

MNI Gas Weekly: Market on Alert for Russia Sanctions

By Lawrence Toye, Daniel Dawson, & Zach Simon (10/09/2025)

Executive Summary:

- **European Gas Benchmarks** have drifted higher amid risks of Russian energy sanctions and rising geopolitical tensions.
- Asia's **LNG market** has held steady as regional demand remains muted while the market takes stock of Chinese buying from the sanctioned Arctic LNG 2 facility.
- In the **Middle East & Africa**, Chevron is looking to boost Israeli gas flows to Egypt to meet an "insatiable appetite"
- **Henry Hub** has continued its downward trajectory amid cooler weather forecasts
- In **the Americas**, LNG tanker transits through the Panama Canal were stable in August

European Natural Gas:

TTF front month has broken above the range seen last week, back towards late-August levels amid the risk of increased sanctions on Russian energy, with some support from increasing geopolitical tensions.

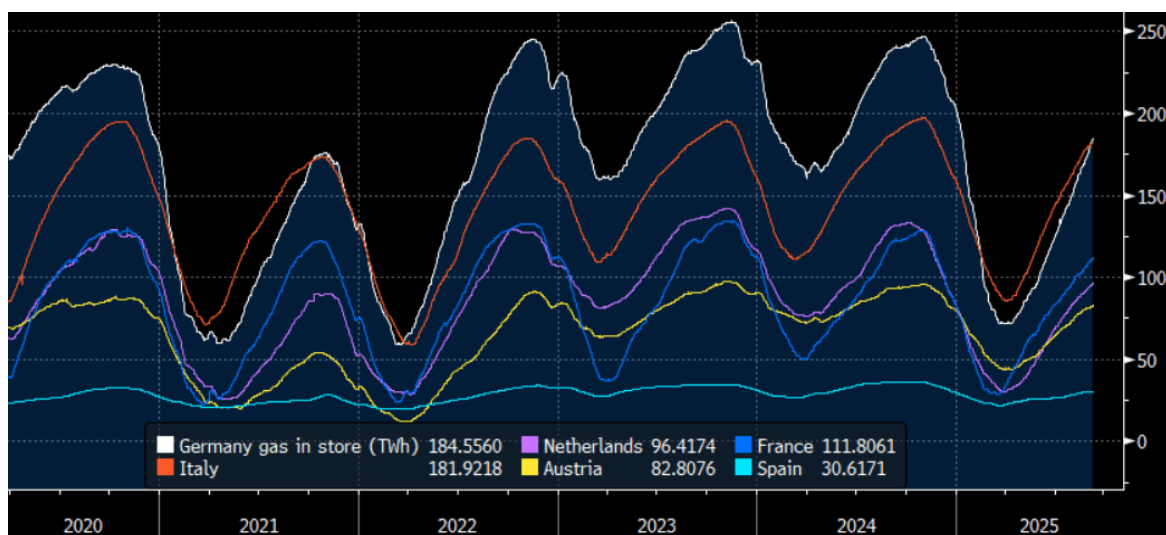
- Front month TTF prices traded between €31.7/MWh and €33.35/MWh this week, compared to €31.035/MWh and €32.735/MWh over the previous week.
- The market is weighing the risk of increased sanctions on Russia, as China ramps up purchases of sanctioned Russian LNG. Trump told European officials he's willing to impose sweeping new tariffs on India and China to push Russia to the negotiating table
- LNG demand in parts of Asia has been relatively muted, while Europe has managed to attract enough cargoes to get its underground gas storage sites nearly 80% full.
- Norwegian gas flows to Europe remain muted due to peak maintenance. The markets are wary of any setbacks or delays.
- LNG flows to Northwest Europe on Sept. 8 were 203.19 mcm/d, 12% higher than the 30-day average according to Bloomberg tracking.
- European gas storage was 80% full on Sept. 8 vs the 5-yr seasonal norm of 86% for this time of year according to GIE.
- Norwegian nominated flows to UK and Northwest European terminals is at 245.30 mcm/d on Wednesday vs 5-day moving avg 245.60 mcm/d according to Gassco.
- The UK's Dragon LNG terminal has launched a market consultation for the auction of regasification capacity available from Aug. 26, 2029, according to a statement cited by Platts.
- Italy's Adriatic LNG said on Thursday it would return to full operation by mid-September following maintenance.

European Gas Stores Approaching Pre Winter Target

Total European gas storage is approaching the pre-winter target up to 79.49% full on Sep. 7 compared to the previous five-year average of 86.1% full and 92.9% a year ago, according to GIE with net injections holding above normal.

