

ceegex

CENTRAL EASTERN EUROPEAN
GAS EXCHANGE



Global & Regional Market Analysis

NATURAL GAS, 2025 February

19/03/2025

STORIES OF THE MONTH

FEBRUARY 2025



On January 31, **the EU's Gas Market Correction Mechanism (MCM) ended**. It was implemented in December 2022 during the energy crisis, but market conditions never reached the thresholds required.



Since February 1, Slovakia has resumed receiving some volumes from Gazprom through the Turkish Stream, with the volumes expected to double starting in April.



- » On February 20, Russian forces launched a large-scale drone and missile attack targeting Ukraine's gas infrastructure.
- » Potential peace talks between Trump and Putin may have had a bearish impact on prices in mid-February.



Alexandroupolis LNG Terminal maintenance is extended by a month, it **will stay out of service until at least the end of March**.



Egypt has signed agreements worth approximately 3 billion \$ with Shell and TotalEnergies to secure 60 LNG cargoes for 2025 demand.

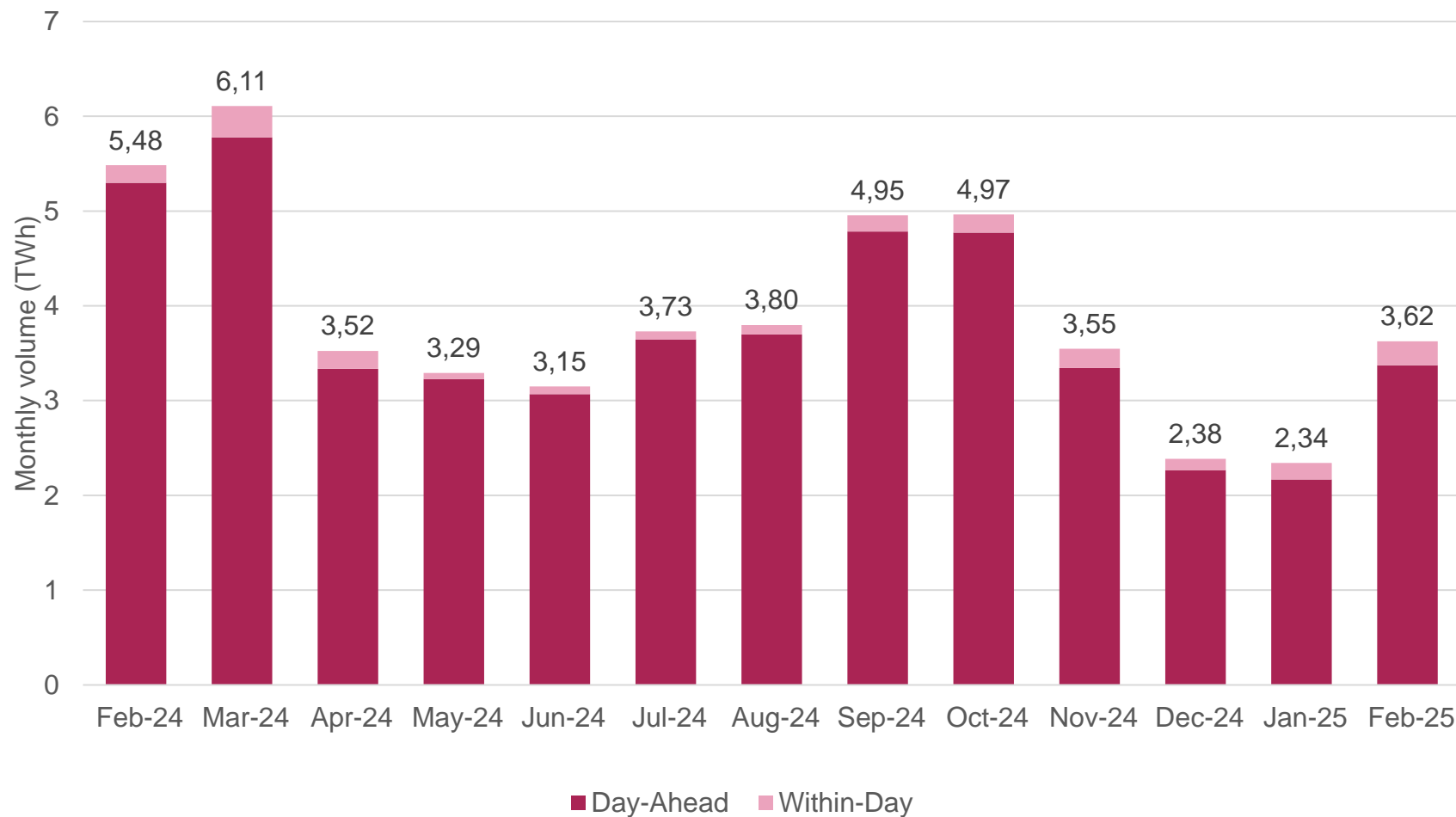


- » **The EC plans to propose an extension of the EU's gas storage regulation** to the Council in early March, **extending it from early 2026 to the end of 2027**.
- » Some member states have called for more flexibility, arguing that the regulations have been distorting the market by driving summer gas prices significantly above winter levels.

