MNI Gas Weekly: Weaker Fundamentals Weigh Against Geopol Risk

By Lawrence Toye, Daniel Dawson, Zach Simon (25/02/2026)

Executive Summary:

- **European Gas Benchmarks** drifted lower with warm weather outweighing geopolitical risks.
- Asia's **LNG market** is broadly steady although is set for pressure into the shoulder season.
- In the **Middle East & Africa**, US-Iran tensions are sparking concerns around LNG flows through the Straits of Hormuz.
- **Henry Hub** has ticked down amid expectations of milder weather.
- In **the Americas,** Atlantic LNG has taken one of its trains offline for maintenance.

European Natural Gas

TTF front month has drifted lower since Feb. 19 as pressure from warm weather forecasts outweighed geopolitical risks ahead of the next round of US-Iran negotiations.

- Front month TTF prices traded between €30.25/MWh and €34.405/MWh this week, compared to €29.265/MWh and €33.425/MWh over the previous week.
- Temperatures in NW Europe are forecast above normal through the coming week although with risk of closer to normal after the first week of March. The ECMWF two-week forecast is 15.49 HDD lower relative to the previous model run but GFS is 3.6 HDD higher than the previous run. CWE wind generation is anticipated to be lower after Feb. 27.
- European gas storage is down to 30.59% full on Feb. 23, according to GIE data compared to the previous five-year seasonal average of 47.2%. Net withdrawals held below normal after a drop over the weekend.
- NW European LNG sendout was strong at 308.0mcm/d yesterday compared to an average of 291.9mcm/d so far this month, Bloomberg shows.
- Norwegian pipeline supplies to Europe at steady at 327.2mcm/d today. Gassco shows no unplanned outages but total planned capacity reductions of 22.8mcm/d today but gradually rising to a high of 36.5mcm/d on Feb. 28.
- Algeria gas flow to Italy at Mazara are stable at 58.9mcm/d today, Snam data shows, just below an average of 59.1mcm/d over the previous week.

European Net Withdrawals at Lowest Since Mid-November

Net European underground gas storage withdrawals fell to the lowest since mid-November while Germany showed small net injections into the weekend.

- European gas storage is down to 30.78% full on Feb. 22, according to GIE data compared to the previous five-year seasonal average of 47.4%.
- The week to Feb. 22 showed an average net storage withdrawal of 4,511GWh/d compared to withdrawals of 5,084GWh/d the prior week.
- Based on withdrawal rates from the last ten years from now until the end-March, EU storage would fall to an average of 23.2% of capacity at the end of the season with a range between 14% and 28.5%.
- Nine of the 18 GIE storage reporting members are now showing gas in store around 30% full or below. Storage in Germany is at 52Wh (20.7% full), Italy at 99.1TWh (48.7%), Netherlands at 16.8TWh (11.7%), France at 26.5TWh (21.1%) and Austria at 37.4TWh (37.1%).

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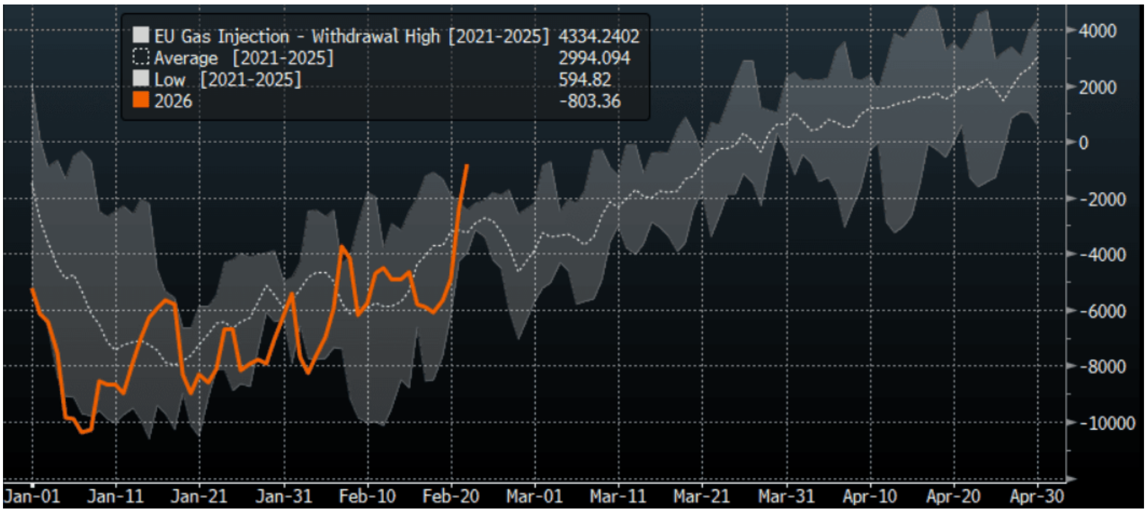
- TTF Summer 26 is still holding a small discount to Winter 26 since mid Feb at around €0.45/MWh today as the market weighs restocking requirements over the coming summer.