- Net European gas storage injections have risen back above normal in recent days after falling back to previous five-year average levels last week.
- Net storage injections edged up to 3,037GWh/d in the week to Sep. 7 and compared to the previous five-year average of 2,103GWh/d, GIE data shows.
- Healthy storage levels have helped limit upside pressure on TTF front month futures despite seasonal Norwegian field and plant outages and sanctions risks to future Russian supply. A small rise in LNG sendout so far in September has assisted European supplies.
- 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 82% and 91.6%.
- Storage in Germany is at 184.6TWh (74.1% full), Italy at 181.9TWh (89.6%), Netherlands at 96.4TWh (66.9%), France at 111.8TWh (88.9%) and Austria at 82.8TWh (82.6%).

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

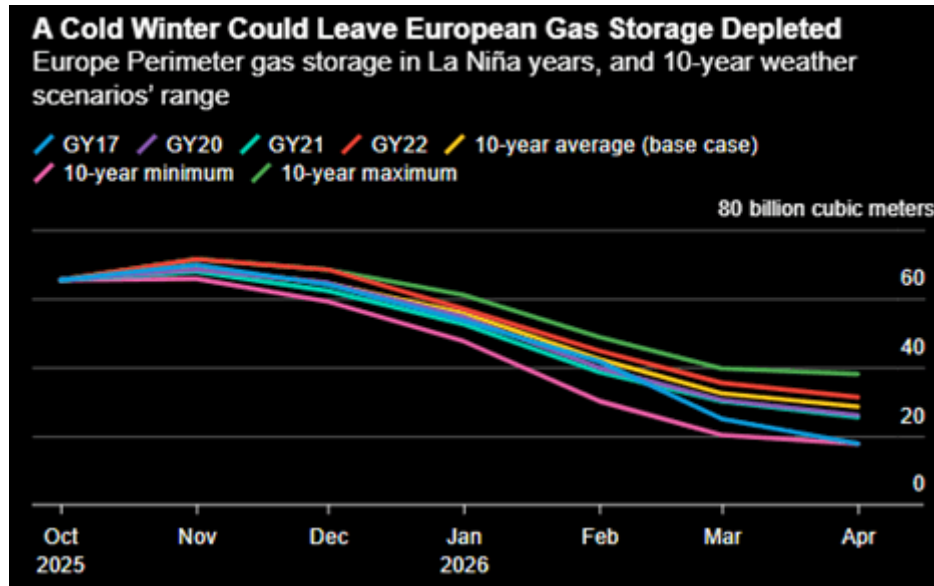


Cold Winter Risks Increased Europe-Asia LNG Competition

If NWE faces a colder-than-normal winter, the resulting higher gas demand could prompt competition with Asia over LNG cargoes to refill gas storage, according to BNEF.

- In BNEF's base case, gas demand in Europe is expected to decline by 2% y/y in winter 2025-26 under 10-year average weather, leaving inventories 36% full by end-March 2026.
- Gas demand could rise under colder-than-normal temperatures. Some forecasts have been pointing toward a La Niña winter, which has a modest cooling effect in Europe.
- If the coming winter is a repeat of the gas year 2017-18, which saw a cold spell in February-March, stockpiles would fall to 22% by end-March.
- Summer stockpiling would then need a boost of nearly 11bcm on top of the 40bcm seen in BNEF's base case.
- Meeting this higher injection need would require additional LNG, resulting in additional competition with Asian buyers over the summer.

European Gas Storage Scenarios - Source (Bloomberg Finance L.P.)

**EU Should Not Return to Russian Energy if Ukraine Peace Agreed**

The EU should not return to Russian energy in the event of a Russia and Ukraine peace deal, EU Energy Commissioner Dan Jorgensen said ahead of an informal meeting with EU energy ministers on Friday.

- Jorgensen, who is responsible for the EU's energy policies, said he had not come under pressure from the US to halt Russian oil purchases faster than the 2028 deadline, but would welcome US backing.
- The EU is negotiating a legislative proposal put forward by the European Commission for the phase-out of Russian oil and gas imports by the end of 2027.
- Jorgensen said he was in talks with Hungarian and Slovakian governments about their concerns but if needed, EU countries could approve the phase-out plans without them.
- EU diplomats expect energy ministers to approve them at a meeting next month.

EU Discussing Potential Sanctions on China for Russian Energy Imports

EU officials are discussing potential sanctions against China and other third countries for purchasing Russian oil & gas, the FT reports.

- US President Trump has said he is open to new measures targeting Russia in conjunction with the EU after previous efforts to force President Putin into peace talks failed.
- EU officials and diplomats began negotiations on Sunday over what could feature in a new sanctions package.
- Potential secondary sanctions against China were raised in many of the discussions, according to three people briefed on the preliminary talks.

- The proposals are “very early stage”, one of the people said, and are unlikely to be adopted unless the US also targets China’s energy imports.
- Secondary sanctions would require unanimous backing by the EU’s 27 members, with Hungary and potentially Slovakia likely to oppose the move.
- A delegation of EU officials is meeting with US counterparts later on Monday to discuss sanctions against Russia.
- The European Union is considering a faster phase-out of Russian fossil fuels as part of new sanctions against Moscow, European Commission chief Ursula von der Leyen said on Wednesday, following U.S. pressure to stop buying Russian oil.
- EU officials are currently in Washington to discuss coordination on new Russia sanctions with the administration of U.S. President Donald Trump.

