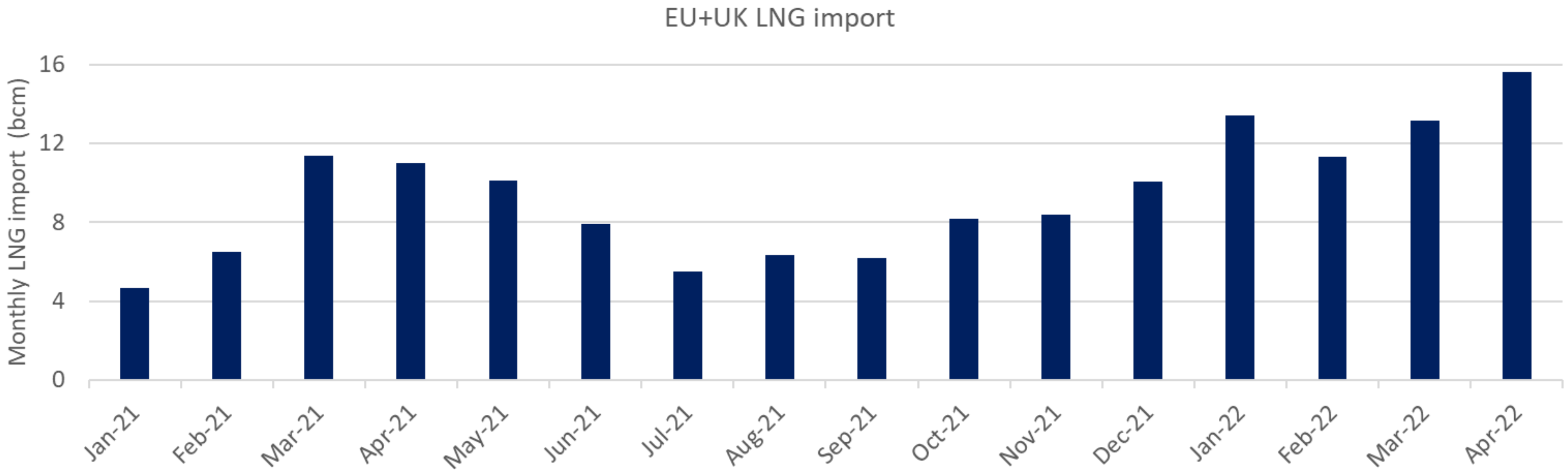
Global & Regional Market Analysis

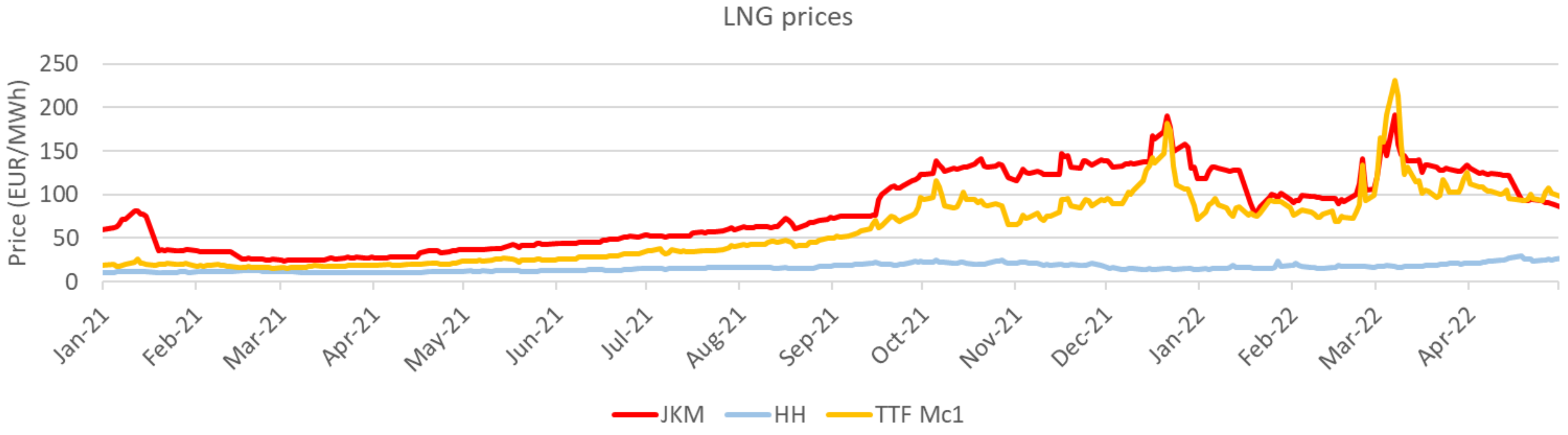
Natural Gas

Q2 2022

Source: Refinitiv

New record LNG import in April



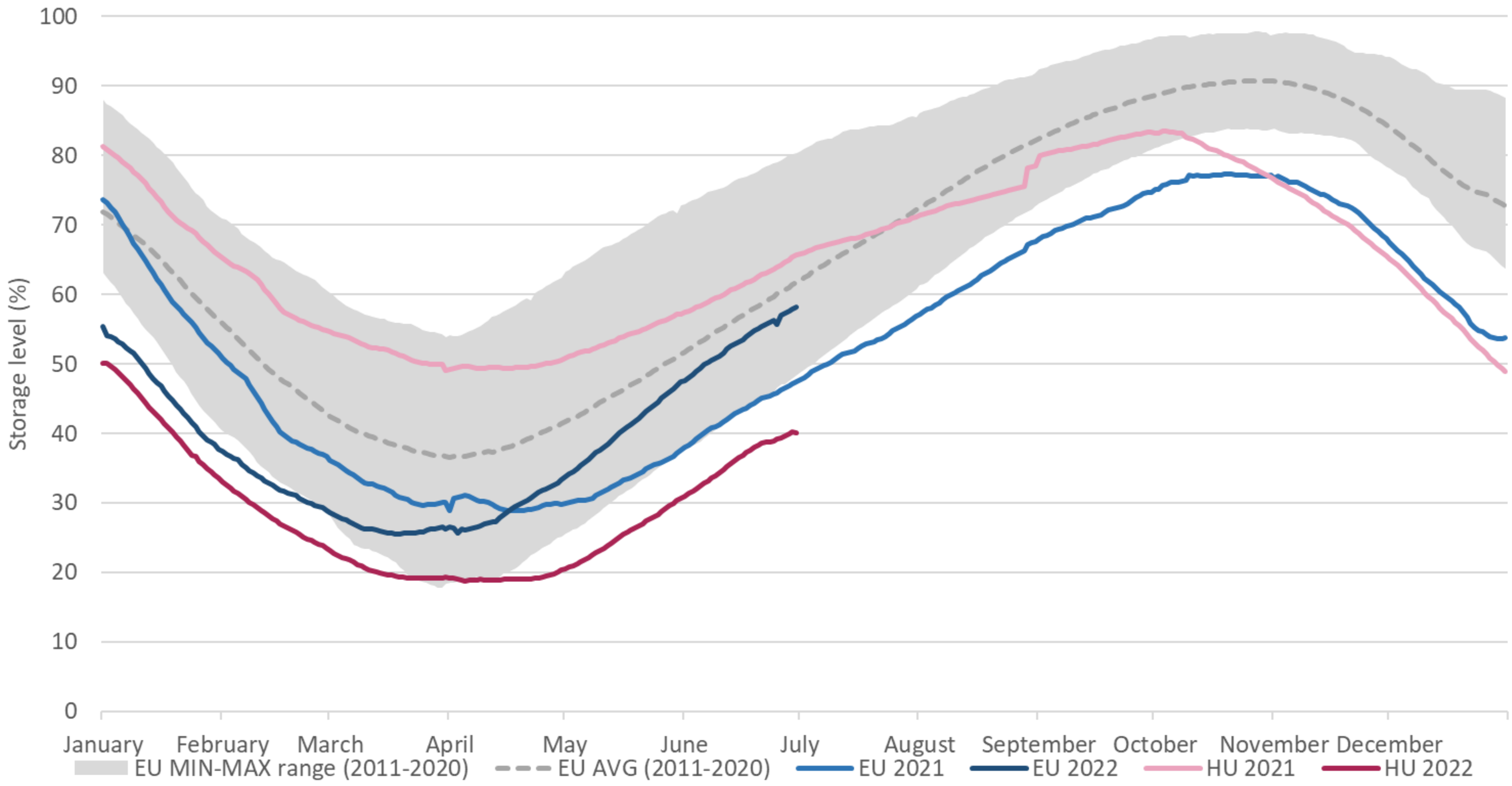


Expert opinion:

- After a record month in January, EU and UK LNG imports hit another record in April.
- Due to the war in Ukraine and the uncertainty of the Russian pipeline gas the TTF went above the JKM again.
- In April due to the huge European demand and the increasing world LNG prices, the Henry Hub price hit its highest level since 2008.
- While some countries have stopped importing Russian LNG, the EU as a whole has seen an increase in Russian LNG since the beginning of the war.
- At the same time, less Russian LNG went to the Asian market.

