MNI Gas Weekly: Supplies in Focus Ahead of Heating Season

By Lawrence Toye, Daniel Dawson, & Zach Simon (01/10/2025)

Executive Summary:

- **European Gas Benchmarks** have fallen further amid healthy supply fundamentals and despite a cold spell.
- Asia's **LNG market** is under continued pressure from muted demand and strong inventories.
- In the **Middle East & Africa**, Egypt's fourth FSRU arrives.
- **Henry Hub** has risen with the heating season approaching and LNG deliveries elevated.
- In **the Americas,** Mexican billionaire Carlos Slim's Carso is set to Drill at Pemex's Ixachi field.

European Natural Gas:

TTF front month has faced further pressure in recent days, falling to its lowest since late-August, with focus on healthy LNG imports and Norwegian supplies.

- Front month TTF prices traded between €31.265/MWh and €32.975/MWh this week, compared to €31.755/MWh and €33.11/MWh over the previous week.
- Temperatures in NW Europe are forecast to edge up to near normal over the coming weekend and remain at or slightly above normal into next week. CWE wind generation is forecast to rise in the coming days but has been largely revised down over October 3-8.
- Norwegian pipeline supplies to Europe have rebounded to 309.2mcm/d, Bloomberg shows. Gassco shows total unavailable capacity of 93.5mcm/d today, amid unplanned Nyhamna and Troll outages, falling to 53.4mcm/d tomorrow and 33.8mcm/d on Oct. 5.
- NW European LNG sendout is estimated to rise to 202mcm/d on Sep. 30 compared to an average of 174.8mcm/d over the previous week, Bloomberg shows.
- European gas storage was 82.59% full on Sep. 29 compared to the previous five-year average of 89.5% full, according to GIE. Net injections have fallen back below normal on the day.
- Algeria gas flow to Italy at Mazara are today estimated at 33.4mcm/d, Bloomberg shows.
- Dunkirk LNG terminal operator Fluxys said Sep. 30 that a potential strike on Oct. 1-2 could affect operations at its northern French facilities, but the exact duration and consequences remain uncertain, Reuters reported.
- Last week, Elengy issued force majeure notices saying that no ships were expected at any of their facilities before Oct. 2 due to strikes. A vessel docked on Sunday and fuel shipments resumed to support NaTran after an incident on its network.

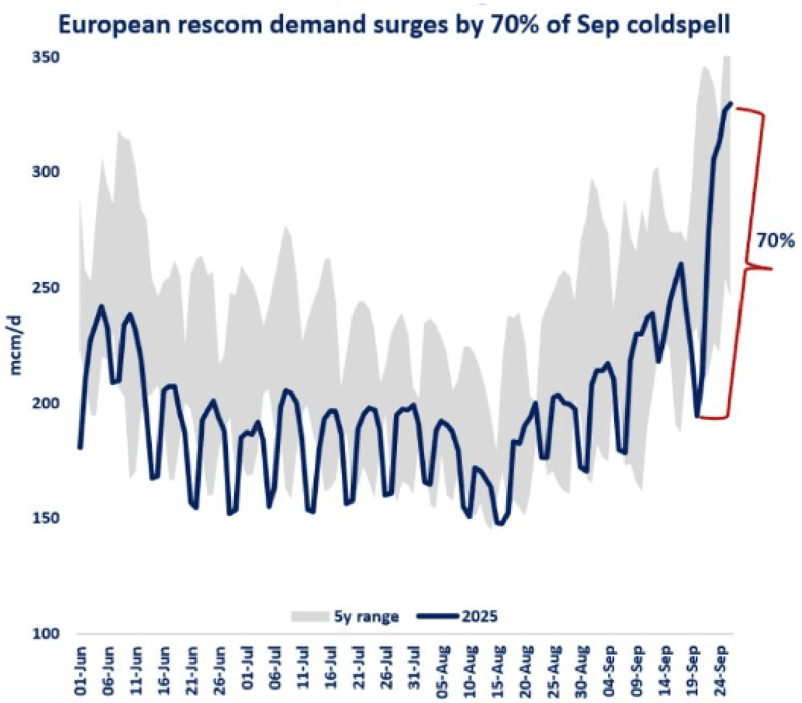
Europe Faced First Cold Spell in Late-September, Boosting Gas Demand

Europe faced its first mini cold spell last week, boosting rescom gas demand by 70% in just one week and limiting storage injections, according to IEA analyst Greg Molnar.