Exxon Expects More Long-Term EU LNG Deals

ExxonMobil expects the EU to sign multi-decade contracts for US gas as part of a pledge to buy \$750bn of American energy, a shift that would underline Europe’s long-term reliance on gas, the FT reports.

- Peter Clarke, SVP of Exxon’s LNG business said Europe was “now the most important market” for US LNG exports and the next step would be for the continent “to figure out how it supports long-term contracting.”
- “That is a development I think that’s coming on the track,” Clarke told the FT.
- EU countries have until recently resisted multi-decade fossil fuel deals in order to protect climate goals, even after Moscow’s full-scale invasion of Ukraine cut off the flow of Russian pipeline gas.
- They preferred to compete with Asia for LNG cargoes on the spot market but that behaviour is shifting.
- In July, Eni signed a 20-year deal with Venture Global for 2mtpa of LNG. Sefo has signed a 10-year agreement with ConocoPhillips and a 20-year deal with Venture Global.
- The US has pushed Europe to end all purchases of Russian gas if it wants tougher American sanctions on Moscow.

Flows via European LNG Terminals to Ukraine "Too Expensive"

While Ukraine is establishing routes to receive natural gas via European LNG terminals and pipelines, such flows are “still too expensive,” said James O’Brien, head of LNG at D. Trading, cited by Bloomberg.

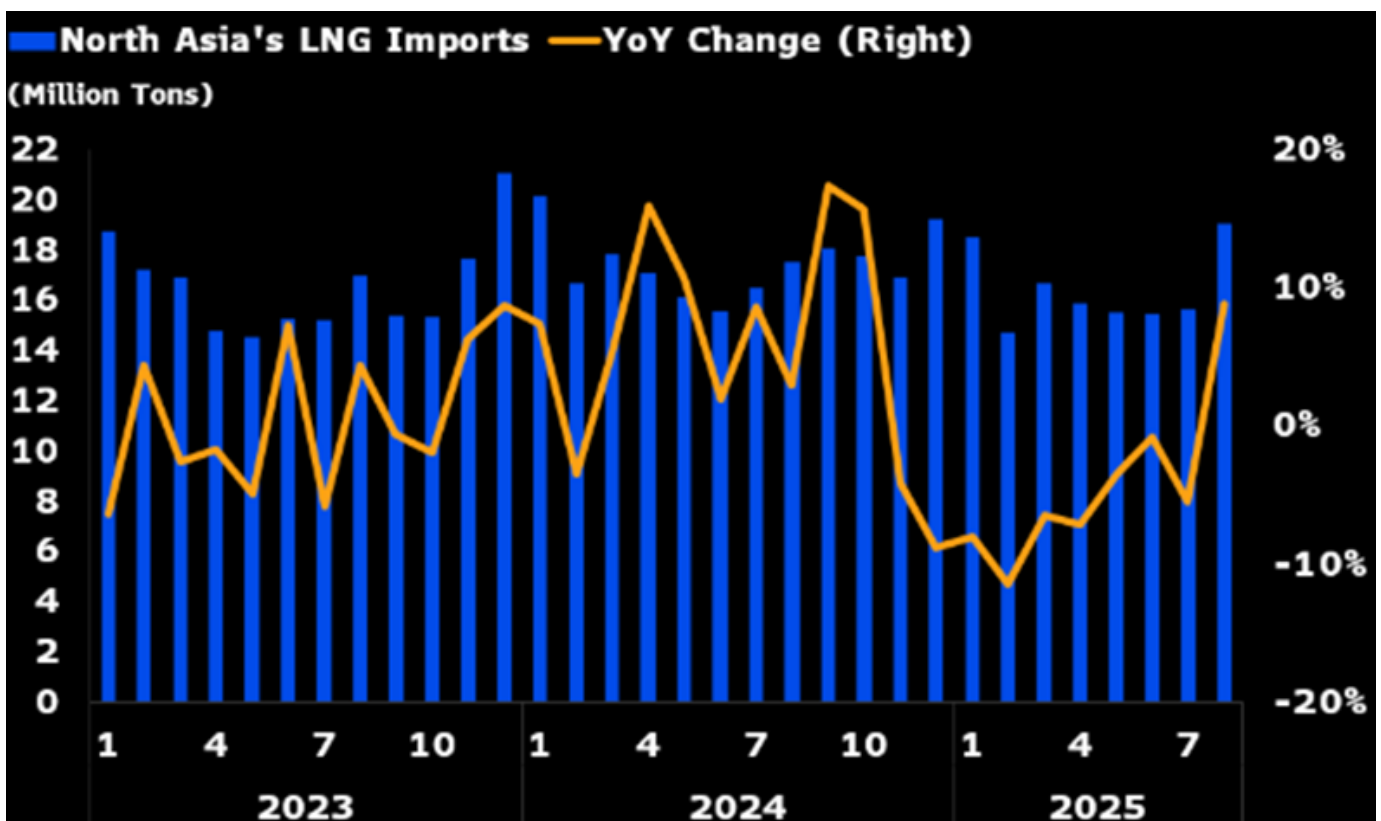
- D. Trading is a unit of Ukraine’s private energy company DTEK.
- “So the normal rate, just to say from Greece to Ukraine is about €12/MWh, which is massive,” and adds “30-40% to your LNG price,” he said.
- “So imagine you’re buying a cargo around TTF level, you’ve got to pay 12 euros on top of that.”
- In December, D. Trading arranged a US LNG cargo arrival into Greece for supplies to Ukraine. The deal involved swaps of gas in the region to avoid high transport costs.
- He also said, “the increase in capacity between Poland and Ukraine was very helpful to fill Ukraine’s storage. It’s allowed Ukraine to really boost their gas storage ahead of the winter.”