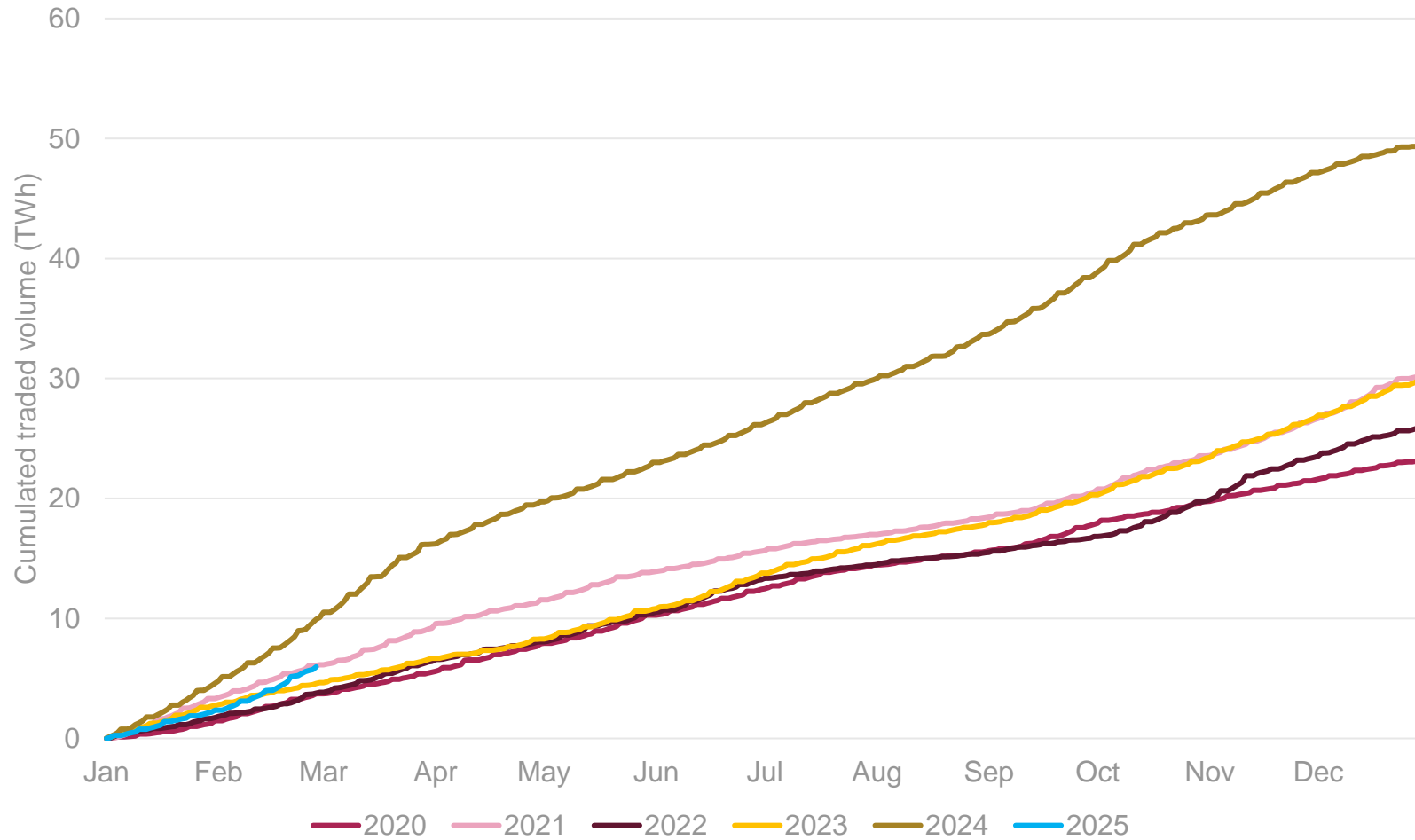
TRADED VOLUMES

EXPERT OPINION:

- » In February, traded volumes MoM increased more than 50%.
- » The turn to the positive in the CeegeX-CEGH spread and the wider CeegeX-BRM spread may have encouraged trading.
- » YoY, the volumes traded were down significantly from last year's record February. However, compared to previous years, this February volume is still high, as it was the second highest in the history of CeegeX.
- » The YoY decline occurred despite the fact that domestic consumption was much higher than in February last year.



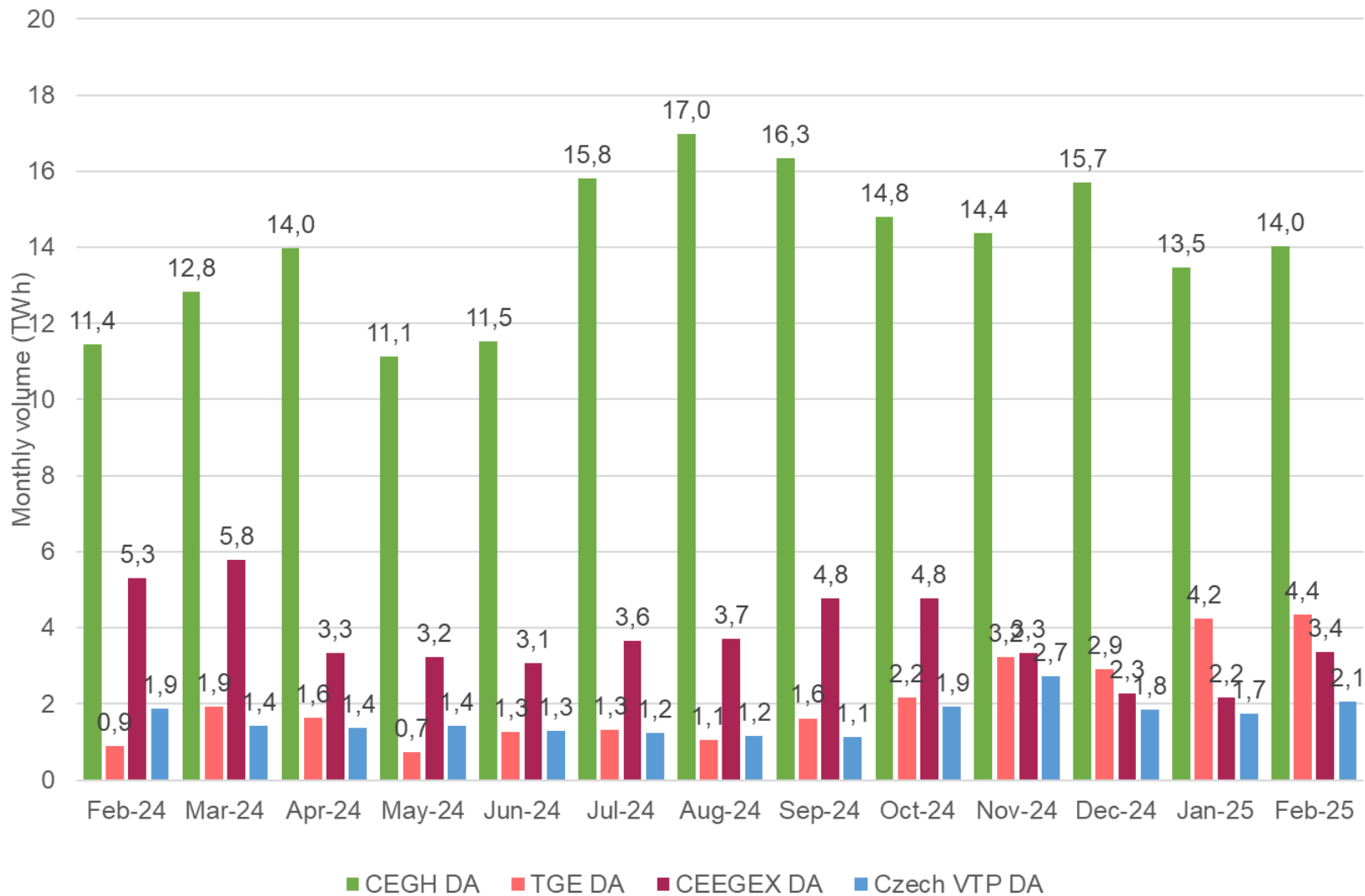
TRADED VOLUMES YEARLY COMPARISON



EXPERT OPINION:

- » The cumulative annual volumes graph shows the YoY shortfall in February.
- » February volumes were the highest in 4 months.
- » **Annual volumes traded are the second highest in recent years.**