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



NWE Gas Demand Fell 2% W/W as Weather Conditions Normalised: JP Morgan

Total natural gas demand in NWE averaged 649 mcm/d for the week of Feb. 16-22, 2% lower w/w and broadly unchanged y/y, as weather conditions normalised, according to JP Morgan.

- Demand decreased the most in the Netherlands by 17 mcm/d w/w, largely driven by recovering wind generation and lower gas burn in the power sector, the bank said.
- Month-to-date in February, demand is averaging 671 mcm/d, or 7% lower y/y and 38 mcm/d above the bank's forecast driven by higher gas burn in the power sector.
- Net storage withdrawals month-to-date of 258 mcm/d remain above the bank's forecast of 175 mcm/d but are trending lower as the weather normalises and LNG sendouts improve.
- JP Morgan also notes net injections into German and UK storage in recent days, which points to improving regional fundamentals.

TTF Could See Greater Upside Than Oil in Event of US Strike on Iran

Any hostilities between the US and Iran could see a greater appreciation in European TTF prices compared to Brent, according to Citigroup cited by Bloomberg.

- Brent oil prices appear to reflect a much higher risk of conflict between the US and Iran than gas, the bank said.
- Assuming a price range of ~$75/bbl in the case of a quick strike on Iran but no closure of the Strait of Hormuz, oil is pricing a high possibility of military action.
- TTF has a range of €30/MWh on minimal Middle East risk to €45/MWh in case of a quick strike on Iran with no closure to the Strait.
- Prices are currently around €33.7/MWh.

- Projected gas storage for October is also in the low to mid-80% range, which should imply higher prices, Citigroup said.

Competition for European Regasification Capacity Rising

Strong TTF prices compared to Asian markers reflects demand for LNG due to low storage levels in Europe. A widening offshore–onshore spread reflects tighter utilisation and growing competition for regasification capacity within Europe, Timera Energy said.

- Offshore LNG DES NWE prices have opened up a significant discount to TTF to around 1.00 $/mmbtu, improving the moneyness of regas capacity slots.
- At the current level, most Northwest European regas terminals cover variable costs and return to positive merchant margins on imported LNG.
- The rise has not been uniform across Europe with NBP weaker relative to TTF driven by stronger demand on the continent.
- Intra-European divergence in regas value is influencing marginal cargo routing decisions within the Atlantic basin, Timera added.
- Several cargoes have recently diverted within Europe including the Idd Al Shargi, SM Albatross, Gaslog Geneva, Hls Bilbao, Nantes Knutsen and Eduard Toll, Bloomberg ship tracking shows.
- The JKM – TTF April spread is currently around -$0.17/MMBtu although has narrowed from as wide as -€0.75/MMBtu at the start of Feb, Bloomberg shows.

DES NWE – TTF Price Spread - Source (Timera Energy)

Route 1 March Gas Capacity to Ukraine Fully Booked

All offered monthly capacity of Route 1 for gas imports from Greece to Ukraine's Naftogaz was fully booked for March, according to ExPro.

- An auction on Feb. 23 booked about 2.41 mcm/d or nearly 75 mcm for the entire month.
- The Vertical Corridor Route 1 product allows capacity for natural gas imports from the Greek LNG terminal Revithoussa to Ukraine at special reduced tariffs.
- The route became operational in July 2025, but no capacity was booked for January, and only 4.5 tcm per day was reserved for February.
- Capacity under Route 2, from the Greece's Alexandroupolis LNG, and Route 3, Azerbaijani gas from the TAP entry point, was not booked.
- Naftogaz is due to receive a US LNG cargo in February via Poland and first Atlantic See LNG Trade supply of US LNG to Ukraine via Greece is expected in March.