APAC LNG

Asian spot LNG prices held largely steady last week as regional demand remained muted, Reuters said.

- The average LNG price for October delivery into Northeast Asia was at \$11.30/MMBtu, up 15 cents/MMBtu on the week, sources told Reuters.
- "Buying interest remained muted from east Asian importers, with some Japanese and Korean companies offering cargoes for fourth-quarter delivery," Rystad Energy analyst Masanori Odaka told Reuters.
- Current prices remain above trading levels for some end users, with Chinese importers, namely utilities keen to buy at around \$10.50/MMBtu.
- Furthermore, the market is waiting for more clarity as to whether the US will tighten sanctions on Russian LNG, according to Bloomberg.
- Japan's power sector inventories are expected to rise seasonally to 2.7m mt in October and 2.8m mt in November, limiting spot demand, Kpler said.
- However, a potential early-September heatwave may trigger short-lived drawdowns and brief support to JKM, but broader fundamentals remain bearish, Kpler added.
- LNG stockpiles held by Japanese power generators decreased 9.95% to 1.81m mt on Sep. 7 from a week earlier, according to data released by the trade ministry cited by Bloomberg. Stockpiles are below the five-year average of 2.05m mt for the end of September.
- India's LNG demand remains steady at 1.8m mt for September, amid near-normal temperatures and above average rainfall, capping gas-for-power consumption this month, Kpler said.

North Asia LNG Imports- Source (Bloomberg Finance L.P.)



Supply Side

The LNG volume at sea for at least 20 days increased 3.3% over the last week, according to Bloomberg estimates. LNG on water volumes were 3.40m tons as of Sep. 7, compared to 3.29m tons the week prior.

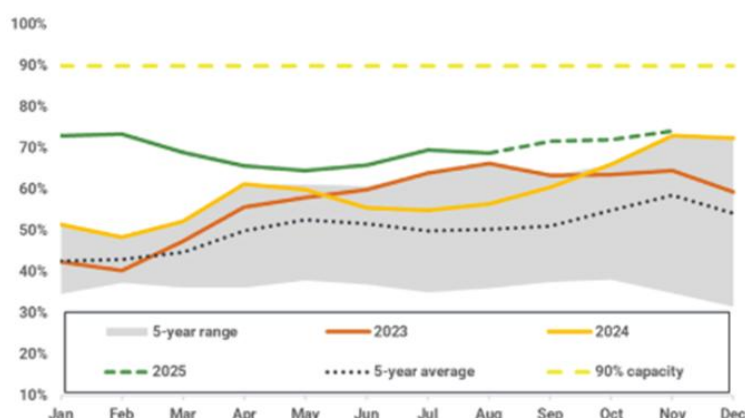
- Petronas said there has been no disruption to supplies after the Malaysian National Security Council recently announced a potential security risk at the LNG facilities in Bintulu.
- “At present, there has been no impact on our operations and no disruptions to our supply,” Petronas said.
- All LNG facilities in Bintulu were ordered by the government to immediately tighten security following a security threat, Bernama reported according to Bloomberg.
- Shell is reconsidering its future role in the 14.4m t/y NWS LNG terminal in Western Australia, the latest in a series of setbacks for the project, Argus reports. Shell backed out of the nearby 11.4m t/y Browse gas field development, which is meant to supply gas feedstock to NWS, in May 2023.

Spot Demand Could be Muted This Winter

Above-average LNG inventories in North Asia will likely keep spot demand muted during the winter, according to Kpler cited by Bloomberg. Bloomberg added that muted spot demand for LNG in Asia could ease both global competition for the fuel and upside pressure on prices during the winter months.