REGIONAL SCOPE DA MARKETS



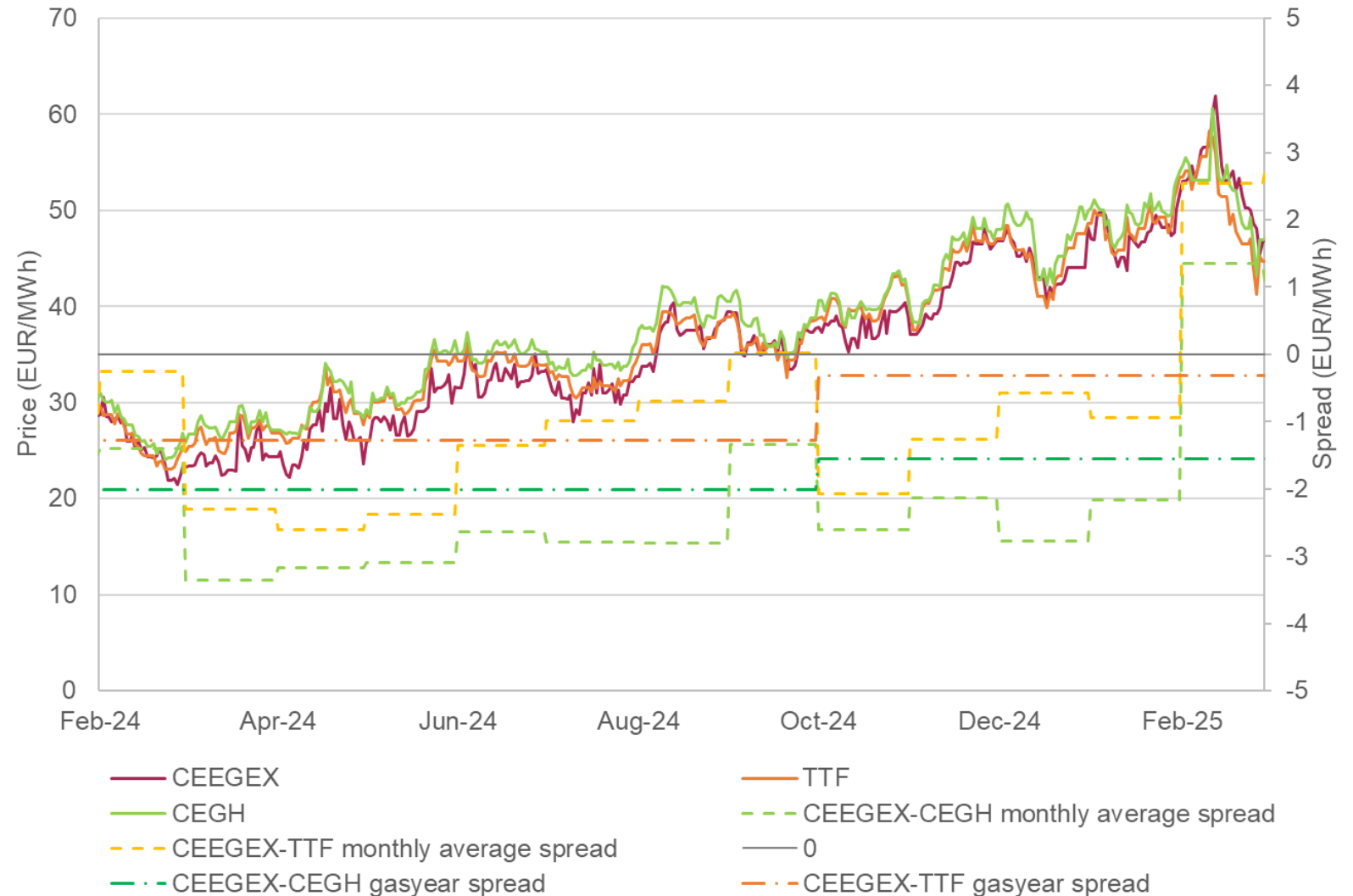
EXPERT OPINION:

- » **The traded volume MoM increased in February on Ceegex**, similarly on CEGH and Czech VTP and TGE. The increase was the more significant on Ceegex.
- » **Compared to February 2024, the traded volume on Ceegex and Czech VTP is lower**, however, on CEGH there is a slight increase. On TGE, the increase in volume compared to the same period in last year is significant.
- » **The Ukrainian transit stoppage**, which accounted for the bulk of Austrian imports (replaced by German sources), **did not bring any significant change in the spot DA volumes traded on the CEGH.**

TTF, CEGH PRICES AND SPREADS

EXPERT OPINION:

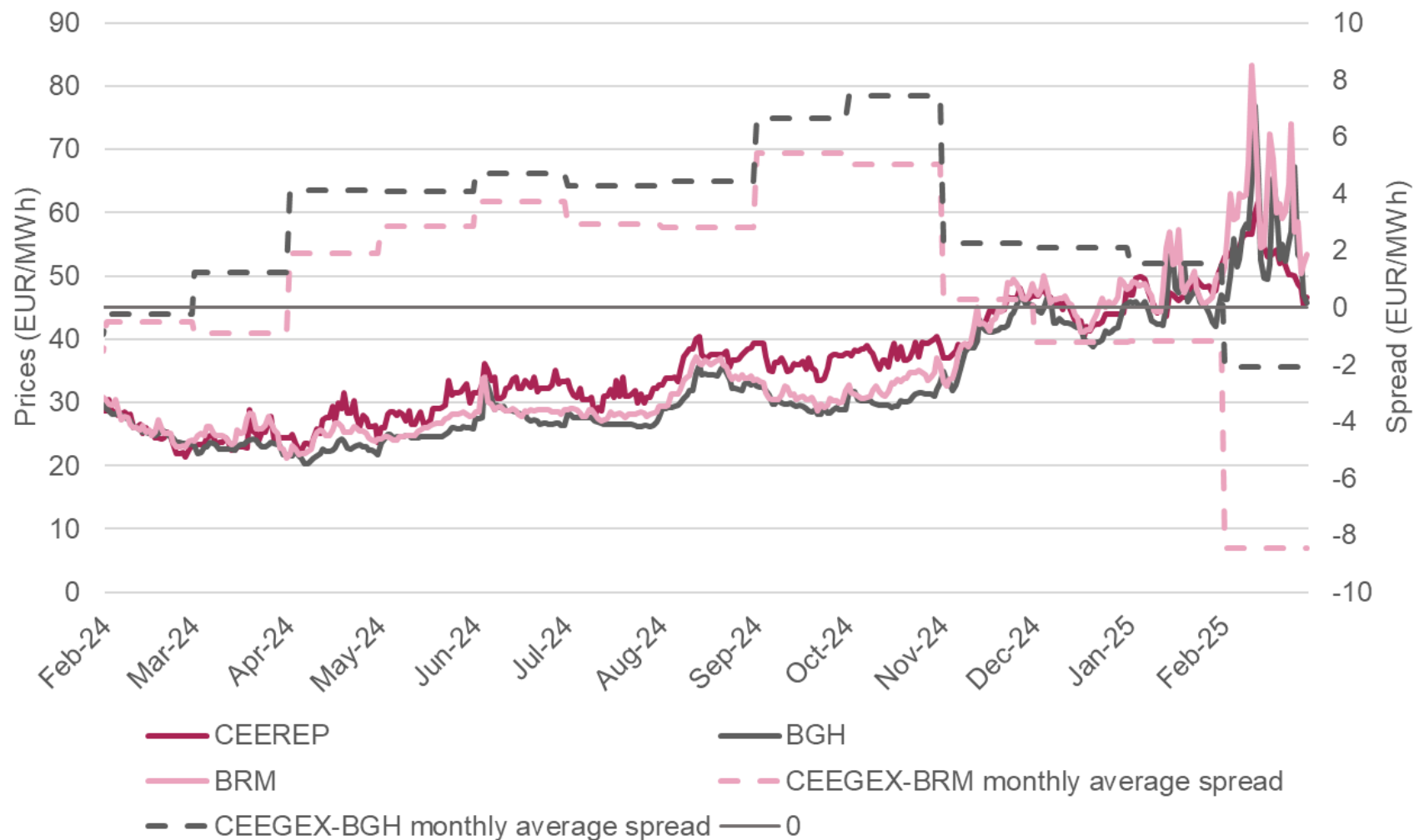
- » Prices started to rise at the end of December, followed by a **steep downward trend** at the beginning of **February**.
- » A **possible reason** for the **price decrease** is that **market** conditions **stabilized** after the Ukrainian transit disruption, **milder weather** and **relatively abundant LNG** supplies.
- » The price decline began simultaneously on all exchanges, but prices dropped more significantly on TTF. On **Ceegex**, the **decrease was more gradual**.
- » The **Ceegex-TTF** and **Ceegex-CEGH** spreads turned positive again after more than a year.
- » The **Ceegex-TTF** monthly average spread was **2,5 €**, the **Ceegex-CEGH** spread was **1,5 €**.