Ukraine Imports US LNG via German Terminal

Ukraine's Naftogaz has imported US LNG via a German LNG terminal for the first time, according to Naftogaz CEO Serhiy Koretsky.

- The LNG was supplied through the Deutsche ReGas terminal on the island of Rugen in the Baltic Sea, Koretsky said.
- After regasification in Germany, Naftogaz will deliver the gas via Poland to Ukraine.
- The gas will be available to Ukraine in February.
- Naftogaz is also due to receive the first US LNG delivery via Greece in March, according to ExPro.
- The gas will be supplied under a contract with Greek company Atlantic See LNG Trade.

Ice Conditions Delay LNG Unloading at Polish Terminal

Poland's state-owned Gaz-System has confirmed that thick ice conditions in the Bay of Pomerania in the Baltic Sea are delaying the unloading of an LNG cargo at Poland's 8.1 mtpa Swinoujscie terminal, Kpler reports.

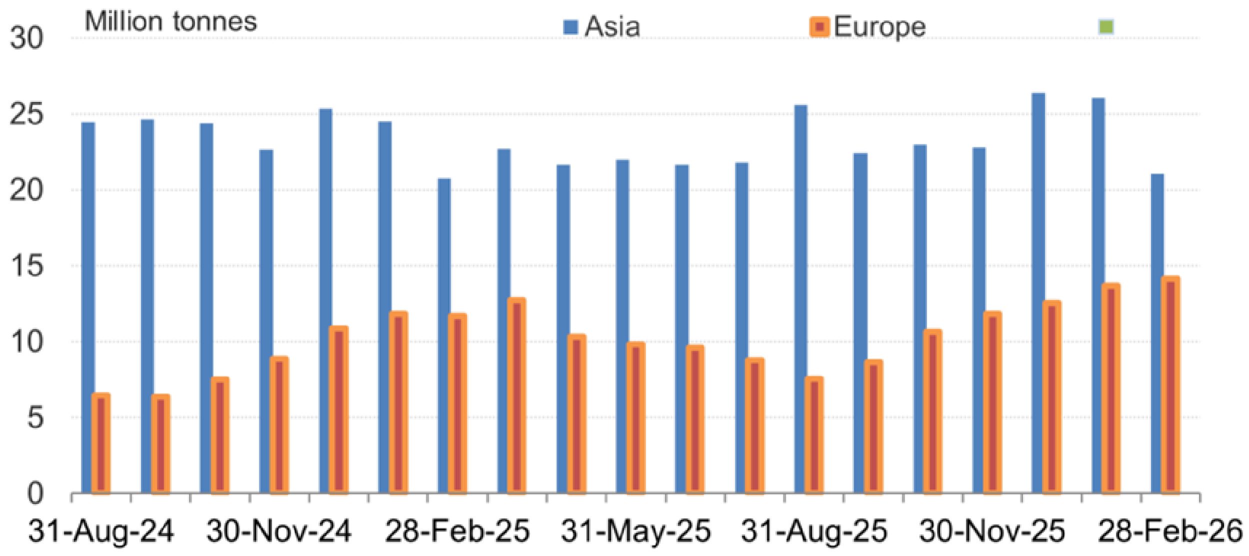
- The tanker Al Thumama remains laden offshore as authorities assess whether it can safely enter port.
- The vessel is laden with a cargo loaded at Qatar's Ras Laffan terminal on Jan. 14.
- Gaz System said the difficulties were caused by weather conditions.
- The Bay of Pomerania is experiencing "very close or compacted brash ice, partly over 30cm thick," according to a German ministry's daily report.
- Finland has reported no similar disruptions at its Inkoo terminal despite seasonal freezing, Kpler said.

APAC LNG

Asia spot LNG prices were broadly steady, with the April delivery price for northeast Asia assessed at $10.60/MMBtu, slightly below the previous week's $10.65/ MMBtu and 8.6% below the year-to-date high, Reuters said.