- However, a note by Bloomberg Intelligence cautioned that JKM could hit \$12/MMBtu in Q4 as a colder winter is expected to lift demand for LNG. Heating demand and gas consumption could soar during a much colder-than-expected winter ahead, as a weak polar vortex formation risks sending Arctic air south across parts of the northern hemisphere.
- Under a normal winter scenario, Kpler said that LNG reserves in Japan and China are expected to stay above the five-year average for Q4, while inventories in South Korea are expected above the seasonal average in November.
- China’s 2025 LNG demand has been revised down by 0.3m mt to 71m mt as industrial gas use and LNG sales remain weak, Kpler said. Inventories remain elevated – at 7.0m mt by end-August and representing 70% full – and are projected to rise further, cutting restocking needs.
- South Korea’s LNG demand outlook has been revised higher on strong August imports and extended nuclear outages, but inventories remain 5m mt above the 5-year maximum even after a warm summer, Kpler said.

China Implied LNG Inventory Forecast- Source (Kpler)



China Ramps Up Arctic LNG 2 Buying

China appears to be setting up a system to import regular Arctic LNG 2 cargoes, a move that will test the Trump administration's willingness to penalize Beijing, Bloomberg reports.

- China is now taking more blacklisted Russian LNG and has designated the Beihai terminal in southern China to accept shipments, Bloomberg says citing people familiar with the matter.
- A third tanker, the sanctioned Zarya, carrying an Arctic LNG 2 cargo docked at the Beihai terminal in southern China Sep. 9, according to ship-tracking data.
- A fourth vessel, the 0.174 mcm Iris, is currently en route to the port, Platts said.
- Market expectations are for around 5-8 cargoes from the Arctic LNG 2 terminal to be delivered to Tieshan per month, Platts added.
- The impact on Asian LNG prices depends on whether this is a more consistent trade flow or a one-time flurry of shipments meant as a political message, Platts cautioned.

China-Russia Gas Deals Won't Weaken Asian Demand for US LNG

Other gas deals recently announced between China and Russia – namely plans for a Power of Siberia 2 pipeline – are unlikely to weaken Asian demand for US LNG, according to Venture Global LNG CEO Michael Sabel cited by Reuters.

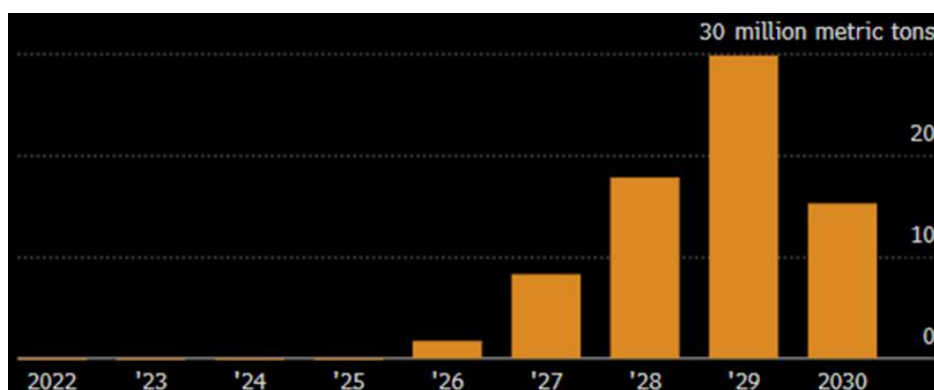
- "Don't get too distracted by short-term political impacts, because we're making investment decisions to build things that will be around for 50 years," Sabel said.
- Asian gas demand will be supported by a shift from coal to gas use for power generation, along with nuclear and renewables.
- While the trickle of shipments to China isn't expected to meaningfully weigh on prices, it does raise the risk of additional restrictions against Russian exports from the US or the EU.

Global LNG Market Facing Supply Glut from 2026

The global LNG market faces a multiyear supply glut starting in 2026, potentially pushing prices to the lowest since the energy crisis triggered by Russia's invasion of Ukraine, Bloomberg reports.

- More than 174m metric tons of annual LNG capacity is currently under construction, which should raise global LNG supply to 594m tons a year by 2030, an increase of 42% from last year.

LNG Market Excess Supply- Source (Bloomberg Finance L.P.)



- “With more LNG capacities coming online in 2026, the market should loosen after the first quarter,” said Aldo Spanjer, head of energy strategy at BNP Paribas SA.

Middle East & Africa:

Israel’s PM Benjamin Netanyahu is threatening to derail a planned 130 bcm Israel-Egypt expanded gas deal from the Chevron-operated 1.2 bcf/d Leviathan gas field, MEES reported.