- Sub-seasonal temperatures in late-September supported stronger space heating demand, especially across northwest European markets.
- Daily rescom demand soared by almost 140 mcm/d between 20-26 Sep., equivalent to 1.5TWh/d.
- Rescom demand rose 10% above its five-year average (and 16% above its three-year average).

- The early coldspells highlight that the filling season can sometimes end earlier than expected. Storage injections slowed by almost 40% week-on-week, despite healthy LNG inflows and Norwegian piped gas returning to above 300 mcm/d.
- Temperatures and wind speeds will play a crucial role in whether Europe will be able to fill its storage to adequate levels, Molnar says.
- If not, competition for LNG this winter will be harsher than previously expected.

European Rescom Demand - Source (Greg Molnar)

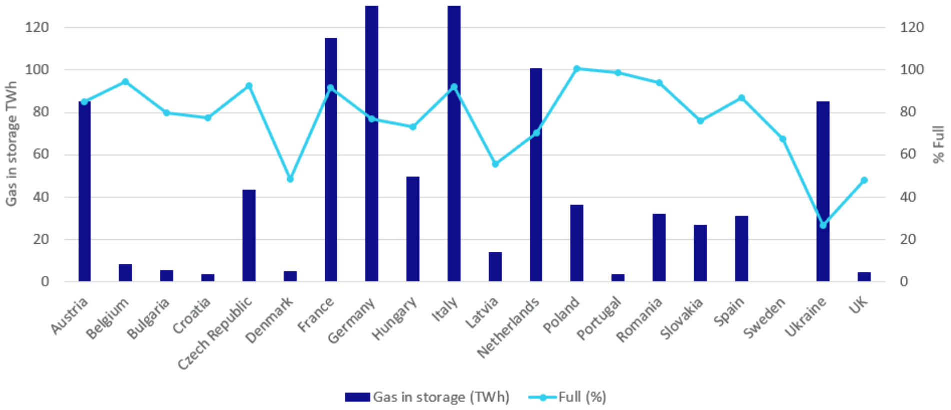


EU Gas Storage Injections Recover After Dip Last Week

Average European gas net storage injections fell below normal last week although have recovered to near normal levels in recent days. Healthy LNG imports continue to support injections ahead of winter while demand in Asia remains muted.

- European gas storage was up to 82.50% full on Sep. 28 but still below the previous five-year average of around 89.4% full, according to GIE.
- Average net storage injections fell to 1,179GWh/d in the week to Sep. 28 from 2,076GWh/d the prior week compared to the previous five-year average for the week of 1,803GWh/d, GIE data shows.
- Based on the rates from the last ten years, EU storage would build to an average of 85.3% of capacity at the end of October.
- Data shows storage in 10 of the GIE reporting countries are now at or over 80% full.
- Storage in Germany is at 191.8Wh (76.7% full), Italy at 187TWh (92.1%), Netherlands at 101.1TWh (70.1%), France at 115TWh (91.5%) and Austria at 85.5TWh (84.8%).

European Gas Storage by Country - Source (MNI / GIE)