- The price for April delivery reflects softer shoulder season demand. Tepid demand during the Lunar New Year and high regional inventories capped buying interest, keeping fundamentals loose across both Atlantic and Pacific basins.
- Geopolitical tensions between the US and Iran provided limited price support, though analysts maintained a slightly bearish outlook for front-month contracts.
- Spot prices in Asia are lower with robust supply growth, especially from the US, and muted demand from China despite strong European demand and geopolitical risks to Qatari supply.
- Above-normal temperatures in northeast Asia are expected to reduce heating demand, while the test restart of Japan's Kashiwazaki-Kariwa No. 6 nuclear reactor is set to trim LNG consumption. Absent opportunistic buying on price dips, spot prices may soften further, Reuters added.
- In freight, Atlantic LNG rates rose to $33,500/day, while Pacific rates fell to $27,500/day.
- The US arbitrage to northeast Asia via the Cape of Good Hope has narrowed but still favours prompt US cargoes heading to Europe rather than Asia.
- Last week, Asia's LNG imports fell sharply during the Lunar New Year holidays. Aggregate arrivals totalled 4.6m mt across 69 cargoes, Vortexa said.
- China's imports dropped to 0.5m mt from eight cargoes, marking a multi-year low. South Korea (1.0 million tonnes, 15 cargoes) and Taiwan (0.3 million tonnes, six cargoes) also recorded volumes below their recent four-week averages. Even Japan, which did not observe public holidays, saw shipments decline by over 5 % week-on-week to 1.4 million tonnes from 20 cargoes.
- The total estimated quantity of LNG on tankers that have not unloaded for at least 20 days increased 13.8% week on week to 2.36m mt as of Feb. 23, according to Bloomberg estimates.

LNG Import Flows by Destination (mt) - Source (Reuters)

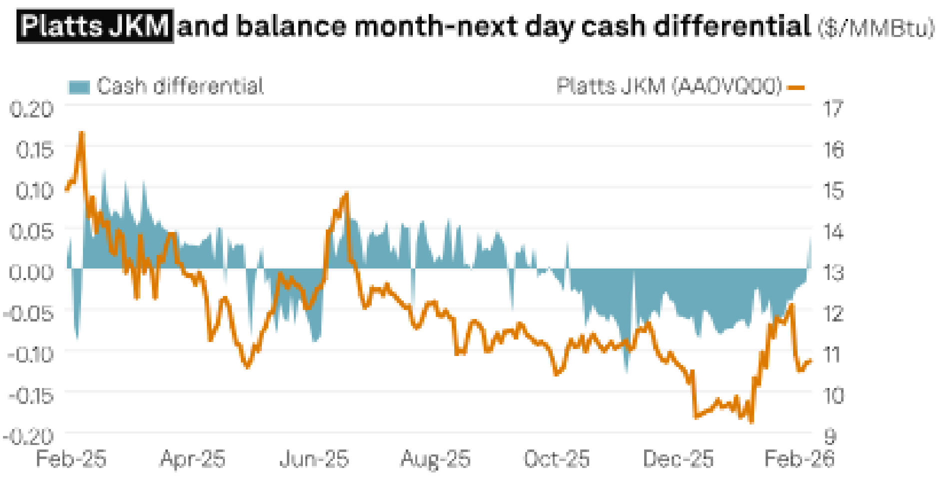


Asia MOC Activity Sees Easing Liquidity

Activity in the Asian LNG Platts MOC for the March pricing period slowed as winter demand eased.

- Total bids, offers, and trades fell 2.54% month-on-month to 499 but were up 66.89% year-on-year, highlighting structurally higher liquidity in the spot market.
- Most trades were indexed to the JKM balance-month contract, with premiums averaging 3.7 cents/MMBtu.
- JKM-linked activity accounted for 84.2% of bids, offers, and trades, while 12.42% were fixed-price and 3.41% TTF-linked. APAC LNG derivatives saw 235 trades, down 22.82% month-on-month but up 114.1% year-on-year.

Platts JKM and Balance Month Next Day Cash Diff ($/MMBtu) - Source (S&P Global Energy)



China

China spot purchases are currently limited by mild weather and competition from pipeline and domestic natural gas with LNG prices still above $10/MMBtu.