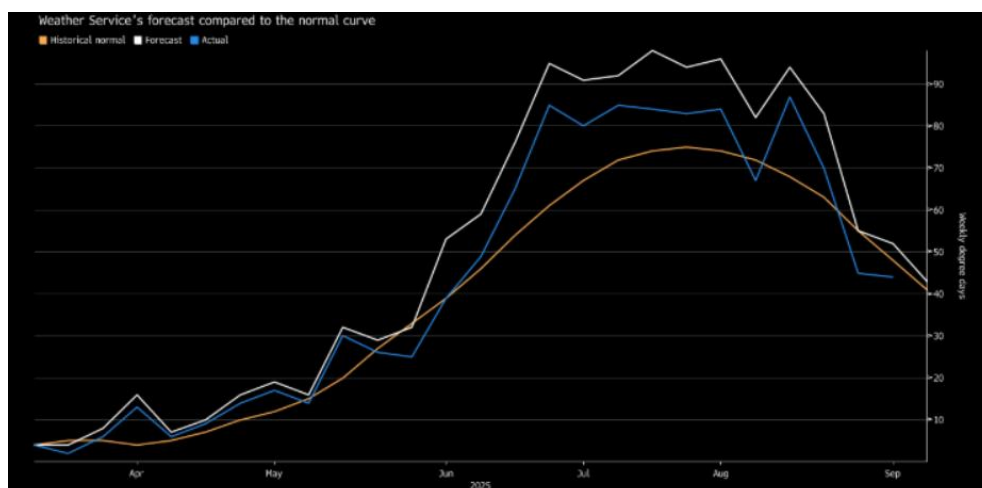
- This comes as Netanyahu is unhappy with Egypt’s military build-up in the Sinai and Cairo’s opposition to Israel’s ongoing military operations in Gaza.
- Israeli newspaper Israel Hayom reported that Netanyahu has chosen to freeze the deal.
- However, MEES added that the companies involved – Chevron and NewMed Energy – believe Netanyahu is simply unhappy about being sidelined from the deal and are quietly confident it will be approved.
- Meanwhile, Chevron’s President for Global Gas Freeman Shaheen told Gastech that the company is working to boost supplies of Israeli natural gas to Egypt to meet an “insatiable appetite”.
- “Egypt needs all the gas it can get,” Shaheen said in an interview at Gastech.

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 \$3.021/MMBTU and \$3.198/MMBtu this week, compared to \$2.85/MMBtu and \$3.131/MMBtu over the previous week.
- Lower 48 natural gas production averaged 108 bcf/d in the 10 days to Sep-09, compared to last week's 10-day average of 108.44bcf/d.
- US cooling demand for the week ending September 23 is forecast to be 1 cooling degree days (CDD) above the long-term normal, according to Bloomberg, citing NOAA. During the week to September 6, the US was 6 CDD above normal.

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



- The latest EIA Short-Term Energy Outlook released on September 9 forecasted Henry Hub to strengthen from \$1.25/MMBtu to \$4.26/MMBtu in December and peak at \$4.60/MMBtu in January.
- The EIA expects production growth in the Permian to slow, Bakken and Eagle Ford to decline next year, and Appalachia and Haynesville to grow by a combined 0.8 Bcf/d.

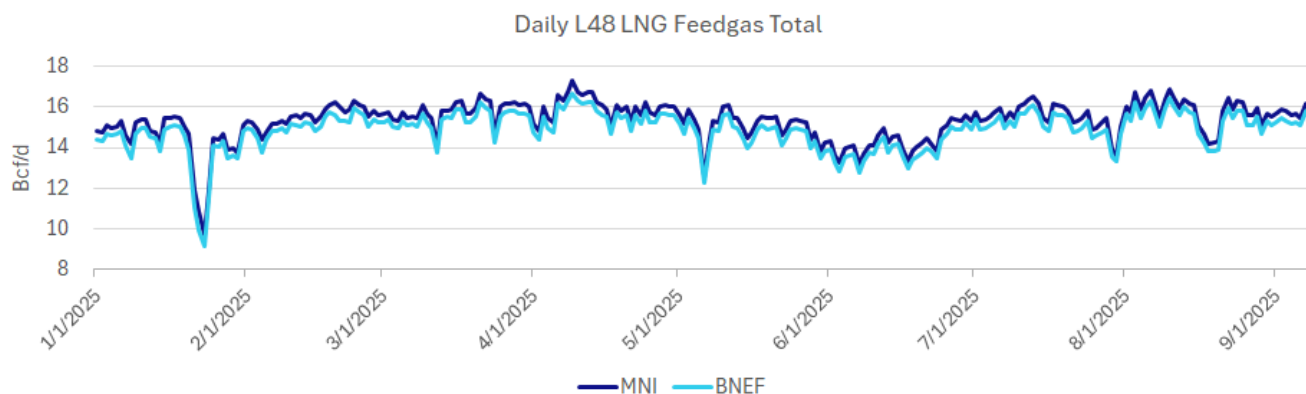
Regional Hubs

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

- Waha priced at or below \$1.00/MMBtu as steady production meets relatively low pipeline utilization rates (~67%) and increased EPNG maintenance. EPNG updated its maintenance schedule on September 8, taking 35 mmcf/d more capacity offline from September 9 through September 15 on the Lincoln Crossover segment for a total of 123 mmcf/d. EPNG's total scheduled maintenance offline capacity for September 9 through 15 now ranges between 1.512 bcf/d and 2.237 bcf/d.