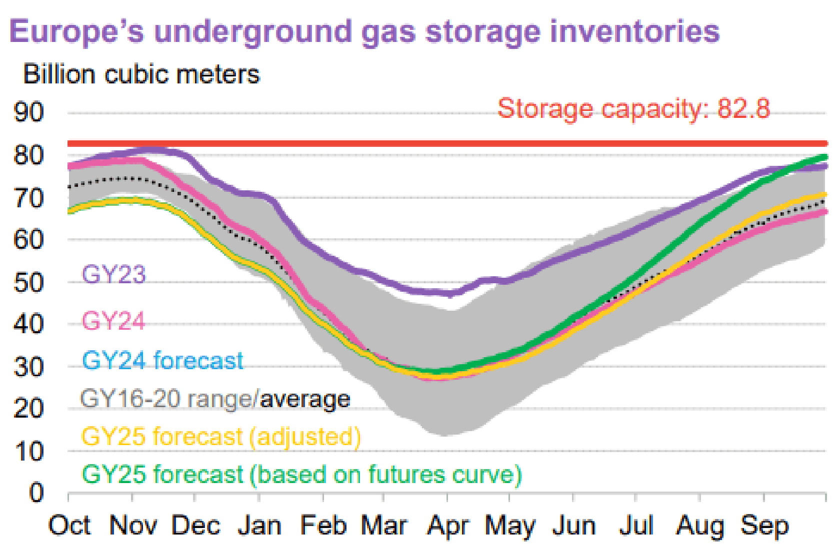


Europe Perimeter Gas Stores Forecast to End Winter at 33%

The European gas storage for Europe Perimeter of NW Europe, Italy and Austria is forecast to end March 2026 at 33% under 10-year normal weather conditions, BNEF said.

- End-winter storage levels could vary by as much as 15 percentage points between cold and mild winter scenarios, impacting flexible LNG supplies.
- A cold winter corresponding to the 20th percentile of scenarios for weather years 2010-2024 would lead to stores of 22% and the mild 80th percentile of scenarios would see gas storage levels of 38%.
- Current futures suggest storage could reach 96% by end of summer 2026 by attracting LNG flows, but BNEF forecast end-September 2026 storage lower at 85%.
- Summer 2026 prices are likely to face downward pressure from a loosening LNG market, boosting additional demand from Asia.
- Sluggish demand is expected throughout winter with industrial demand impacted by tariffs. Gas-to-power demand may decline due to wind generation while residential demand is expected level year-on-year.

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



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Bulgaria Sees Opportunity in EU Proposals to End Russian Gas Supply Contracts

EU proposals to end Russian gas supply contracts provides Bulgaria with "the exceptional potential to be a huge transit country, namely of natural gas from LNG terminals in the US", Bulgaria's Energy Minister told reports in New York on Wednesday, cited by Bloomberg.

- Bulgaria's grid expansion investments via the Vertical Gas Corridor and the existing TurkStream pipeline extension may allow the country to boost gas transit, according to PM Rosen Zhelyazkov.
- This would flow from Azerbaijan to European countries including Slovakia, and Hungary which are currently receiving Russian gas, as well as Austria, Zhelyazkov said.
- BNR reported on Wednesday that Bulgaria plans to end usage and transit of Russian natural gas in 2026, citing Zhelyazkov.

Slovakia Gas Premium Could Rise If Russian Supplies Stop

Slovakia is paying a premium of €3-6/MWh for natural gas relative to benchmark prices in western Europe, and the spread could widen further if Russian gas supplies stop, according to an SPP executive.

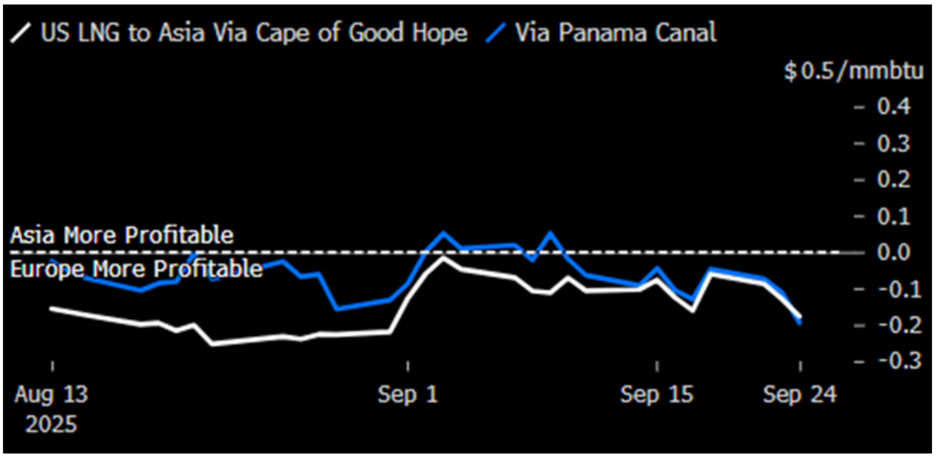
- Gas prices in Slovakia have decoupled from those in western Europe, SPP's trade director Michal Lalik said on Thursday.
- The halt of transit through Ukraine and Ukraine's shift to buying gas from the West since February are the main drivers.
- If Russian deliveries were to stop, it would have a major impact on prices and availability of the commodity in the region, Lalik said.
- In that case, gas prices could rise by at least €3 but it is possible that transport costs could be even higher.
- Natural gas in Slovakia was usually priced at a premium of €0.5-€1 over western Europe, Lalik said.