- China's LNG imports have fallen during the Lunar New Year holidays this past week as a slowdown in industrial activity likely reduced power demand across the nation, Bloomberg reports. he 30-day moving average for LNG imports fell to 155k mt, the lowest since May.
- A rare reload LNG cargo from China to Europe onboard the Seapeak Glasgow has diverted again mid-journey and was heading back east and signalling Asia, according to ICIS analyst Alex Froley Feb. 19.
- Despite the current weakness, China's natural gas market is set for a rebound in LNG imports in 2026 as demand growth outpaces domestic supply, OilChem said.
- Total gas demand is projected to rise by more than 5%, while the supply gap is expected to widen 8.2% year on year, potentially pushing external dependency back above 40%.
- LNG imports are forecast to increase 16.8%, supported by a low base in 2025, the start of around 15m mt of new long-term contracts, and expectations of softer global LNG prices amid oversupply. These factors should encourage both contract and spot buying, OilChem forecasts.

Japan

LNG stockpiles held by Japanese utilities were unchanged on the week to Feb. 22 at 2.0m mt, according to trade ministry data.

- Stocks remain below seasonal normal levels after falling to the lowest since October at 1.89m mt on Feb. 8.
- The five-year average for the end of January is 2.05m mt and for the end of February is 2.14m mt. Stockpiles were 1.93m tons around this time in 2025.
- The EU ban on Russian LNG imports and transportation will sharply reduce insurance coverage available to Japanese shipping companies carrying Russian LNG, sources told Platts.
- From April 26, insurance provided by the Japan P&I Club will fall to a maximum of $10mn per LNG carrier for short-term and other contracts, down from about $9bn currently. Without full coverage, vessels may be unable to call at ports in treaty member countries unless owners post collateral to cover liabilities above the cap.

Australia

Australian LNG has been targeting markets outside its core Asian buyers including the first cargo to Turkey over the weekend since 2017. Another also went to Chile earlier this year, Bloomberg said.

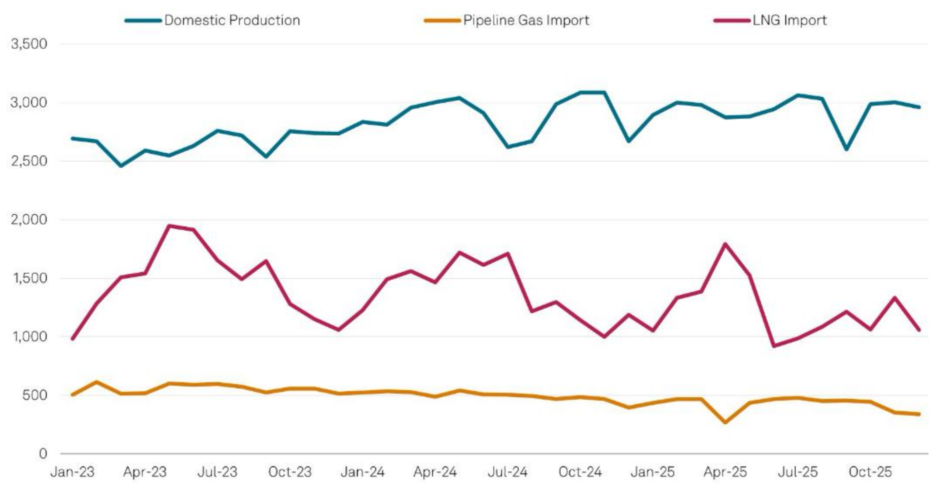
- Meanwhile, colder weather than usual is supporting European demand, the competing demand centre with Asia during winter.
- East Canada is set to receive its first Australian shipment of LNG on Thursday according to Bloomberg tracking. Faltering Asian demand has seen the cargo take the unusual 16,000-mile journey to Canada's east coast instead.

Wider APAC

India's Gujarat State Petroleum has signed a 10-year LNG supply deal with Germany's Uniper for 500,000 t/yr. Deliveries will start in Jan. 2028

- Thailand's entry into its peak summer season and a wave of spot LNG tenders are providing bullish support to Asian spot LNG prices, though volumes remain relatively small and broader regional demand will shape the market later in the year, Platts said.

Thailand Natgas Supply Sources (MMScf/d) - Source (S&P Global Energy)



Middle East & Africa

Elevated transit risks through the Strait of Hormuz are turning bullish for LNG freight rates and spot LNG prices, Platts said.

