

MNI Gas Weekly: Weather Risks Add to European Gas Volatility

By Daniel Dawson & Zach Simon (07/01/2026)

Executive Summary:

- **European Gas Benchmarks** have been volatile, weighing strong LNG supplies against cold winter weather.
- **Asia's LNG market** remains under pressure with Japan and China on the sidelines.
- In the **Middle East & Africa**, Egypt signed a MOU with Qatar aimed at boosting LNG supplies.
- **Henry Hub** continues to face pressure on warmer weather across much of the Lower 48.
- In **the Americas**, Venezuela has the potential to impact global LNG markets.

European Natural Gas

TTF front month has been volatile over the past week, falling to as low as €27.1/MWh on Monday though trading closer to €29/MWh as of Wednesday. The market continues to react to cold winter weather and increasing gas storage withdrawals, weighed against strong LNG supplies.

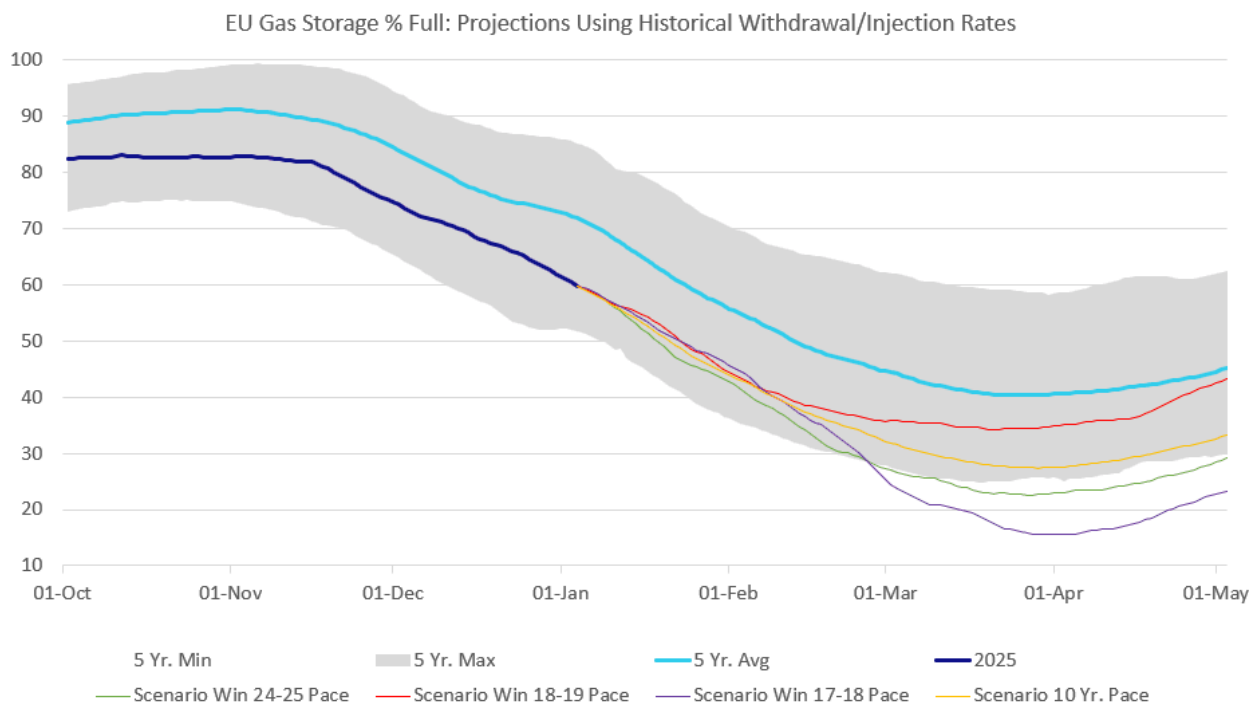
- Front month TTF prices traded between €27.12/MWh and €29.075/MWh this week, compared to €27.485/MWh and €28.9/MWh over the previous week.
- Temperatures in NW Europe are generally below normal although forecast to gradually rise this week and back towards normal by mid-month after a brief dip this coming weekend. CWE wind generation is anticipated to fall from a peak on Jan. 9 to reach a forecast low on Jan. 11 before rebounding.
- NW European LNG sendout is estimated up further to 330mcm/d yesterday, the highest since Dec 2023, Bloomberg shows.
- European gas storage is down to 59.07% full on Jan. 5, according to GIE data with the largest daily net withdrawals since Jan 2025. The previous five-year seasonal average is 72.4% full.
- Norwegian pipeline supplies to Europe are holding steady at 342.2mcm/d today as Gassco shows no planned capacity reductions until Jan. 21.
- Algeria gas flow to Italy at Mazara is estimated at 57.8mcm/d today, Snam data shows, compared to an average of 56.4mcm/d so far this month.

European Gas Withdrawals Above Normal

European gas storage withdrawals from underground facilities have continued at larger than normal rates since Dec. 22 as cold weather across the region boosts demand.