APAC LNG

JKM is expected to remain under pressure this week, as muted demand and strong inventories weigh on the market.

- On Sept. 26, Platts assessed November JKM at $11.144/MMBtu Sep. 26, down 24.3 cents/MMBtu on the week, with values holding between $11.321- $11.144/MMBtu.
- Prices face additional downward pressure from an influx of Arctic 2 cargoes into China, with six discharged at Beihai by Sep. 27, Platts added,
- Traders will likely keep sending US LNG to Europe over Asia, despite periods over the past month where the price difference between the regions narrowed, Bloomberg reports.

US LNG Netbacks- Source (Bloomberg Finance L.P.)

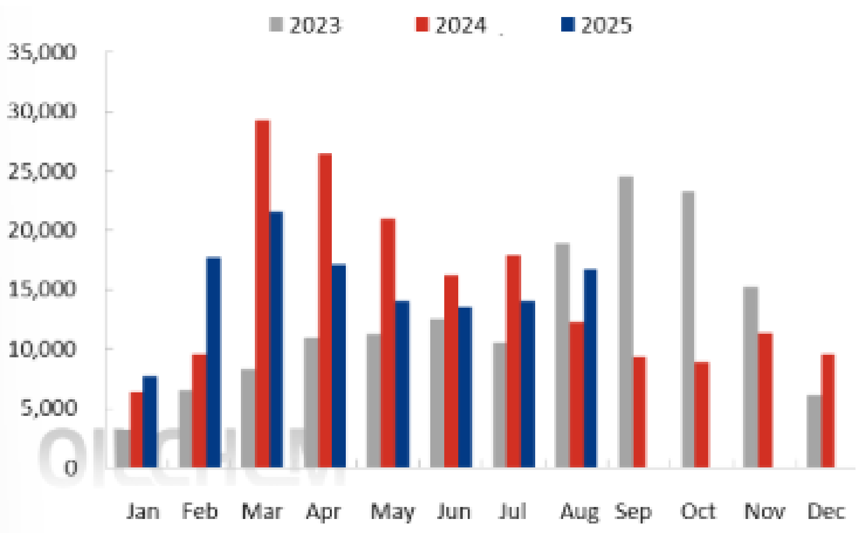


China

Chinese participants indicated that buyers were monitoring levels ahead of a potential post-Golden Week demand rebound.

- Upward revisions in China's domestic gas production forecasts for Sep-Dec and higher storage withdrawals expected for November will displace additional spot LNG demand, Kpler added.
- Domestic Chinese LNG prices averaged Yuan 4,259/mt on Sept. 26, up from Yuan 4,150/mt a week earlier, according to ENN.
- China currently holds the biggest "switching flexibility" in the global gas market thanks to its diversified sources of supply, according to Harry Hunag, managing director for gas trading at Uniper, cited by Bloomberg.
- China's natural gas heavy-duty truck sales rebounded in August 2025 after five months of decline, supported by lower gas prices and peak logistics demand, OilChem said. Sales rose 36% year-on-year and 19% month-on-month to 16,700 units, reversing the 17% cumulative drop seen from March-July. Falling LNG prices were the key driver.

China's Natgas Heavy Duty Truck Sales (Units)- Source (OilChem)



Arctic LNG 2

A seventh LNG vessel from Russia's sanctioned Arctic LNG 2 project has berthed at China's Beihai terminal according to Kpler.