BRM, BGH PRICES AND SPREADS

EXPERT OPINION:

- » Prices crossed the 60 € on BRM and BGH, and even reached **76 € on BGH and 83 € on BRM**, while prices on CeegeX reached around 60 €.
- » **The cold weather, the increase in demand from Moldova, and the low storage levels in February, all contributed to the increase of the BRM prices.** To cover the consumption due to the cold weather, Romania needed more imports as well.
- » Bulgaria's utilities regulator approved a 2,9% increase in the regulated gas price.
- » The price on BRM and BGH even exceeded CEGH and TTF prices.
- » The monthly average trading prices of **BGH and CeegeX were close to each other**, however, the average price of BGH was 2 € higher. **On BRM the monthly average trading prices was almost 9 € higher than on CeegeX.**



JAPANESE CANDLES LAST 3 MONTHS



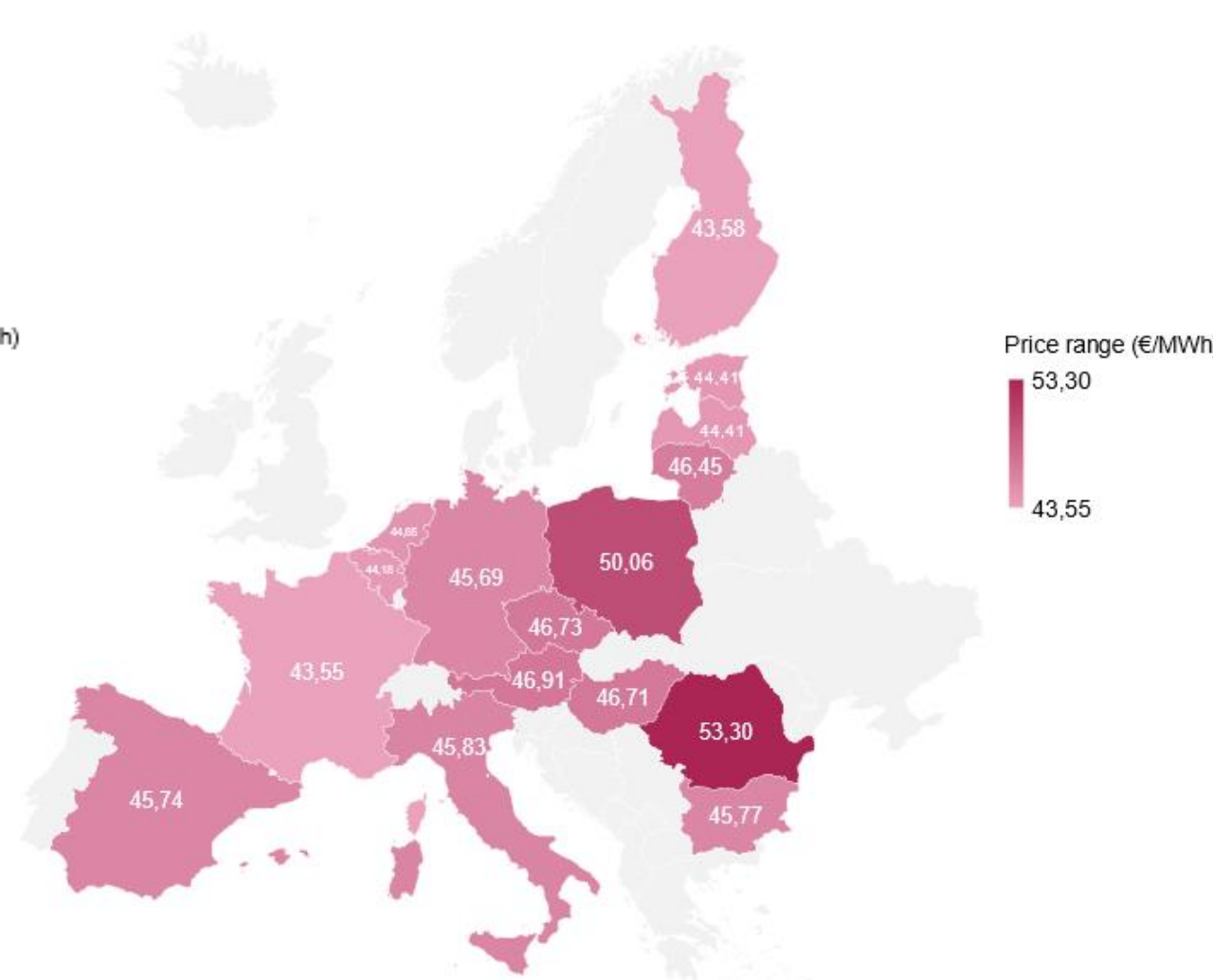
EXPERT OPINION:

- » The Japanese candle chart shows that **after a price drop in early December** due to better weather, **prices rose until the first half of February** then it started to **decrease in the second half of February**.
- » In February, price **volatility increased** compared to December and January.
- » **In February, significant intraday price changes were more typical** as in December and January.