- The week to Jan. 4 showed an average net storage withdrawal of 6,301GWh/d compared to withdrawals of 5,184GWh/d the prior week. The previous five-year average for the week shows withdrawals of 2,740GWh/d, based on GIE data.
- European gas storage is down to 59.83% full on Jan. 4, according to GIE data compared to the previous five-year seasonal average of 72.85% full.
- Based on the withdrawal rates from the last ten years from now until the end of March, the EU storage level would fall to an average of 27.4% of capacity at the end of the season with a range between 15.5% and 34.8%.
- Storage in Germany is at 136.1TWh (54.2% full), Italy at 147.4TWh (72.5%), Netherlands at 66.5TWh (46.1%), France at 70TWh (55.7%) and Austria at 62.5TWh (62.1%).

European Gas Storage - Source (GIE / MNI)



Natural Gas Demand in NWE Rose 8% W/W on Colder Weather

Natural gas demand in NWE averaged 723 mcm/d for the week of Dec. 29-Jan. 4, 8% higher w/w and 10% higher y/y, according to JPMorgan.

- The weekly gain was driven by colder weather conditions in the region.
- Colder weather led to higher gas-for-heating and gas-for-power demand as residential and non-residential demand rose 34 mcm/d and 19 mcm/d w/w, respectively.
- All countries in the area experienced higher demand w/w, led by France, where demand rose 21% over the week.
- Net storage withdrawals of 354 mcm/d in the week are above the bank’s forecasted level of 237 mcm/d for January, though JPMorgan expects withdrawals to normalise throughout the balance of the month as weather turns marginally warmer.
- Preliminary demand figures for December indicate demand averaged 615 mcm/d, down 2% y/y and 31 mcm/d below the bank’s forecast.
- This was primarily due to lower residential demand, as the December weather realised closer to the 10-year normal compared to much colder expectations previously, the bank said.

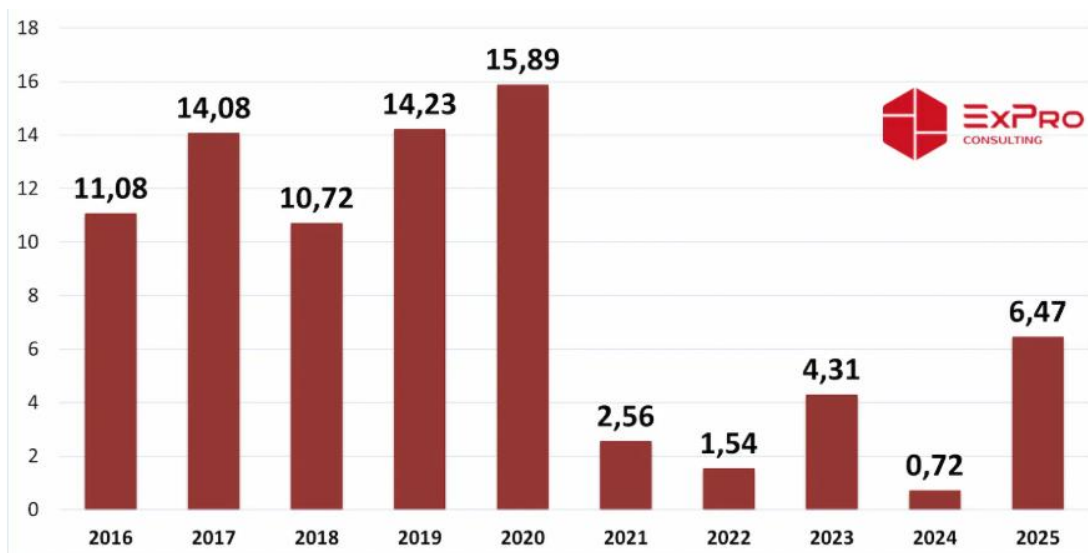
Ukraine Gas Imports Nine Times Higher in 2025

Gas import volumes to Ukraine in 2025 reached 6.47 bcm, nine times higher than in 2024, according to ExPro.

- Gas imports were also the highest since 2020.
- Increased gas flows were driven by several factors, including a gas deficit following Russian attacks on Ukrainian gas production.

- In addition, low stocks in underground storage at the beginning of the year contributed to higher gas imports to Ukraine.
- The largest volumes of gas came from Hungary and Poland, which remain the cheapest routes for gas imports.
- Gas was also imported from Slovakia and via the Trans-Balkan route, where a joint capacity booking product, Route 1, was launched in 2025.
- The largest importer was state-owned Naftogaz, with more than 5.5 bcm.
- The condition of domestic natural gas production and consumption volumes will directly affect gas imports in 2026 and subsequent years, according to ExPro.

Ukrainian Gas Imports - Source (ExPro Consulting)



LNG Croatia to Auction Additional Regasification Capacity

LNG Croatia will offer additional regasification capacity in an auction via on Feb. 2, according to a statement on Jan. 2.