- The last two cargoes loaded from the Arctic LNG 2 facility in Gydan are currently sailing east via the Northern Sea Route on the Christophe De Margerie and Voskhod LNG tankers.
- In recent weeks, sanctioned Russian LNG carriers discharged cargoes from Arctic LNG 2 six times at the Tieshan terminal in the Port of Beihai prior to the arrival of the Arctic Vost.
- Beihai LNG terminal has a receiving capacity of 6m mtpa.

Wider APAC

Japanese buyers showed limited activity, focusing on price and operational optimisation rather than fresh purchases.

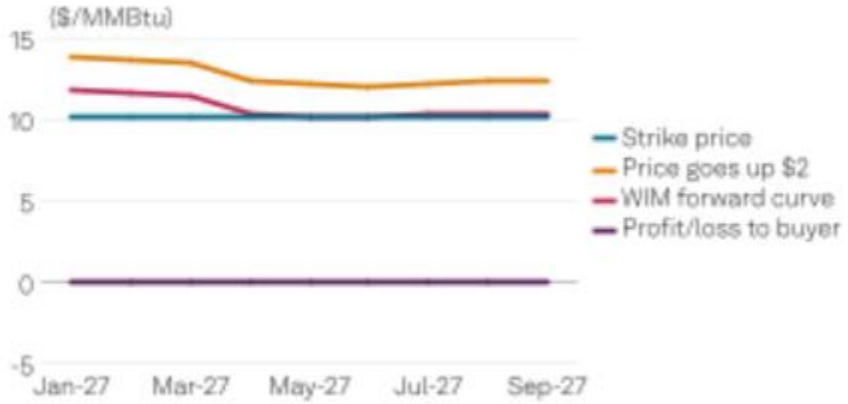
- LNG stockpiles held by Japanese utilities decreased by 2.66% on the week to Sep. 28 to 1.83m tons, according to trade ministry data.
- Stockpiles were 1.99m tons around this time in 2024 and around 1.63m tons in 2023.

India

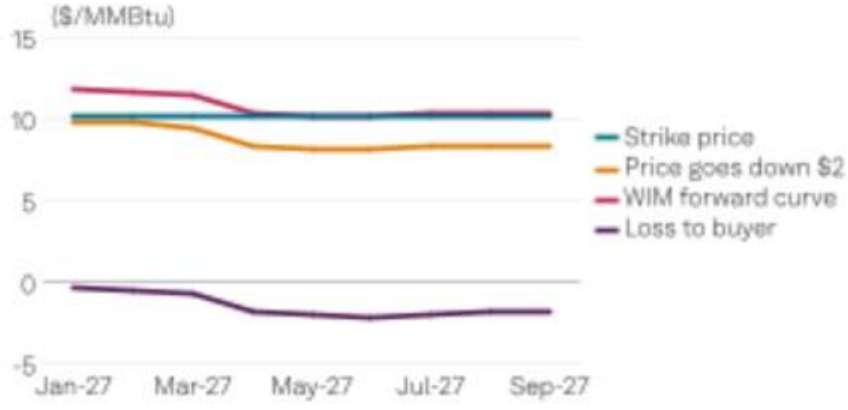
In India, most procurement for November was completed, with some firms expected to wait for softer prices before re-entering the market.

- Meanwhile, Southeast Asian demand remained weak as heavy rainfall and flash floods linked to a typhoon curtailed power consumption, further capping regional LNG appetite.
- Indian LNG importers are using structured deals to buy discounted spot cargoes in 2025 in exchange for granting sellers put options for deliveries in 2026 or 2027, Platts said.
- If spot prices fall in 2027, buyers could face losses, while sellers profit from the strike price. If prices rise, sellers may cancel deliveries, leaving buyers exposed to the market.
- However, Indian importers see value in securing cheaper cargoes now, even if risks remain.

LNG Put Option if Strike Price Rises vs Strike Price- Source (Platts)



LNG Put Option if Strike Price Falls vs Strike Price- Source (Platts)



Wider Market

Global LNG imports are projected to rise 9% on the month to 34.9m tons in October, and 4% higher year-on-year, according to BNEF.