- Iran has temporarily closed parts of the strait for military drills and is conducting joint naval exercises with Russia and China, reviving concerns over shipping security in the key chokepoint.
- While vessel transits have not yet been disrupted, shipbrokers report rising caution and the likelihood of higher war-risk premiums.
- The move marks an escalation from the 2025 Israel-Iran conflict, when Tehran avoided targeting merchant shipping.
- The posturing comes amid US-Iran talks and increased US military deployments in the region, signalling Iran's willingness to threaten oil and gas trade even at the expense of its own exports.
- Qatar is particularly exposed, as all its LNG exports transit Hormuz. Asian importers including China, India, South Korea and Japan face heightened supply risk, suggesting continued volatility for LNG markets in coming weeks.

Iraq Gas Supply

Iraq plans to soon send a delegation from the electricity ministry to Iran to discuss the resumption of gas supplies, Iraq's electricity ministry told Bloomberg.

- Iraq wants to ensure gas availability ahead of the summer season. It was receiving 20 mcm/d of gas from Iran before flows halted in late November.
- The halt of Iranian supplies caused 5GW of lost electricity production. Current power output is around 19GW, with demand of about 25GW.

Angola LNG to Shut in July for Maintenance

Angola LNG will shut for 32 days starting July 1 for scheduled maintenance, state-owned Angop reported, cited by Bloomberg.

- This would be the facility's third major halt in activity for maintenance following temporary shutdowns in 2018 and 2022, under a four-year cycle.
- Angola LNG has installed capacity of 5.2 mtpa, with Chevron, TotalEnergies, Eni SpA and Sonangol among its shareholders.

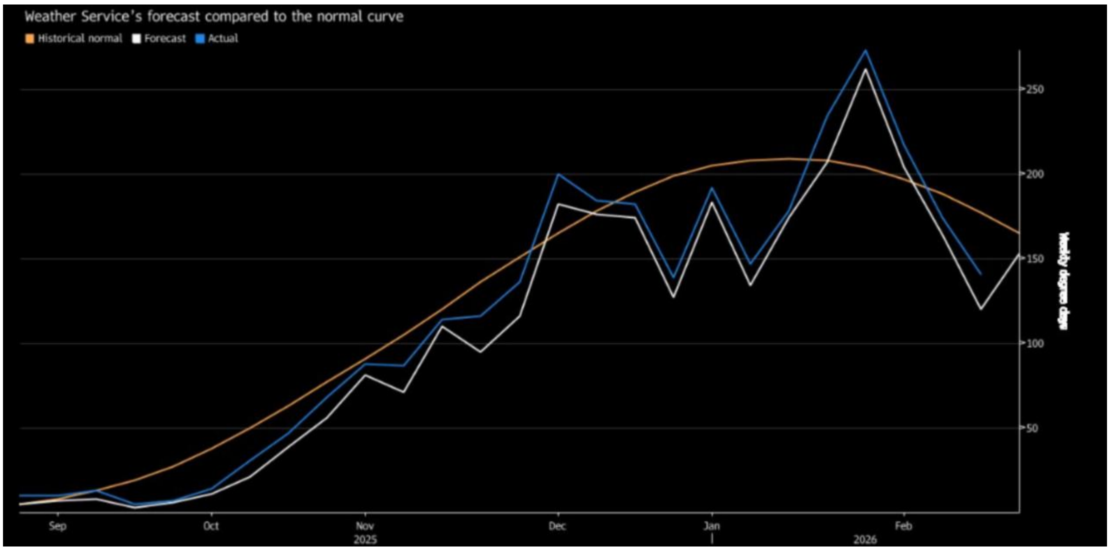
US Natural Gas

The Henry Hub front month contract opened up roughly 20 cents on trading day Feb. 23 in response to a sudden 'weather bomb' phenomenon that was only caught in the weather models a day before. The bomb was caused when a strong Pacific system struck California with heavy snow last week and then travelled east, building off cold air above milder Atlantic water and ultimately leading to a sudden drop in atmospheric pressure. Some 588,888 homes and businesses in the Northeast lost power as harsh wind combined with snow and ice piling up on power lines. But on Monday morning, traders immediately liquidated their long positions as the forecasts began to show colder temperatures leaving the region within the 7–14-day period.

- Henry Hub Front Month has traded between \$2.9/MMBTU and \$3.253/MMBtu this week, compared to \$2.922/MMBtu and \$3.316/MMBtu over the previous week.