- Capacity will be offered for the gas years 2026/27-2029/30, and 2037/38-2039/40.
- More than 11.3 Bcm of gas has been supplied into the Croatian grid since the FSRU operations began in Jan 2021, Platts said.
- The maximum capacity at the terminal last year increased from 3.1 Bcm to 6.1 Bcm, or about 4.4m tons, per year. Testing of the project was completed in early November after adding an additional liquefaction module at a Turkish shipyard.
- Sendout has averaged 97.4 GWh/d, just under 9 mcm/d, since the start of December compared to around 81 GWh/d in the month prior to the upgrade and maintenance outage, GIE data shows.
- The terminal imported about 1.7 million mt in 2024 and 2025, with 57% of supply from the US in 2025, Platts data showed.
- LNG prices to Southern Europe are trading below \$10/MMBtu with DES LNG Mediterranean marker at \$9.40/MMBtu on Jan. 2, Platts shows.

APAC LNG

Northeast Asia spot LNG prices have dropped to about \$9.38/MMBtu as demand remains weak while supply of the fuel grows, according to Bloomberg.

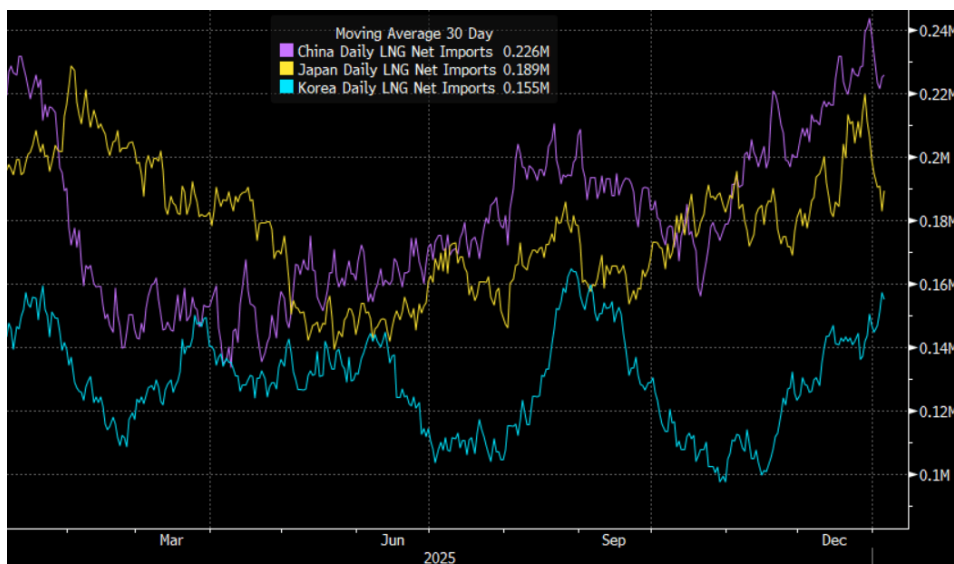
- Some of the region’s biggest importers have remained on the sidelines causing prices to fall in recent months.
- Asia is also facing a supply glut as Moscow’s cargoes flood the region following the EU’s plan to phase out Russian LNG by end-2026.
- The oversupply, compounded by slower industrial activity in China and South Korea and a mild winter in Europe, will keep Asian prices below \$10/MMBtu in the near-term, Bloomberg Intelligence analysts said.

China and Japan LNG Imports Fall from December Highs

China 30-day average daily LNG imports rose during Q4 to the highest since January 2024 at 244k tons on Dec. 30 but have fallen since, according to Bloomberg ship-tracking data. Imports were 225.6k tons on Jan. 5 and back in line with year ago levels.

- Japan 30-day average imports have also seen a noticeable correction since mid-Dec. from the highest since February at 220k to 189k on Jan. 5. Weekly LNG deliveries into Japan from Dec. 29 to Jan. 4 dropped by roughly 0.5m tons from the prior week, reaching the lowest level since early May 2023.
- Progress towards restarting TEPCO’s Kashiwazaki-Kariwa No. 6 nuclear plant, as early as January, is bearish for Asian spot LNG from a supply–demand perspective, as it reduces reliance on gas-fired power generation, Platts said last month.
- LNG stockpiles held by Japanese utilities decreased by 5.35% on the week to Jan. 4 to 2.3m tons, according to trade ministry data. Stocks have fallen after reaching the highest since Jan. 2024 the previous week at 2.43m tons.
- The 30-day imports to South Korea have however continued to rise in early Jan reaching the highest since early September at 157k tons on Jan. 4.

China/Japan/South Korea LNG Import Volumes - Source (Bloomberg Finance L.P.)



LNG on Water

The total estimated quantity of LNG on tankers that have not unloaded for at least 20 days decreased 3.7% w/w to 2.9m tons as of Jan. 4, according to Bloomberg estimates.