- The total estimated quantity of LNG on tankers that have not unloaded for at least 20 days increased 13% week-on-week, according to Bloomberg estimates. LNG on water volumes were 3.46m tons as of Sep. 28, up from 3.06m tons the prior week.
- TotalEnergies expects to take advantage of tightness in the natural gas market over the next few years, even as volatility gradually eases, CEO Patrick Pouyanne told investors in New York Sep. 29, cited by Platts
- Vopak has entered into an exclusive agreement with Seapeak to provide a floating storage and regasification unit for its proposed LNG import terminal in Australia. The terminal is one of four proposed across Australia's southeastern states to meet domestic gas requirements.
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Middle East & Africa:

The Energos Winter FSRU has arrived at Damietta on Egypt's Mediterranean coast to join the country's three existing units, according to ICIS analyst Alex Froley.

- The unit will be Egypt's first facility for importing cargoes in the Mediterranean Sea.
- Cargoes from key supply sources such as the US will be able to deliver into Damietta without having to go through the Suez Canal or pay canal fees.
- Egypt's three other FSRUs are located at Ain Sukhna, south of the Suez Canal in the Red Sea.
- The first cargo, which will start the terminal's commissioning, will arrive at Damietta between Oct. 7 and Oct. 10, according to a source cited by Kpler.
- Meanwhile, Three LNG vessels were waiting outside Egypt's import terminals last week scheduling issues and a faster-than-expected seasonal demand falls cut consumption needs.

Nigeria LNG

Nigeria LNG has activated business continuity plans to minimize the impact of an industrial strike in the nation, the company said cited by Bloomberg.

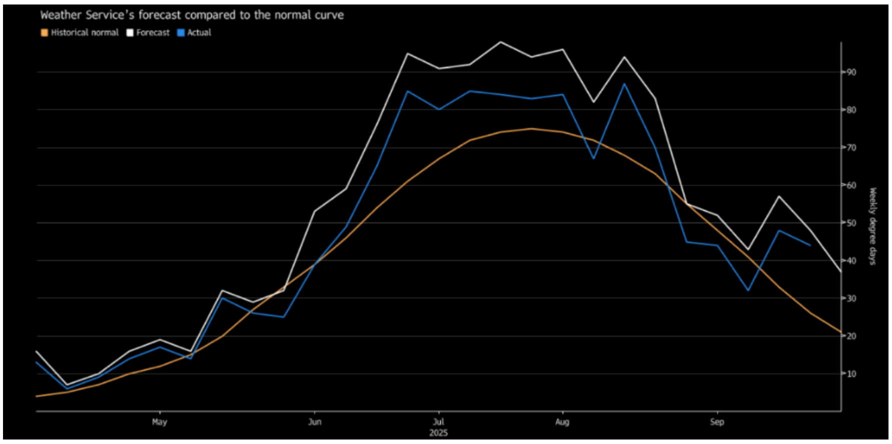
- NLNG is aware of the industrial strike declared by the Petroleum and Natural Gas Senior Staff Association of Nigeria on Sep. 28 over unresolved issues with an energy company that is not NLNG, the company said.
- It is not clear if the strike has had a direct impact on LNG production and cargo loadings, Bloomberg said.
- Nigeria’s NNPC has awarded a tender for four FOB LNG cargoes scheduled for loading in October 2024, February, May, and August 2025, Platts said.
- The tender, which closed on September 19, was awarded at prices indexed to Dated Brent crude with slopes above 15%.
- A Middle Eastern company secured two cargoes, while Guvnor and Linetrale each obtained one.
- Traders highlighted arbitrage opportunities for West African LNG, with the East-West spread at minus 13.5 cents/MMBtu, slightly wider than last week.

US Natural Gas:

Oct 25 expired on September 26 and settled at $2.835/MMBtu. Nov 25 rolled on lifting the front month price well over $3.00/MMBtu as traders look to late October forecasts. Lingering cooling demand across the lower 48 has begun to confront a drop in heating demand as injection season approaches. An uptick in LNG feedgas deliveries despite Cove Point maintenance has also caused some upward pressure on prices.