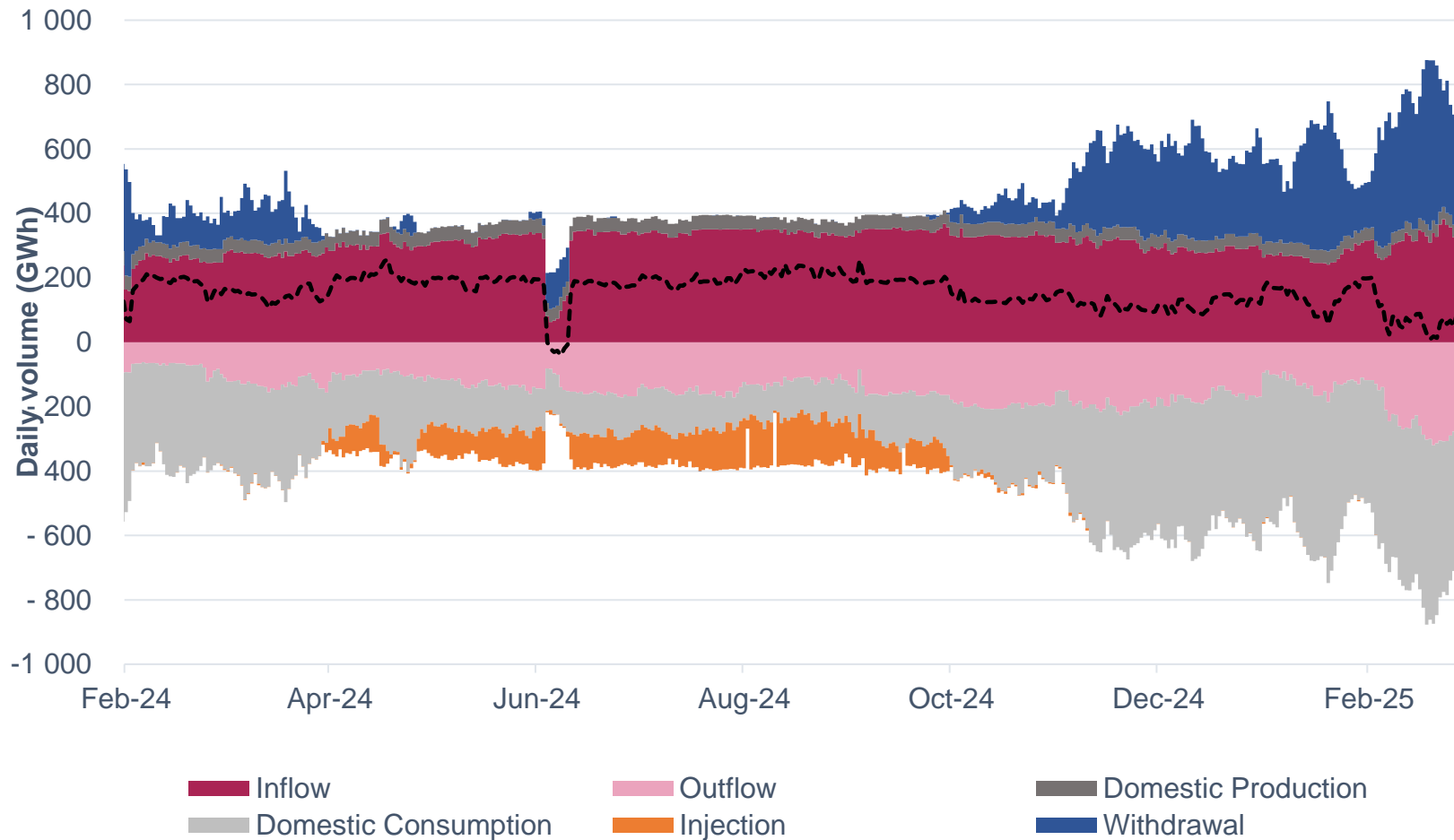
NATURAL GAS PRICES SNAPSHOT

31/01/2024

28/02/2025



HUNGARIAN GAS MARKET BALANCE

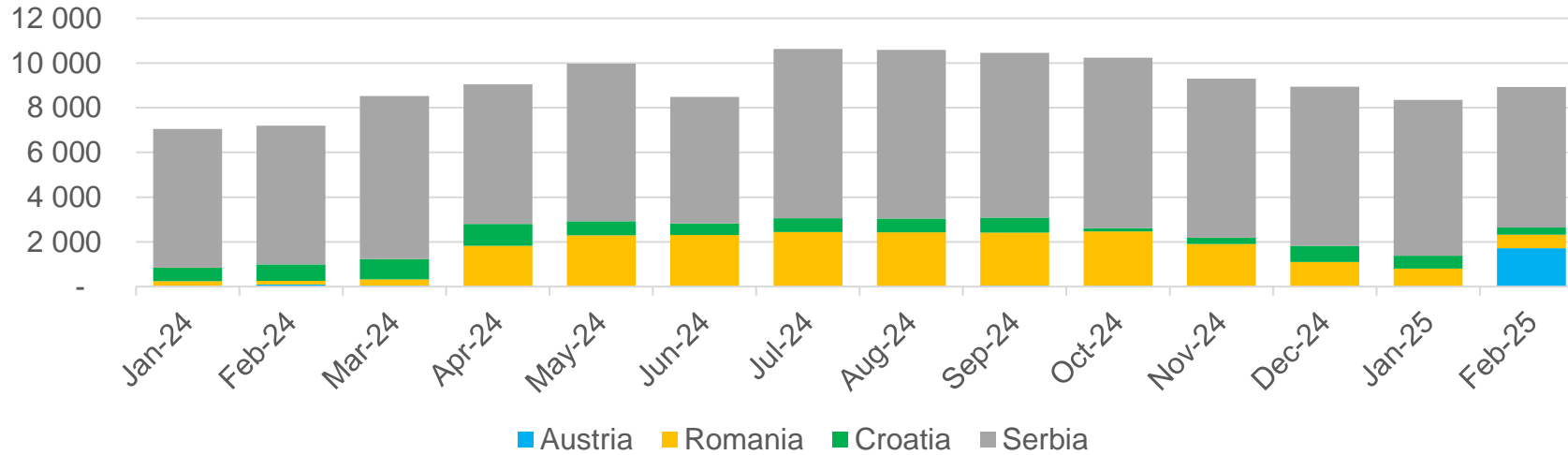


EXPERT OPINION:

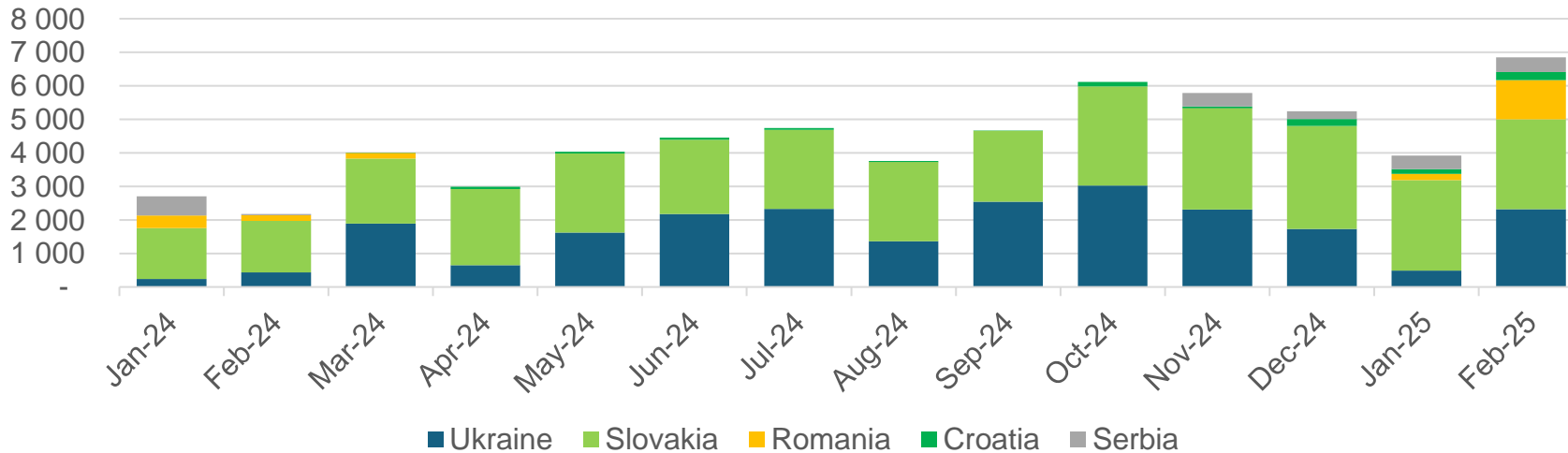
- » In February, the domestic consumption has grown further compared to December and January.
- » This came with a considerable withdrawal; this also explains the low storage levels.
- » In February, the exports increased more than 75% compared to January, mainly to Romania and Ukraine.
- » In terms of import, significant volumes have arrived from Austria again after more than a year.
- » The domestic production roughly remained the same.

HUNGARIAN GAS FLOWS

Import (GWh)



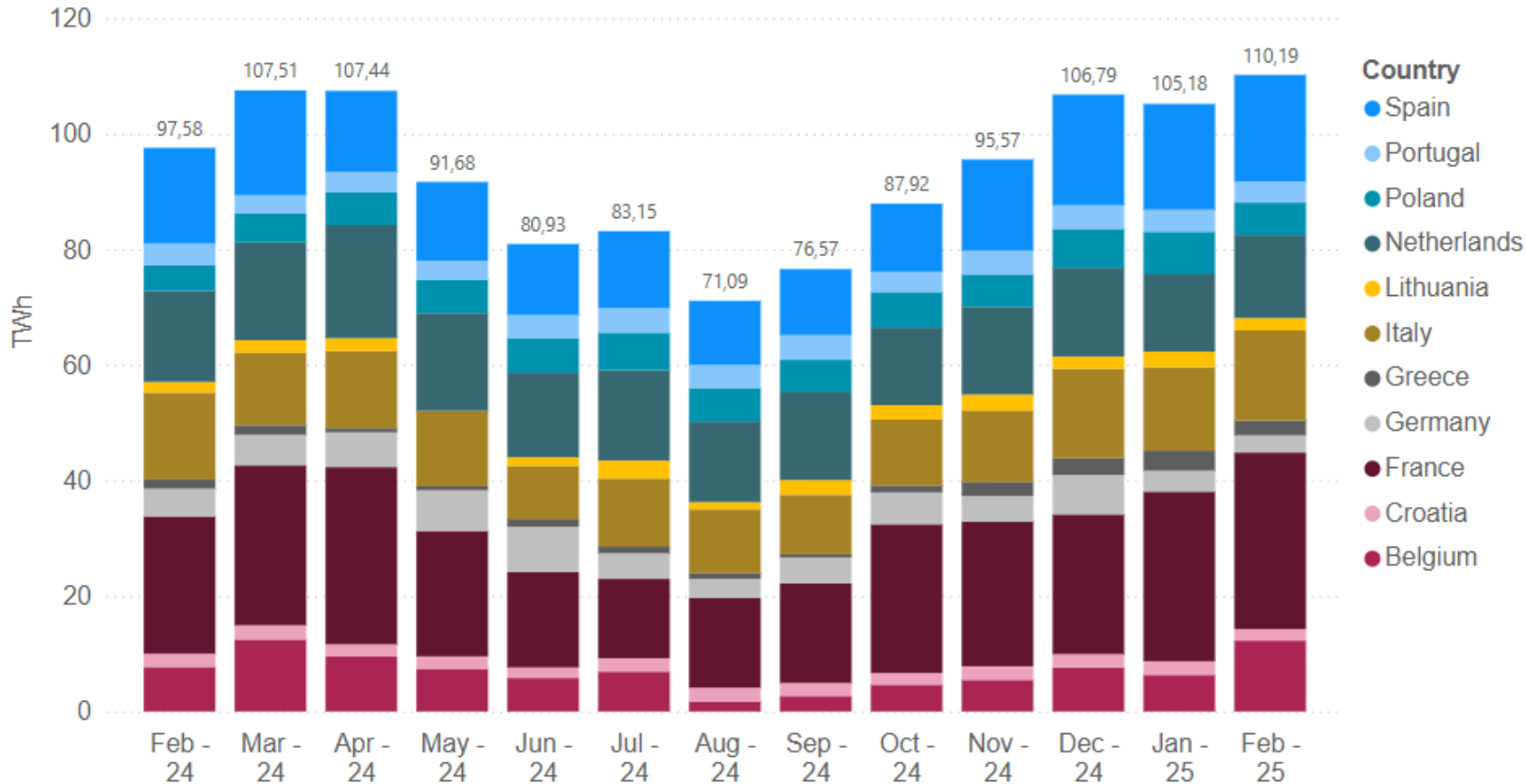
Export (GWh)



EXPERT OPINION:

- » For the first time since the end of 2023, in February large **quantities have arrived from Austria**. The positive turnaround in the Ceegeex-CEGH spread (also after a long period) may have played a role in this.
- » In February, we saw **significant export volumes to Romania**, driven by the considerable negative Ceegeex-BRM spread.
- » **Exports to Ukraine also increased significantly**, as Ukraine, due to attacks on its gas infrastructure and relatively high consumption, became heavily reliant on imports.
- » The simultaneous increase in Austrian imports and exports to Ukraine and Romania suggests that gas from Austria may have passed through Hungary to reach the eastern countries.
- » **Exports to Slovakia showed a significant decline starting in March**, likely due to lower Slovak consumption.
- » We can also observe export volumes towards Serbia, which are a result of the re-export of quantities previously stored in Hungary.