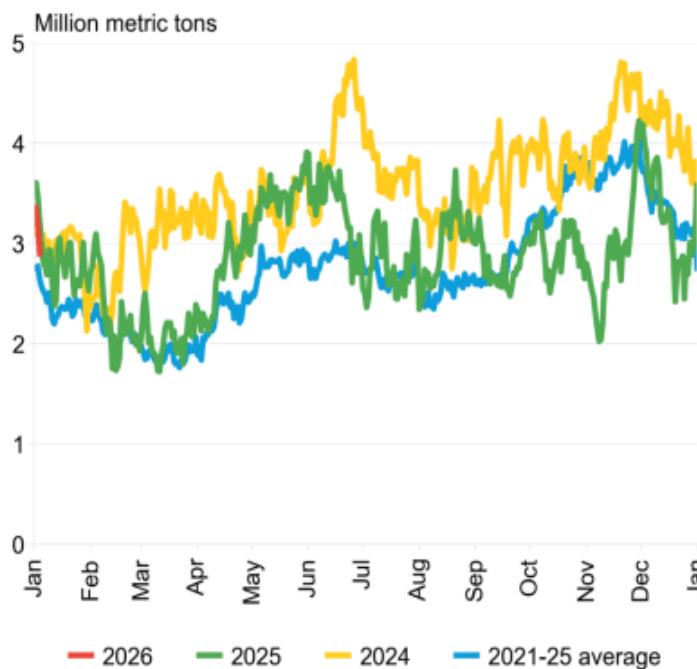
- The total volume is 10% lower y/y but 27% above the 2021-25 average.
- Of the nine US cargoes on water between 20 and 30 days, one is in Europe, two are near Egypt and the remaining six are in or heading to Asia.
- All eight US shipments on water for at least 30 days are in or on their way to Asia.

LNG Freight Rates

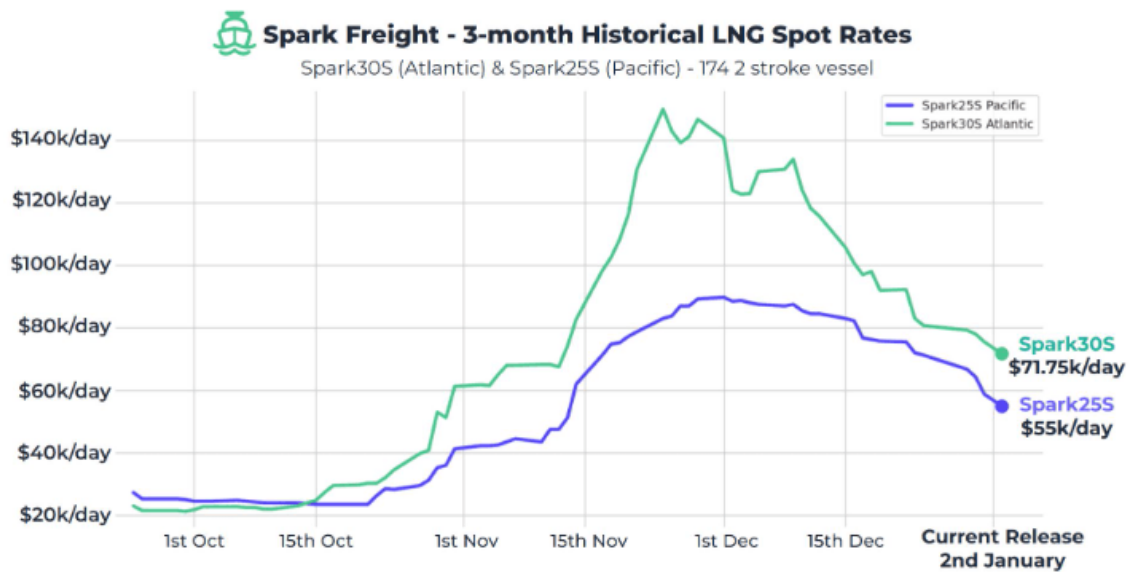
Global LNG freight rates continue to fall at the start of the new year, according to Spark Commodities.

- The Spark30S (Atlantic) LNG freight rate has decreased by \$20.25k over the last 2 weeks, and was last assessed today at \$71.75k/day.
- Similarly the Spark25S (Pacific) rate has fallen by \$20.75k, assessed at \$55k/day.
- Dec25 closed out as the highest assessed month of 2025, averaging \$106.94k/day in the Atlantic and \$79.71k/day in the Pacific.

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



LNG Freight Rates - Source (Spark Commodities)



Russia’s Arctic LNG 2

The Alexey Kosygin LNG tanker, Russia’s first domestically built ice-class vessel for the Arctic LNG 2 export plant, stopped at the Koryak floating storage unit in Russia’s far east, Bloomberg reports.

- It is not clear if the ship, which is currently ballast, will load fuel from the storage unit.
- Traders expect Alexey Kosygin to continue its journey to Arctic LNG 2.
- The expected arrival of Alexey Kosygin could help unlock more exports from the facility during the winter months.
- Russia’s Arctic LNG 2 is operating at roughly 25% of its current capacity as a result of a single icebreaker vessel capable of navigating frozen areas year-round, Bloomberg reports.
- The Christophe De Margerie docked at Arctic LNG 2 on Monday and is poised to export its third shipment since Dec. 20, according to Bloomberg.
- The Arc7 vessel delivered its last two shipments to the Saam floating storage unit in Murmansk.
- The trade is likely to continue until the shorter eastern sea route reopens when ice melts during the summer.

Thailand

Thailand’s LNG demand has been on a downtrend and sluggish economic growth in the country is expected to further slow consumption and imports, according to Argus.

- Thailand imported around 8.6m tons of LNG over Jan.-Oct. 2025, about 11% lower compared with the same period in 2024, Global Trade Tracker data showed.
- Thailand’s gas demand was previously forecast to rise through the years up to 2030, according to government plans.
- But demand is now likely to fall as Thailand’s GDP growth slows to 1.6% for 2026, Argus says citing a Bank of Thailand forecast.