- Henry Hub Front Month has traded between $2.788/MMBTU and $3.382/MMBtu this week, compared to $2.772/MMBtu and $3.107/MMBtu over the previous week.
- Lower 48 natural gas production averaged 108.52 bcf/d in the 10 days to Sep-30, compared to last week's 10-day average of 107.85bcf/d.
- Baker Hughes US rig count: Gas: 117 (-1). This is the lowest since July 18. However, it is up 18 rigs, or 18.2% on the year.
- US cooling demand for the week ending October 4 is forecast to be 15 cooling degree days (CDD) above the long-term normal, according to Bloomberg, citing the NOAA. During the week to September 27, the US was 17 CDD above normal.

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



Regional Hubs

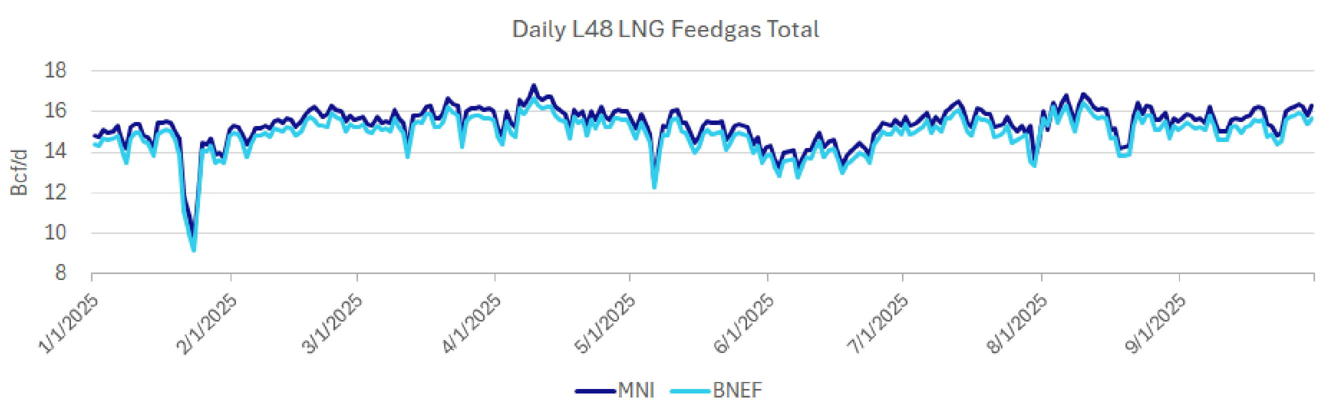
Western Canada joined the Permian in negative pricing as pipeline constraints and export capacity delays trap molecules in the region

- Strong production in Alberta and British Columbia was meant to feed LNG Canada, an export facility on Canada's West Coast that has lagged expectations. But data from mid-September suggest the facility has been receiving just under 400 mmcf/d, according to Platts.
- There was also an unexpectedly large outage on the NGTL system that impacts flows to the Oil Sands Delivery Area that lasted through Sept. 29 and took off 670 mmcf/d of capacity at the peak.
- Hotter temperatures are still in the forecast for Western Canada and Platts expects total monthly consumption to end the month below the five-year average as heating demand stays diminished.
- LNG Canada has shipped 13 cargoes since July 1, which is about one cargo every 6-8 weeks. The facility expects this number to bump up to one cargo every two days with Train 2 fully operational. Kpler data show four tankers scheduled to call at LNG Canada between Sept 30 and Oct 10, suggesting the rate of offtake could jump in the next two weeks.
- In response to negative prices, producers in Western Canada have begun to slash output. Some companies are now shutting in wells to avoid paying costs to move excess fuel. Advantage Energy's said its ongoing curtailments were its most aggressive yet, reflecting the worst sustained prices it has ever faced. Analysts told Reuters that more widespread shut-ins may be needed to restore balance.
- Waha averaged negative prices through the week, settling on September 26 at a weekly low of $(1.65)/MMBtu. Bloomberg data show Permian production is beginning to lag the 30-day moving average, but regional maintenance continue to weigh on prices.
- EPNG updated its preliminary October 2025 maintenance schedule that shows another busy month.
- Offline capacity will range from a minimum of 3.489 bcf/d on October 25 and 26 to a maximum of 7.579 bcf/d on October 21. A significant portion of the October 21 offline capacity will be overlapping maintenance on the Anadarko (2.128 bcf/d) and South Mainline segments (3.461 bcf/d). South Mainline's Ehrenberg compressor station will alone have 1.406 bcf/d reduced on October 21.

