos has signed a mid-term LNG deal with QatarEnergy Trading for the supply of 0.5m mtpa of LNG for two years from 2026.
- In Q2, 10.36m mt of LNG was exported from the African continent, up 12.8% from the same period in 2024, Platts said.
- This reflects a strong recovery after weak Q1 volumes. May alone saw exports reach 3.73m mt—the highest monthly figure since April 2023, Platts added.

US Natural Gas:

Henry Hub has lost ground on the week amid pressure from cooling weather forecasts, a continued storage surplus, and strong domestic production numbers.

- Henry Hub Front Month has traded between \$3.275/MMBTU and \$3.574/MMBtu this week, compared to \$3.199/MMBtu and \$3.751/MMBtu over the previous week.
- Lower 48 natural gas production averaged 107.21 bcf/d in the 10 days to Jul-08, compared to last week's 10-day average of 106.81 bcf/d.
- Baker Hughes rig count: Gas: 108 (-1). This is up 8 rigs, or 8% on the year.
- US cooling demand for the week ending July 12 is forecast to be 21 cooling degree days (CDD) above the long-term normal, according to Bloomberg, citing the NOAA. During the week to July 5, the US was 14 CDDs above normal.

US CDD Count- Source (Bloomberg/NOAA)



EIA Short Term Energy Outlook

Henry Hub spot prices for 2025 have been cut by 35 cents/MMBtu, or 8.7%, to \$3.67/MMBtu, according to the EIA in its July Short Term Energy Outlook.

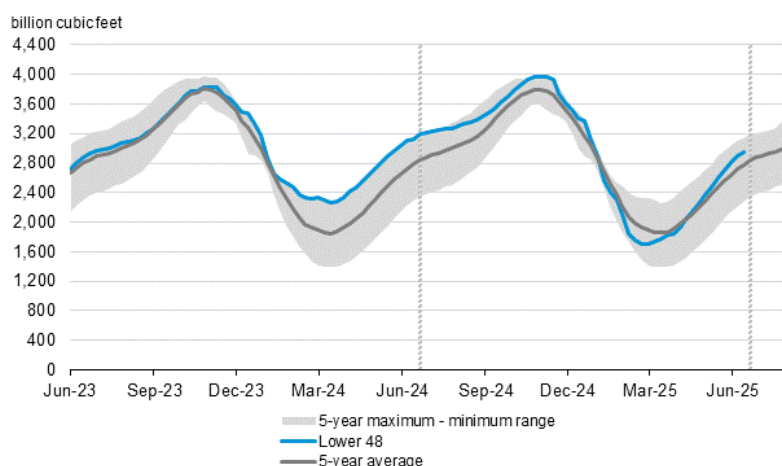
- Prices in 2026 are seen at \$4.41/MMBtu, down from \$4.41/MMBtu in the June outlook. US dry natural gas production across 2025 is stable at 105.9 bcf/d. Production in 2026 is expected to be 105.4 bcf/d, down 1 bcf/d on the June forecast.
- US natural gas consumption for 2025 has been raised by 0.1 bcf/d to 91.4 bcf/d, while 2026 consumption is at 91.1 bcf/d, unchanged on June's outlook.

US Gas Storage

The EIA weekly gas inventories for the week ending June- 27 showed a build of 55 bcf. The seasonal five-year average shows a net build of 61 bcf. Stocks built by 35 bcf this time last year.

- Total stocks are up to 2,953 bcf. This is 176 bcf below levels seen a year ago and 173 above the previous five-year average of 2,780 bcf.

US Working Gas Storage 5-Year Range- Source (EIA)



US LNG

Natural gas deliveries to US LNG terminals averaged 15.15 bcf/d in the seven days to Jul-09, compared to the seven-day average of 15.03 bcf/d during the previous period.

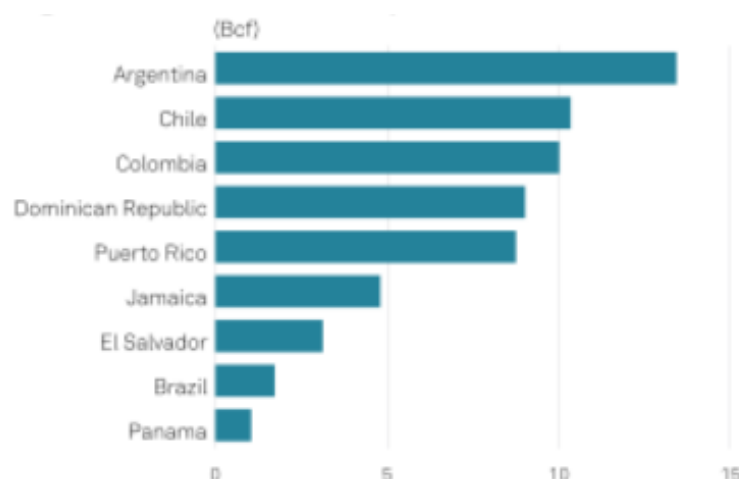
- US LNG exporter Venture Global inked a 20-year LNG deal with Petronas, the company said July 3. Petronas has agreed to buy 1m mtpa of LNG from its CP2 project.
- Golden Pass LNG has asked permission from US regulators to re-export LNG imported to cool down equipment at its export plant as startup activities and production nears. The request is for a two-year period from Oct. 1, according to a notice dated June 26.

Latam

In June, Argentina led LNG imports to Latam and the Caribbean, driven by seasonal winter demand and a cold snap that prompted authorities to restrict natural gas supply to industry and CNG stations, Platts said.

- Imports reached 13.42 Bcf—up 568% from May—across seven cargoes, six from Trinidad and Tobago and one from the US Gulf Coast.
- Enarsa, Argentina's sole importer, has secured 22 cargoes through three tenders so far in 2025.
- Eight are planned for July, including two rescheduled from May, but no further arrivals are expected as the Escobar FSRU is at full capacity. A fourth tender is expected in mid-July for August deliveries.
- Regional LNG imports rose nearly 16% in June to 62.26 Bcf, the highest monthly total of 2025.
- Chile and Colombia followed Argentina as top importers, while the US and Trinidad and Tobago were the leading suppliers.

Latam LNG Imports in June - Source (Platts)



Petrobras Restarting Closes Gas Wells

Petrobras CEO Magda Chambriard said during a press conference in Rio de Janeiro that two wells of gas production closed since 2007 are set to resume operations at the Roncador Field.

- "Our effort today is to put more gas on land," according to Chambriard.
- Each well has the capacity to produce 1.5 mcm of gas. One of the wells will start operating this month.