- Thailand has committed to at least another 3.4m tons of LNG through term contracts for deliveries from 2025 onwards, which may signal a decreased appetite for spot requirements.
- The number of spot tenders issued by Thai importers has dwindled notably, from an average of about 12-13 tenders per quarter in 2024 to around 7 per quarter in 2025.
- LNG demand in the wider southeast Asia region could also be curtailed as a result of gas turbine shortages and increasing product costs.
- LNG demand in the region may therefore be capped despite the downward trend in spot LNG prices.
- Some demand from Indonesia could surface. State-run PLN requires 104 cargoes in 2026 while state-controlled PGN may need 19 cargoes in the same period, a senior official told Argus

Middle East & Africa

Iran Restarts Damaged Gas Processing Unit

Iran has restarted operations at one of two units of a gas processing plant in the south that was damaged in an Israeli drone strike during the 12-day war in June, according to Argus.

- The attack caused “severe damage” to two of the eight processing trains at the Fajr-e-Jam facility, which handles gas from the South Pars field and the Kangan field, Iran’s oil minister said.
- The restart of one of the two damaged units should help ease the gas shortfall Iran typically faces as temperatures drop.

Egypt and Qatar Sign MOU to Boost LNG Cooperation

Egypt and Qatar signed a memorandum of understanding to boost cooperation in LNG sales and imports, Egypt’s petroleum ministry said on Sunday cited by Reuters.

- The MOU included terms for supplying Qatari shipments to Egypt’s Ain Sokhna and Damietta ports.
- QatarEnergy said in a statement that the agreement includes supplying Egypt with up to 24 LNG cargoes for the upcoming summer.
- Egypt has been trying to increase its own gas production and diversify import sources to meet its growing energy needs.
- Egypt produced 3.64 bcm of gas in October 2025, down from 3.85 bcm in October 2024, according to JODI data.

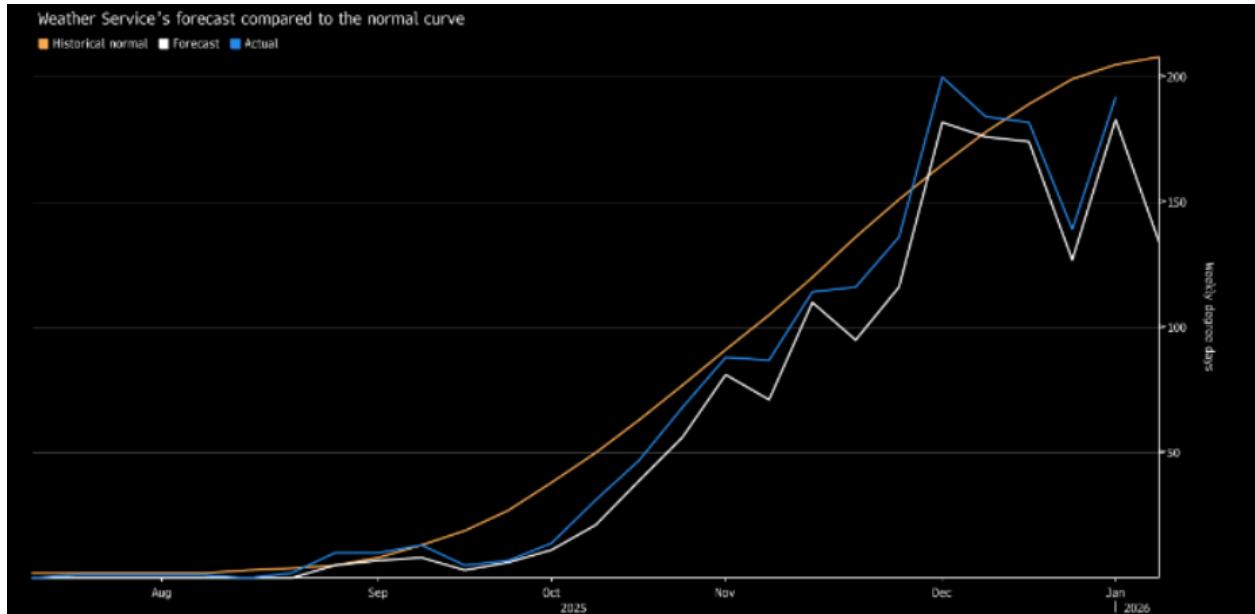
US Natural Gas

The front month contract rolled into FEB 26 at the close on Dec. 29 and began a long retreat from its three-year highs touched in December. Warmer weather seen across much of the L48 has exerted downward pressure on the nationwide benchmark.

- Henry Hub Front Month has traded between \$3.324/MMBTU and \$3.983/MMBTU this week, compared to \$3.679/MMBTU and \$4.721/MMBTU over the previous week.
- Lower 48 natural gas production averaged 113.26 Bcf/d in the 10 days to Jan. 06, compared to last week’s 10-day average of 113.72 Bcf/d.
- Baker Hughes US rig count: Gas: 125 (-2).