US LNG

Natural gas deliveries to US LNG terminals averaged 15.69 bcf/d in the seven days to Oct-01, compared to the seven-day average of 15.03 bcf/d during the previous period.

Daily L48 LNG Feedgas Total- Source (Bloomberg Finance L.P./MNI)



Alaska LNG

US government likely to support the Alaska LNG project, said the US Secretary of Energy Chris Wright.

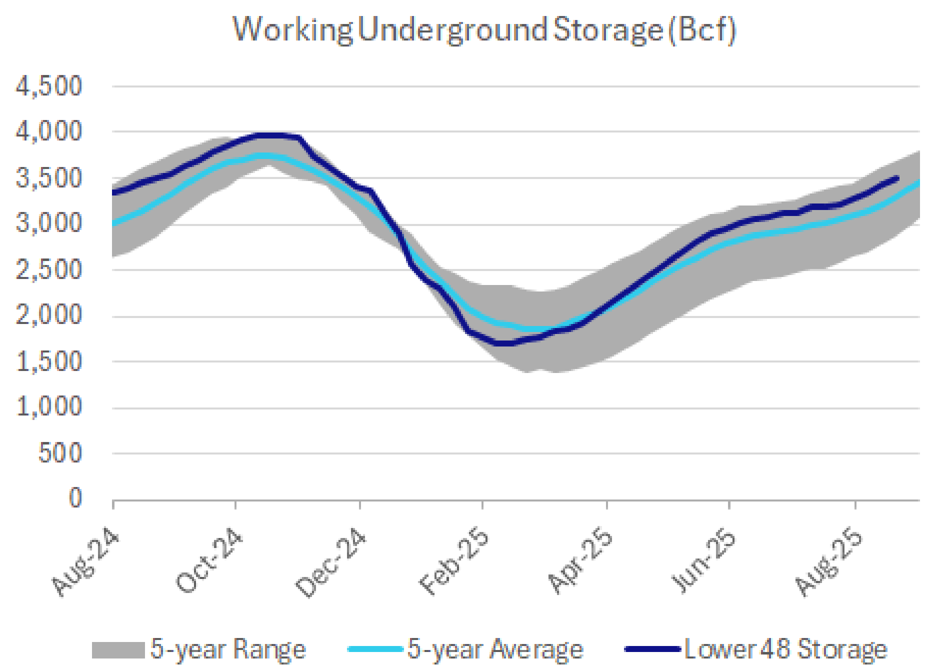
- "The US government will probably support it a little bit from my department, with credit support or whatever," said Wright at a press conference on the sidelines of the UNGA.
- Support would come from a mix of American and Asian companies.
- Wright expects the project should start construction within the next 12 months.
- Earlier this month Japan's JERA signed a letter of intent with Alaska LNG to offtake 1 mtpa of LNG over a 20-year period.

US Natgas Inventories

The EIA weekly gas inventories for the week ending Sep. 19 showed a build of 75 bcf. The seasonal five-year average shows a net build of 76 bcf.

- The storage report was underestimated by Reuters by 1 (+74), NGI by 1 (+74), overestimated by BBG by 4 (+79), spot on by WSJ (+75).
- Total stocks are up to 3,508 bcf. This is 22 bcf above levels seen a year ago and 203 bcf above the previous five-year average of 3,305 bcf.

US Gas Inventories – Source (EIA)



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Latam

Mexican Billionaire Carlos Slim's Grupo Carso signed a $1.99bn contract with Pemex to drill 32 wells in a Mexican natural gas field over a three-year period, Bloomberg reported.

- The Ixachi field in Veracruz, "is considered one of the most important land fields in the country," Carso said in a statement.
- The field has a production of 93k b/d of oil and 715 mmcf/d of natural gas.
- Pemex will begin paying for the drilling of the wells in January 2027. By that time, 12 of the 32 wells will already be producing.
- Elsewhere in Latin America, Colombian importer Calamari LNG purchased a cargo for October delivery, traders told Bloomberg. The tender closed Sep. 24.
- Bloomberg did not disclose the seller, nor the price.