High storage injection rates from May

Source: AGSI, ICIS



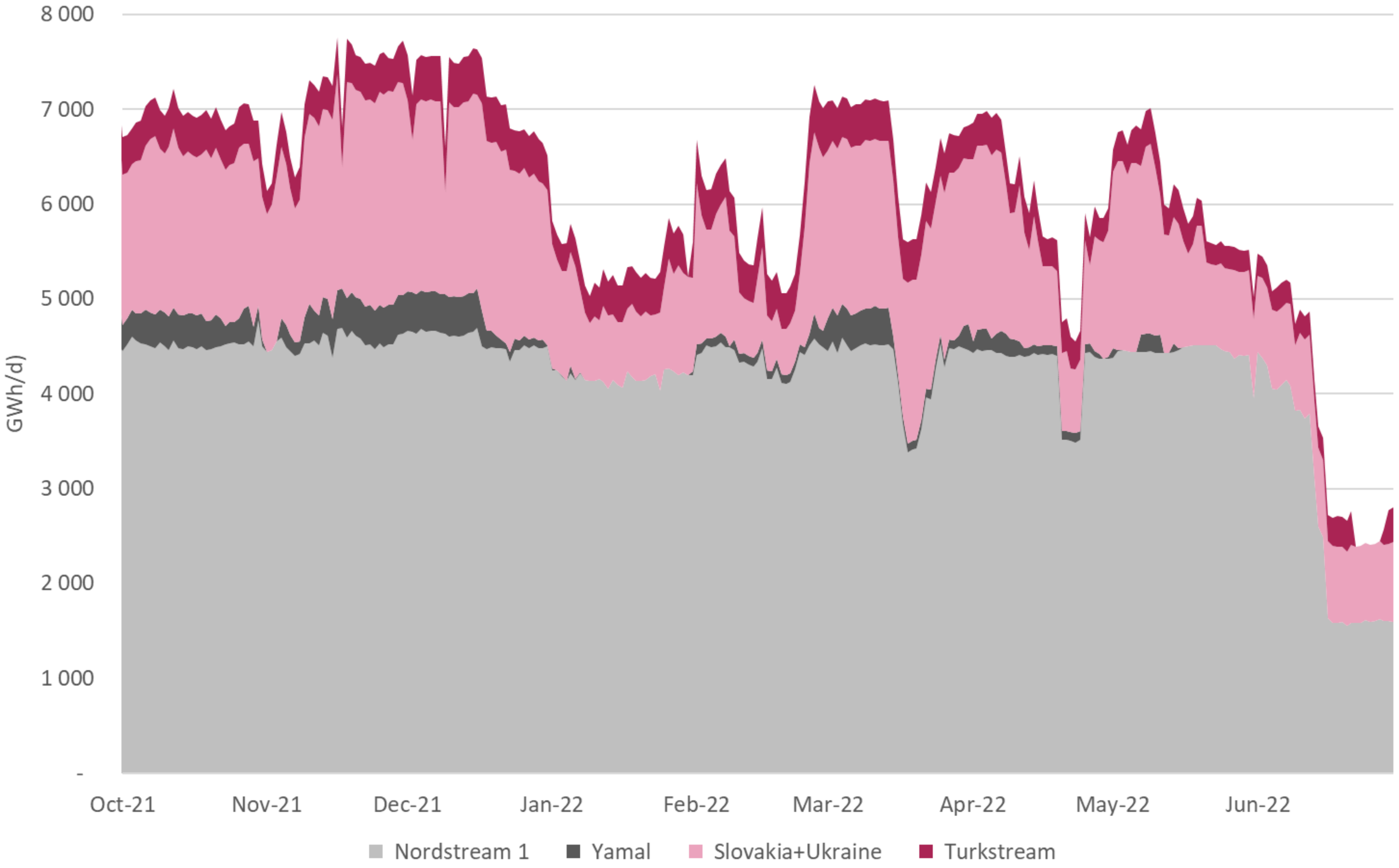
EXPERT OPINION:

- European aggregated storage levels (excluding Ukraine) returned to their historical min-max range between 2011-2020 and almost surpassed the 10-year average.
- The pace of injections remained stable in June despite lower Russian flows, Norwegian maintenances and rising global competition for LNG.
- In May, the previous negative Winter-DA spreads were replaced by a very high positive spread.
- The market remained volatile, but a positive spread encouraged storage injections and preparations for the winter of 2022.

At the end of February Ukrainian storage operator temporarily halted withdrawals and suspended publishing storage data on its website in response to the emergency situation.

Source: ENTSOG

Gasflows from Russia dropped in June



EXPERT OPINION:

- On 14 June Russian flows decreased on the NS1 pipeline to 60% of capacity, a day later flows were further cut to 40% of capacity due to maintenance. (Planned annual maintenance will take place 11-21 July).
- Yamal flows disappeared. (Planned annual maintenance will take place 5-8 July).
- Supplies via Slovakia started to decrease and remained low in June, while Ukrainian transit increased in June.
- Deliveries via TurkStream dropped between 21-28 June, but apart from that remained on similar level to previous months.