- Natural gas deliveries to US LNG terminals averaged 19.68 bcf/d in the seven days to Feb-25, compared to the seven-day average of 19.5 bcf/d during the previous period.
- Lower 48 natural gas production averaged 113.9 bcf/d in the 10 days to Feb-24, compared to last week's 10-day average of 114.23bcf/d.
- Baker Hughes US rig count: Gas: 133 (0) - up 34 rigs, or 34.3% on the year.
- The CFTC Commitment of Traders showed hedge funds cutting net bullish natgas bets to a 4-week low as short-only positions were the highest in three weeks. Short-only positions rose 26,271 lots to 280,040
- US heating demand for the week ending Feb. 28 is forecast to be 14 heating degree days (HDD) below the long-term normal, according to Bloomberg, citing the NOAA. During the week to Feb. 21, the US was 37 HDD below normal.

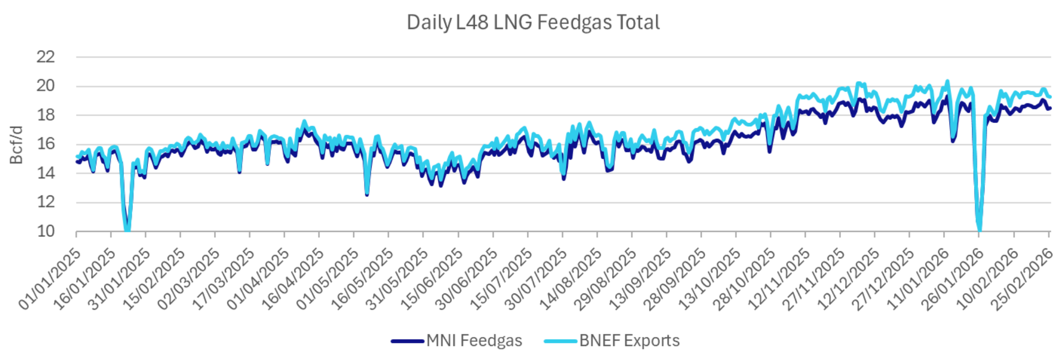
US HDD Count- Source (Bloomberg Finance L.P./NOAA)



US LNG

Natural gas deliveries to US LNG terminals averaged 19.68 bcf/d in the seven days to Feb-25, compared to the seven-day average of 19.5 bcf/d during the previous period.

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



Golden Pass LNG

Golden Pass LNG has sought FERC authorization to introduce hazardous fluids into the cold end of Train 1, the last request before first LNG production sometime in March, according to a FERC filing

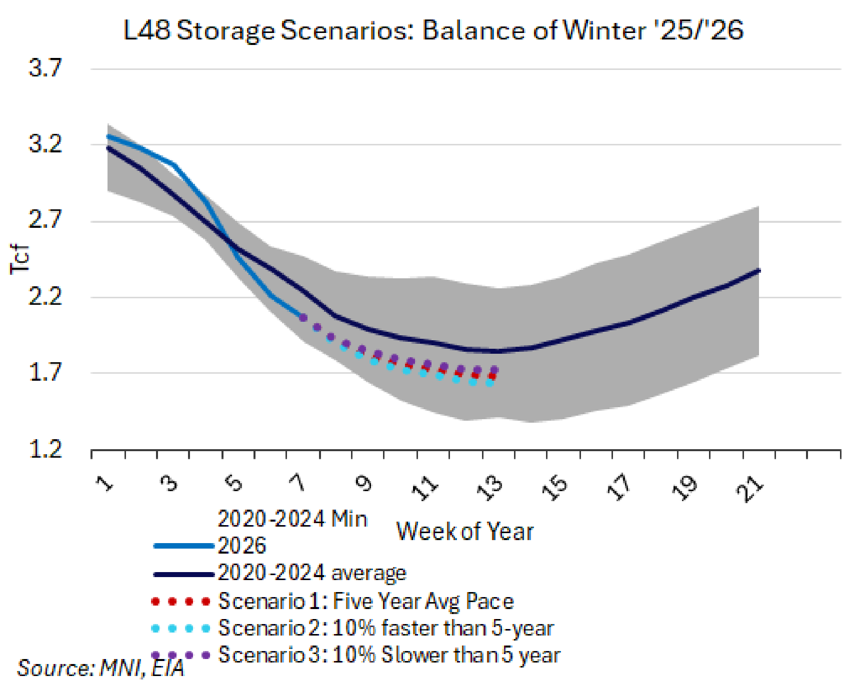
- This is the last hurdle before Golden Pass can legally produce LNG, setting up the terminal to meet Exxon's projection that first LNG would come next month.
- The specific requests are for introduction of hazardous fluids into the refrigeration system, liquefaction system, and condensate storage.
- Shortly after gaining authorization, feedgas demand should increase to the facility, up from the ~300 MMcf/d seen over the past week.