- US heating demand for the week ending Jan. 10 is forecast to be 74 heating degree days (HDD) below the long-term normal, according to Bloomberg, citing the NOAA. During the week to Jan. 3, the US was 12 HDD below normal.

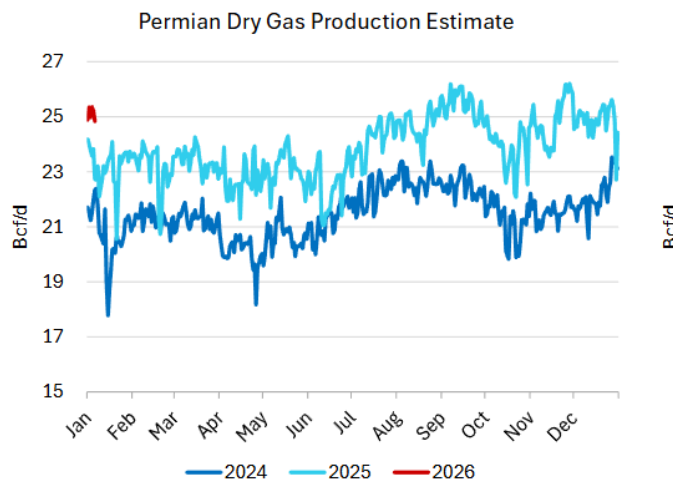
US HDD Count- Source (Bloomberg Finance L.P./NOAA)



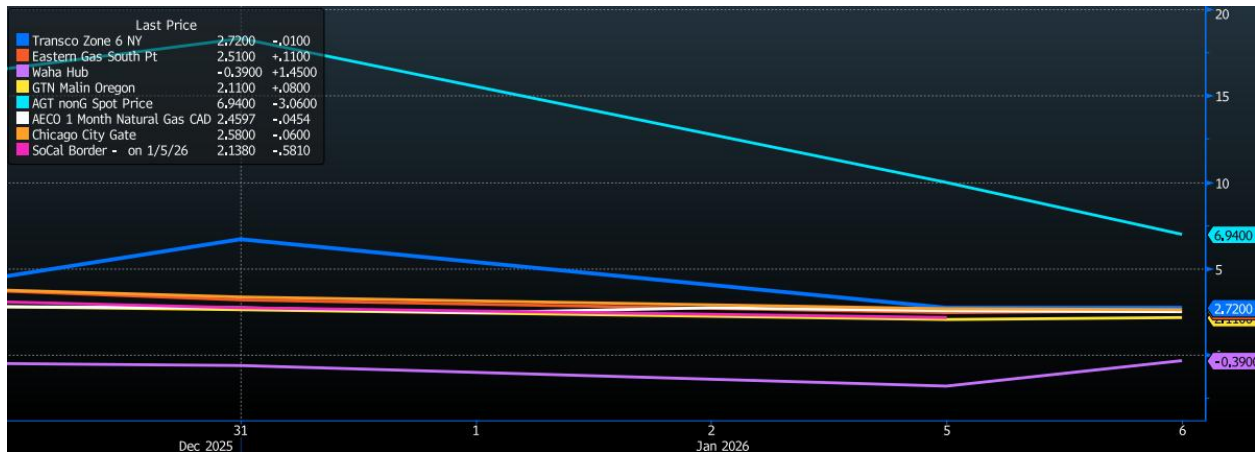
Regional Hubs

Northeast prices remained elevated over the holidays on frigid temperatures but have since come down. Meanwhile, Waha continued to price negatively as Permian production nears 25 Bcf/d.

- Algonquin city-gates gas prices averaged \$14.96/MMBtu in December, and Transco Zone 6 NY averaged \$6.97/MMBtu, up 64% and 83%, respectively, according to Platts data.
- Waha has priced negatively over the week, reaching its nadir of an average of \$(1.84)/MMBtu on Jan. 5.
- Permian production is up more than 2 Bcf/d W/W to 24.83 Bcf/d as of Jan. 6.



US Regional Hub Prices - Source (Bloomberg Finance L.P.)



Pipelines

North Dakota Pipeline

Intensity Infrastructure Partners stated that they had sufficient firm transportation commitments to underpin the decision to advance Phase 1 of the North Dakota pipeline.

- Intensity is partnering with Rainbow Energy group to build a 36-inch natural gas pipeline.
- The first phase of the project will bring 1.1 Bcf/d of incremental takeaway capacity to the Bakken, with a targeted in-service date of early 2029.