US LNG

Natural gas deliveries to US LNG terminals averaged 15.1 bcf/d in the seven days to Sep-10, compared to the seven-day average of 15.24 bcf/d during the previous period.



Freeport LNG Experienced an Outage on Saturday September 6; Flows to Sabine Pass Subdued on September 9

Feedgas data to Texas' Freeport LNG show a sudden drop over the weekend from 1.859 bcf/d on Friday September 5 to 1.320 bcf/d on Saturday September 6, according to BNEF

- Flows started to recover on Sunday 7, rising to 1.765 bcf/d. Flows on Monday increased to 1.871 bcf/d, exceeding the moving 30-day average of 1.64 bcf/d.
- Sabine Pass took on significantly less gas on September 9. America's largest facility received 3.83 bcf/d on Tuesday, down from 4.67 bcf/d the previous day, according to MNI estimates. Flows from Kinder Morgan's

Louisiana Pipeline into Sabine Pass were down nearly 500 mmcf/d on the day to 925,933 mmcf/d from 1.43 bcf/d the previous day.

NextDecade Makes Headway on Trains 4 and 5 of its Rio Grande LNG Facility

NextDecade reached FID on Train 4 of its Rio Grande LNG facility, Train 5 reached full commercialization with a commitment from ConocoPhillips

- FID was set to be announced on Monday September 15, but the company made the decision public nearly a week before on Tuesday September 9.
- Train 4 has signed SPAs with TotalEnergies (1.5 mtpa), Aramco (1.2 mtpa), and ADNOC (1.9 mtpa).
- On September 8, ConocoPhillips announced it has signed a 1-mtpa SPA with NextDecade to reach full commercialization of Train 5.
- Train 5 now totals 4.5 MTPA under 20-year LNG SPA, and the company now believes FID is imminent in the fourth quarter of 2025.

FERC Grants Venture Global Construction Request for CP2

Venture Global received approval to begin construction of the outer concrete calls for the LNG storage tanks at Calcasieu Pass 2 on September 9

- Venture Global announced a positive FID on phase 1 of the 28-mtpa CP2 facility on July 28th and is targeting production sometime in 2027.
- The facility will be supplied by CP Express originating in Jasper and Newton County, Texas and terminating in Cameron Parish, Louisiana.

EQT Signs 20-Year 1 MTPA LNG SPA with Commonwealth LNG

EQT agreed to offtake 1 MTPA from Commonwealth LNG's Louisiana export terminal, bringing the total committed volumes to 5 mtpa

- The facility has a nameplate capacity of 9.5 mtpa, of which Glencore has 2 mtpa in commitments, JERA 1 mtpa, and Petronas 1 mtpa, all signed this year.
- The agreement is structured on an FOB basis, indexed to Henry Hub.
- FID is now expected in Q4 of this year, or even some time this quarter, according to Reuters.

Japan Committed to Exploring Alaska LNG

Japan confirmed its commitment to take \$7 billion annually of energy purchases from the US, which includes exploring offtake agreements from Alaska LNG, according to Reuters.

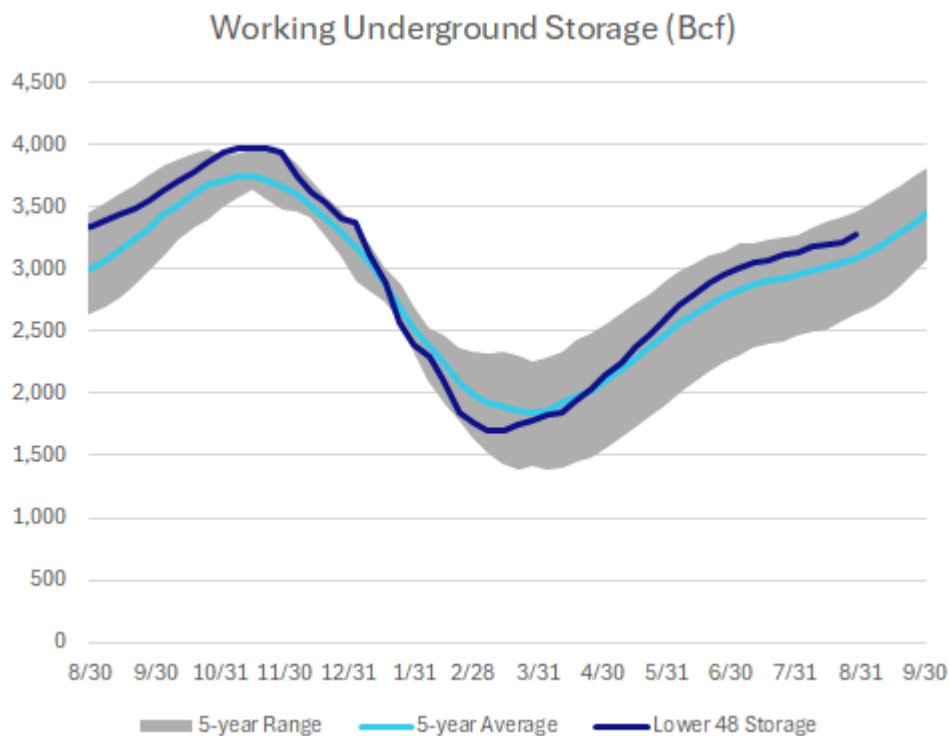
- Alaska LNG could supply 20 mtpa annually to Japan and other East Asia countries.