Lake Charles LNG

After suspending development of Lake Charles LNG in December 2025, Energy Transfer terminated "several" long-term LNG offtake agreements, according to an SEC filing dated Feb. 19

- The reason, FID was not reached by a specific deadline due to the December 2025 suspension of the project and shifting capex on natgas pipeline infrastructure.
- ET had previously secured binding offtake agreements totaling 11 mtpa with China Gas, Shell, ENN, Gunvor, SK Corp, Chevron and EQT. But ET did not mention which of the parties were affected.
- The SPAs that have not yet been terminated could still be assumed by a third party if the project comes under a new developer, according to Kpler.

US Gas Inventories and Storage Scenarios – Source (MNI, EIA)



US Natgas Inventories

The Feb.13 withdrawal of 144 Bcf was less than the 151 five-year normal and fell at the lower end of market expectations.

- This brought stocks to 2,070 Bcf and narrowed the deficit under the five-year average to 123 Bcf from 130 Bcf.
- Storage is on track to exit the withdrawal season below the five-year average. MNI anticipates an exit between 1.68 Tcf and 1.72 Tcf, based on higher production and mild weather expected for the remainder of the season.
- Storage in the Pacific is now well above the five-year average after a meager 2 Bcf draw this week and a 1 Bcf injection last week.
- Pulls out of the South Central have slowed down after weeks of steep declines, now situated well below the five-year average.

Latam

Trinidad's export facility Atlantic LNG has taken one of its trains offline for maintenance, a company spokesperson told Bloomberg.

- Duration of the outage was not immediately confirmed; two other trains at the four-train facility remain operational.
- The facility's train 1 had already been mothballed due to a lack of feedgas.

Exxon Continuing to Determine Stabroek Block Gas Reserves in Guyana

Guyana's Minister of Natural Resources told Reuters that Guyana still needs to determine the extent of the gas reserves in the Stabroek Block off the coast of Guyana

- The estimate is required before moving forward to evaluate the split between crude oil and associated and non-associated gas for domestic and international potential.

Sempra's Vista Pacifico LNG Project Hit by Permit Setback

Mexico's energy regulator rejected US firm Sempra's request for a natural gas marketing permit for its Vista Pacífico LNG project in Sinaloa, aimed at exporting US gas from Topolobampo, BNamericas reported.

- The mid-scale liquefaction terminal would have a capacity of about 3.5m mtpa and target Mexican and Pacific markets, with exports potentially starting in 2029.
- TotalEnergies holds a non-binding agreement to purchase around one-third of Vista Pacífico's output and may join as a minority partner.
- Sempra's other Mexican LNG project, Energía Costa Azul in Baja California, is scheduled to begin commercial operations in mid-2026, with TotalEnergies holding a 16.6% stake.

Mexico's Esentia to Decide on Natgas Pipeline Expansion

Mexican pipeline operator Esentia is set to make a final investment decision at the end of March for the next stage of its $680m expansion plan, driven by rising domestic natural gas demand.

- CEO Daniel Bustos said the company is progressing well commercially and technically, with advanced discussions underway with power plants, distribution firms, and industrial users.
- Esentia runs the Wahalajara gas pipeline, transporting low-cost shale gas from Texas to central and western Mexico.
- Its US$630 million initial public offering last November partly financed a three-phase expansion aimed at boosting gas transportation capacity by 50% and supplying more private-sector customers.
- Phase two, estimated at $206m, includes two Siemens compression units, allowing Esentia to potentially advance the project by six months if demand rises.
- The company is targeting behind-the-meter projects for data centres, mining, and industrial parks, and plans to develop associated power generation, benefiting from limited competition with state-owned CFE in off-grid sectors.