Energy Transfer

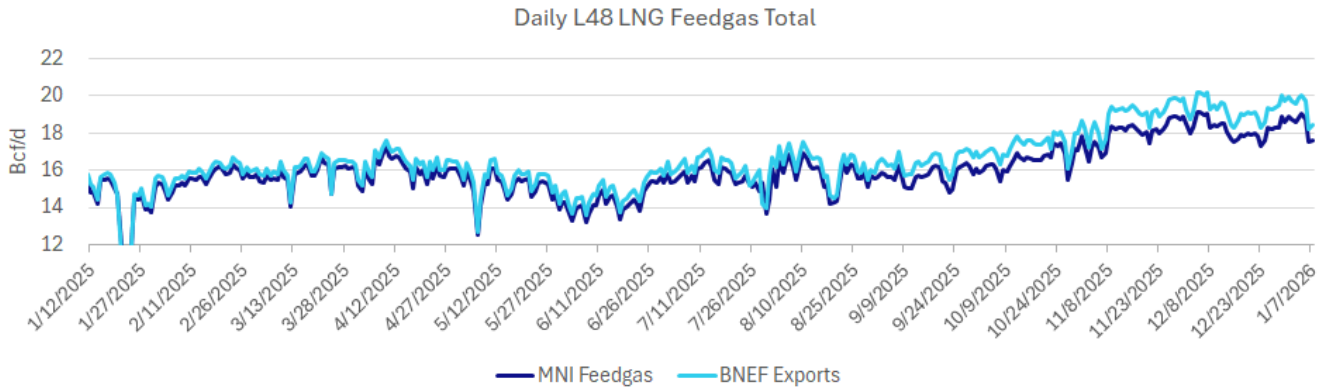
Energy Transfer will shift away from LNG to domestic natural gas projects in 2026 with around \$5.5 billion in capital, reported Reuters.

- The move comes on the heels of announcing an end to Lake Charles LNG in December 2025 and a conversion of an NGL pipeline to natural gas, announced Jan. 5.
- ET will spend roughly \$5-5.5 billion in capital in 2026, mostly on natural gas projects, according to the company.
- ET expects a number of natural gas pipelines to ramp up or come online in 2026, including Nederland Flexport NGL, as well as the Mustang Draw I and II processing plants in the Permian Basin and natgas projects for data centers in Texas.

US LNG

Natural gas deliveries to US LNG terminals averaged 18.62 Bcf/d in the seven days to Jan. 7, compared to the seven-day average of 18.31 Bcf/d during the previous period.

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



US LNG Exports 2025

The US became the first country to export more than 100 MTPA of LNG in 2025 after a 24% increase in export liquefaction capacity, according to Reuters.

- The US exported 111 MT of LNG in 2025, nearly 20 MT more than second-place Qatar and 23 MT more than it did last year. US exports now make up about a quarter of all LNG exports.
- The US could increase its annual production this year 2026 by another 20 MT, according to Poten & Partners.

LNG Canada

The Shell-led 14 mtpa LNG Canada plant in Kitimat, British Columbia, resumed LNG exports following a shutdown earlier this month, with a cargo departing from the terminal late on Dec. 30, according to vessel tracking from Kpler

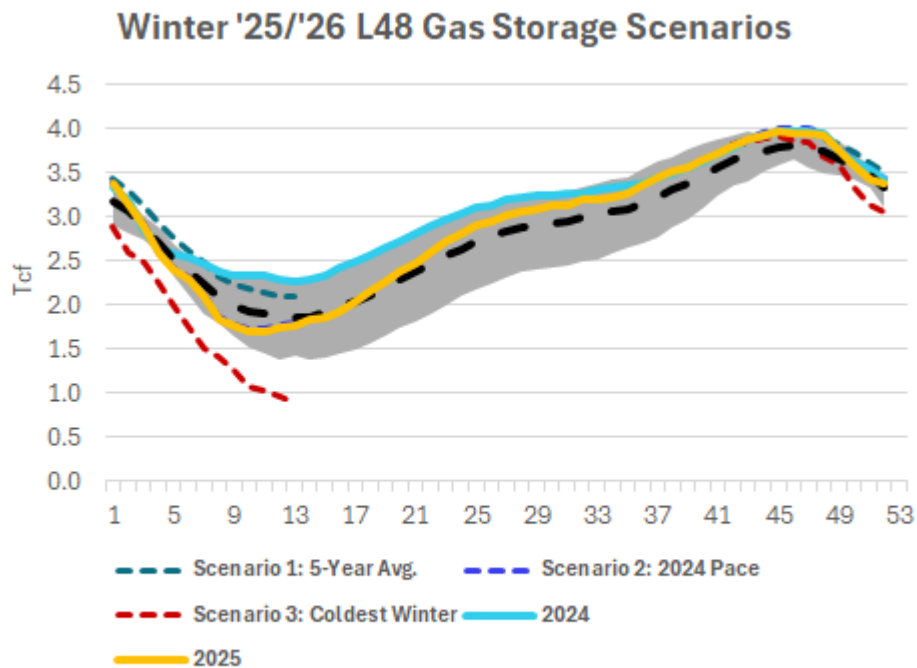
- The Diamond Gas Victoria which had been berthed at the facility since Dec. 12 left late Dec. 30 headed for Japan.
- Train 2, which remains shut, is readying to come back online after a flaring-event notice went out on LNG Canada’s website.

US Natgas Inventories

The EIA weekly gas inventories for the week ending Dec. 26 showed a withdrawal of 38 Bcf. The seasonal five-year average shows a net withdrawal of 120 Bcf.

- This dropped storage to 3,375 Bcf but carried storage back above the five-year average of 3,317 Bcf.

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



Latam

Venezuela

Venezuela’s vast natural gas resources give the country a significant potential to impact the global LNG market either directly or indirectly, subject to conducive policies and infrastructure investments, JPMorgan said in a note.