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.
- The US gas market has persevered in refilling storage through the summer after inventory levels at the end of winter fell below the five-year average, according to a study by BNEF. Cumulative gas injections through August crossed the five-year high and BNEF expects strong storage builds to slow in October amid stronger heating and LNG feedgas demand.
- The 2025 end-of-summer US gas storage estimates is now 116 bcf above the five-year average, according to BNEF. While October's injections are expected to be lower year-on-year, storage could end the summer considerably above the five-year average.

US Gas Inventories – Source (EIA)

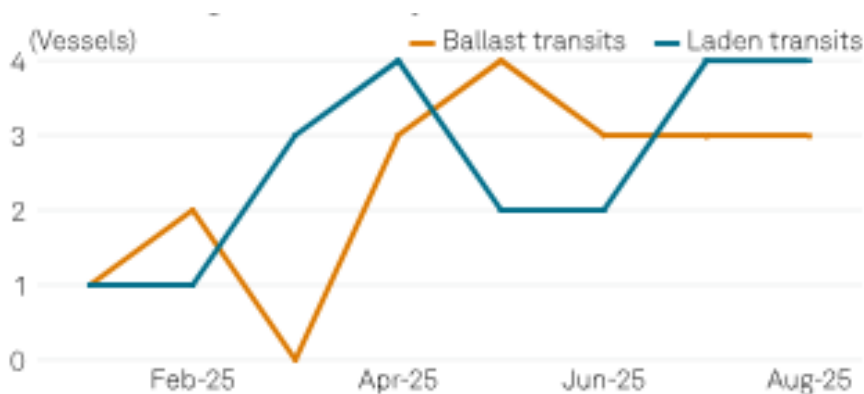


Latam

LNG tanker transits through the Panama Canal in August held steady compared with July, reflecting limited arbitrage opportunities to Asia and continued Latin American demand, according to Platts.

- Four laden carriers passed through the canal, matching July's total and doubling June's figure. Two originated from US export terminals, one from Peru, and another from both the US and Mexico.
- Destinations included South Korea and Mexico, with three southbound and one northbound transit. The northbound passage was the first of its kind since mid-2023.
- Three ballast transits also matched July's total.
- Meanwhile, 18 US cargoes bound for Asia-Pacific avoided the canal, opting for the longer Cape of Good Hope route amid weak freight rates, muted Asian demand and lingering post-drought constraints.

August LNG Transits Through Panama Canal- Source (Platts)



Colombia Seeks LNG Supply Proposals

Colombia's Ecopetrol seeks LNG supply proposals for under-construction Pacific terminal, Platts said.

- The non-binding process seeks indicative proposals for LNG supply to a future FSU in Buenaventura, on Colombia's Pacific coast.
- Participants are asked to submit offers on a DES basis for a five-year term. Submissions are due by Sept. 17.

Brazil Eyeing Argentinian Gas

Argentina's Vaca Muerta shale reserves are emerging as a potential source of natural gas supply for Brazil, where lower-cost imports could ease prices and strengthen industrial competitiveness, Valor International said.

- Argentina, with rising output and limited domestic demand growth, views Brazil as a natural market.
- The main obstacle is infrastructure. While Bolivia has reduced exports to Argentina due to declining reserves, a pipeline already links Argentina to Bolivia.

- This creates the option of moving Argentine gas through the Bolivia–Brazil Gas Pipeline (Gasbol), with a capacity of 30 mcm/d. Current flows are only 18–20 mcm/d, leaving spare room for Vaca Muerta gas.
- Brazil’s Ministry of Mines and Energy estimates imports could begin at 2 mcm/d, rising to 30 mcm/d by 2030. Delivered costs are projected at \$4–\$5/MMBtu, competitive for Brazilian industry.
- Longer term, Brazil may require additional compression capacity, while Argentina must upgrade infrastructure or develop LNG export options to ensure steady flows.