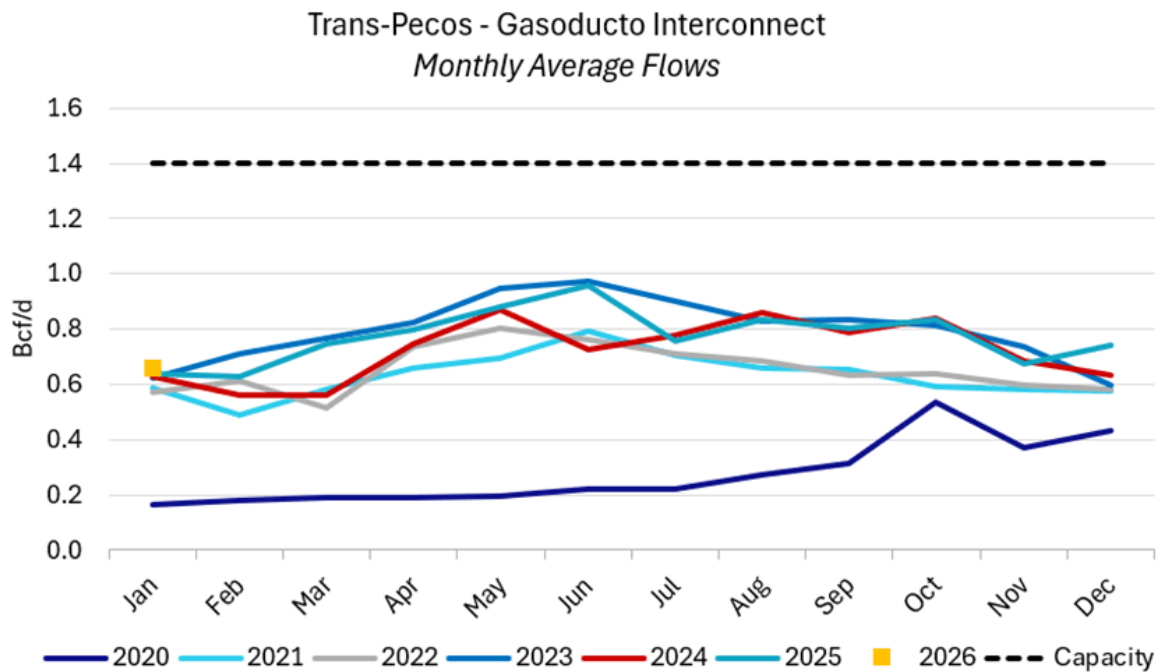
- Venezuela holds the world’s seventh-largest natural gas reserves, estimated at 6,300 bcm, ranking just below China and surpassing both Saudi Arabia and the UAE.
- Current production stands at approximately 30 bcm/y, down from a peak of 39 bcm in 2017, and it is entirely consumed domestically, with virtually no exports, JPMorgan says.
- Venezuelan gas could be a backfill option for Trinidad and Tobago’s LNG facilities, which are currently facing declining feedstock.
- In October 2025, the US granted Shell and Trinidad and Tobago permission to negotiate with PDVSA on the development of Dragon field through April 2026.
- Should the project succeed, the bank expects Trinidad and Tobago’s LNG exports could increase by up to 6 bcm/y, or by as much as 10 bcm/y if decommissioned Train 1 is brought back online.
- Secondly, Venezuela could export pipeline gas to neighbouring countries, reducing their reliance on imported LNG.
- A potential revival of the Gasoducto Transcaribeño pipeline could offset Colombia’s current LNG needs of 2.5-3 bcm/y.
- In the medium to long term, Venezuela could revisit historical LNG export ambitions, JPMorgan says.

Mexico

Mexico launched a public consultation period for a 544 MW natural gas fired power plant. The consultation period will be open from January 5th to January 30th.

- The proposed plant, El Salto 1, would be located in the Central State of Jalisco and developed by Ad Astra Energia.
- The project would be supplied by the Villa de Reyes-Aguascalientes-Guadalajara pipeline, which interconnects with US-located Trans-Pecos pipeline out of the Permian. Trans-Pecos interconnects with Gasoducto-Ojinaga at the border which then carries gas to another interconnect with El Encino-La Laguna. Therefore, this power plant would require gas to flow through three interconnects before reaching the facility.
- Export pipelines to Mexico from the Permian have historically been underutilized as expected Mexican demand failed to manifest. The Gasoducto-Ojinaga interconnect with Trans-Pecos reported 0.7 Bcf/d of flows today, which is down from the 2025 daily peak of 1.2 Bcf/d reached in June. ON a monthly average, the pipeline has spare capacity through the winters of ~0.8 Bcf/d and through the summers of ~0.7 Bcf/d.
- At 544 MW, the facility would only require 53 MMcf/d of natural gas, assuming a 6.8 heat rate and 60% capacity factor. This combined with the excess pipeline capacity, the facility should be able to source the required gas from the US.

Trans-Pecos – Gasoducto Natgas Flows - Source (MNI, Bloomberg Finance L.P.)



Source: MNI, Bloomberg LP