LNG SEND-OUTS BY EUROPEAN COUNTRIES*



EXPERT OPINION:

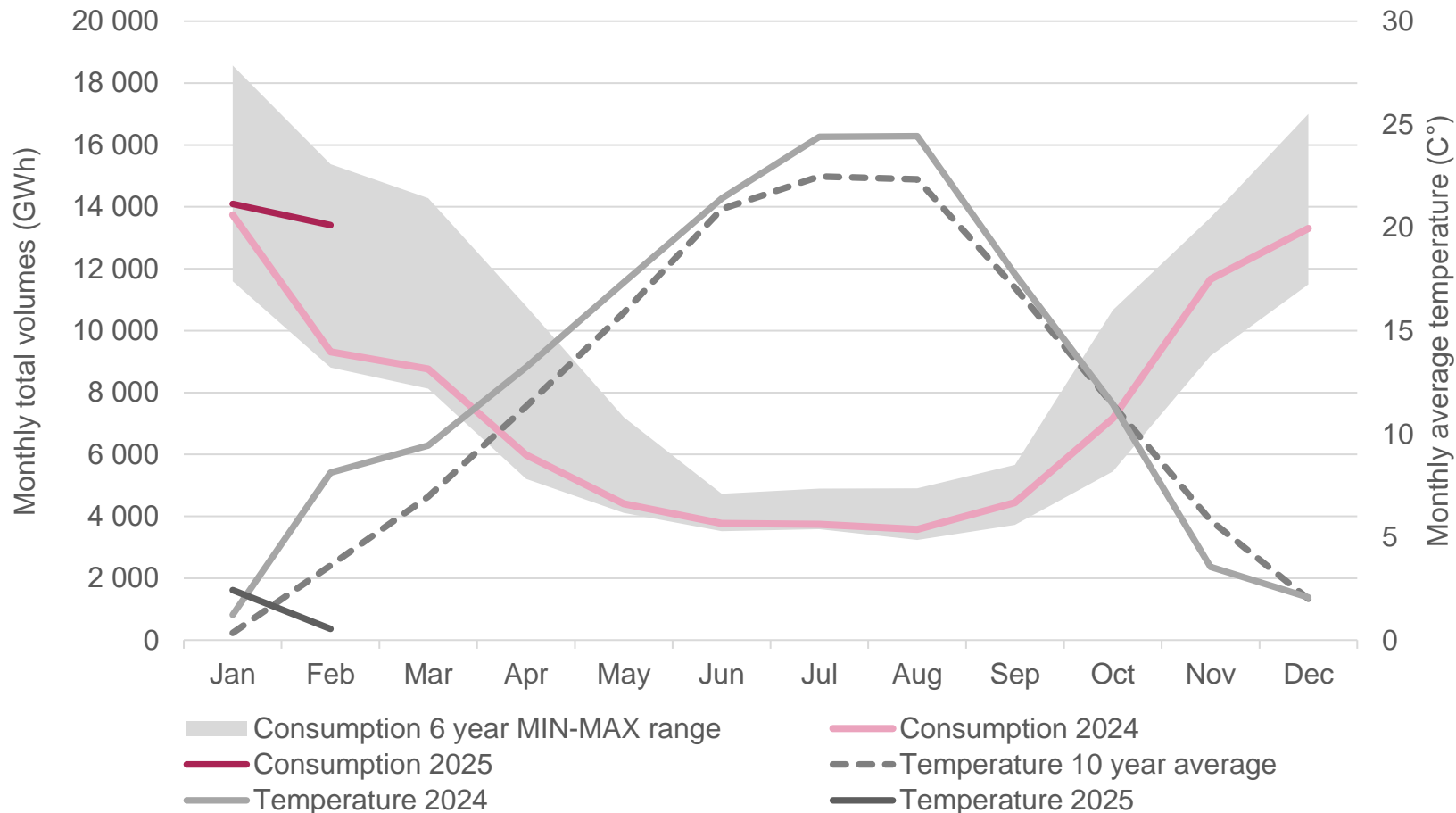
- » European LNG imports increased by 5% MoM and by 12% YoY.
- » Highest European LNG import since December 2023 (114 TWh).
- » This was driven by cold weather and high storage withdrawals.
- » Asian demand has weakened due to an unusually mild winter across much of North Asia, enabling European buyers to secure cargoes.
- » Alexandroupolis LNG Terminal to stay out of service until at least the end of March.

• Excluding UK, Finland (data not available)

HUNGARIAN DOMESTIC GAS CONSUMPTION

EXPERT OPINION:

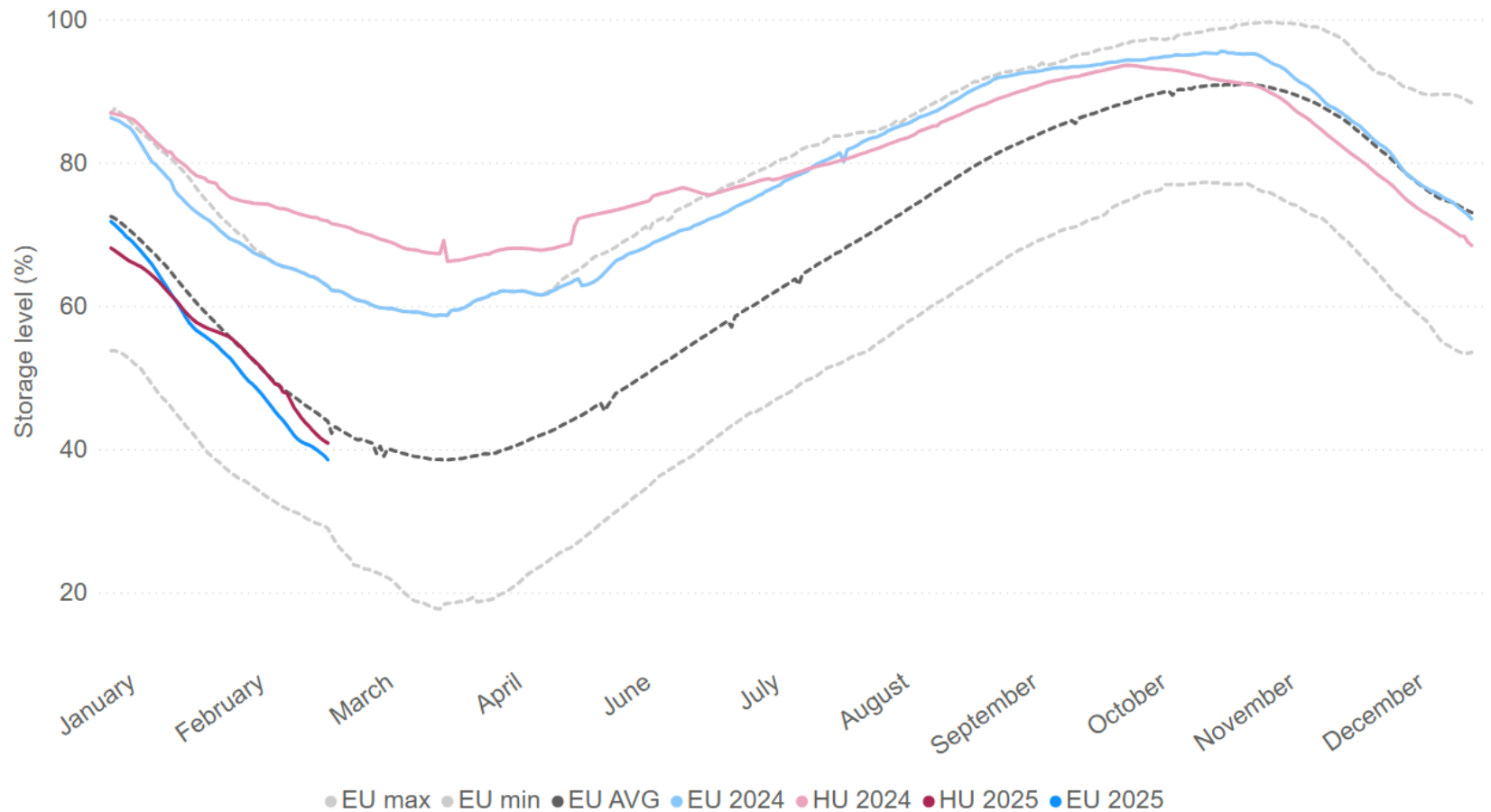
- » For the 2024/25 winter, the average temperature was significantly lower (~1,7°C) than in the previous winter (~4°C).
- » As a result, domestic gas consumption in the 2024/25 winter was much higher than in 2023/24, by more than 5 000 GWh.
- » While electricity consumption saw only a modest rise over the same period.
- » This was especially true for the month of February, where we see the biggest increase in consumption (4 000 GWh) along with an almost 8°C difference in the average temperature.
- » This trend is reflected in the high withdrawal levels.



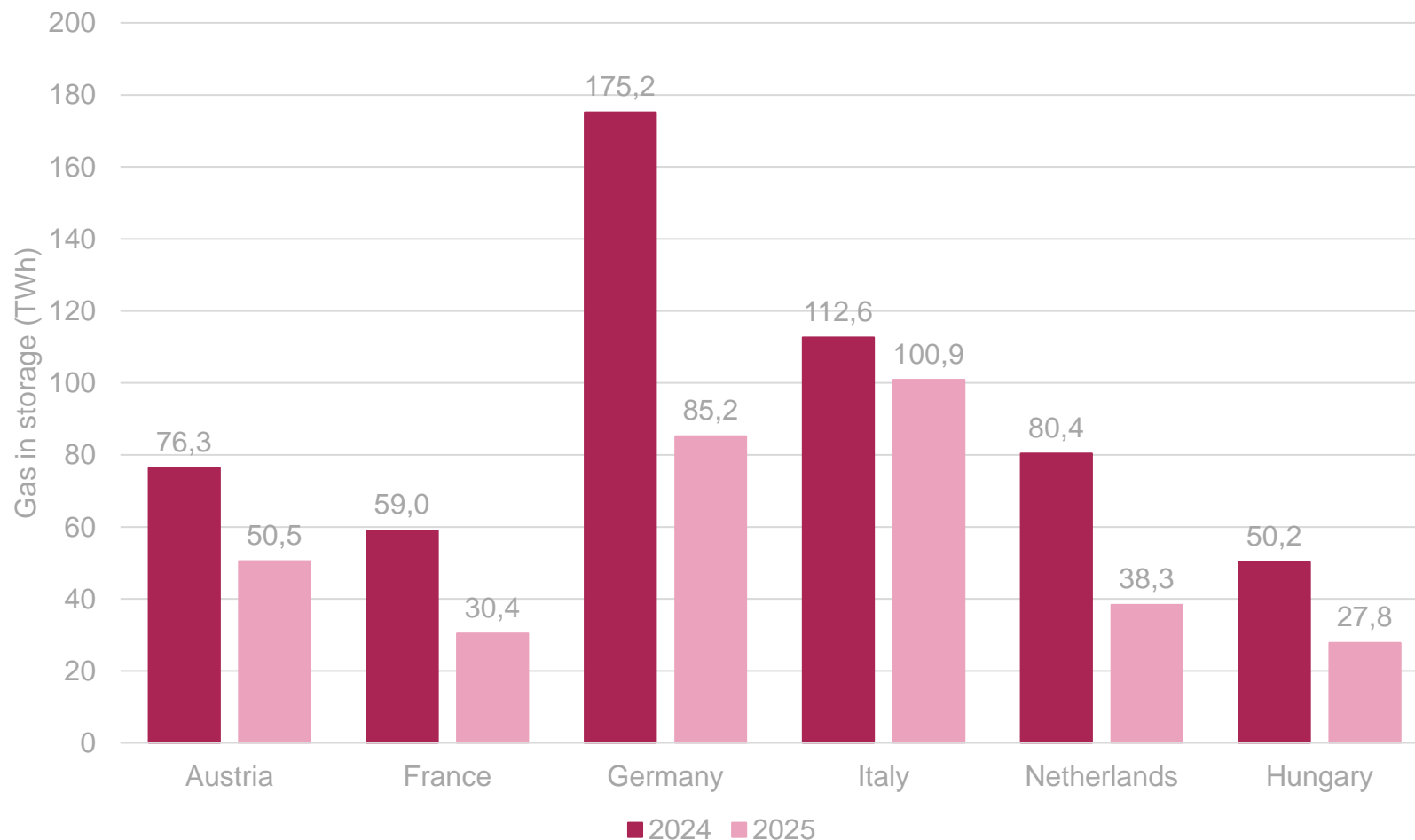
GAS STORAGE LEVEL IN EU AND HU

EXPERT OPINION:

- » At the end of February, the aggregated EU storage facilities stood at 39%, while Hungarian stocks stood at 41%.
- » Both EU and Hungarian gas storage levels are significantly below last year's values.
- » Reasons behind the lower inventory levels in February:
 - **Colder winter** not only in Hungary, but across Europe **supports withdrawals**.
 - **Ukraine's transit stoppage reduces EU supplies**, so the pace of withdrawals has increased.
 - At certain periods, increased gas demand in the power sector during winter due to low wind conditions.



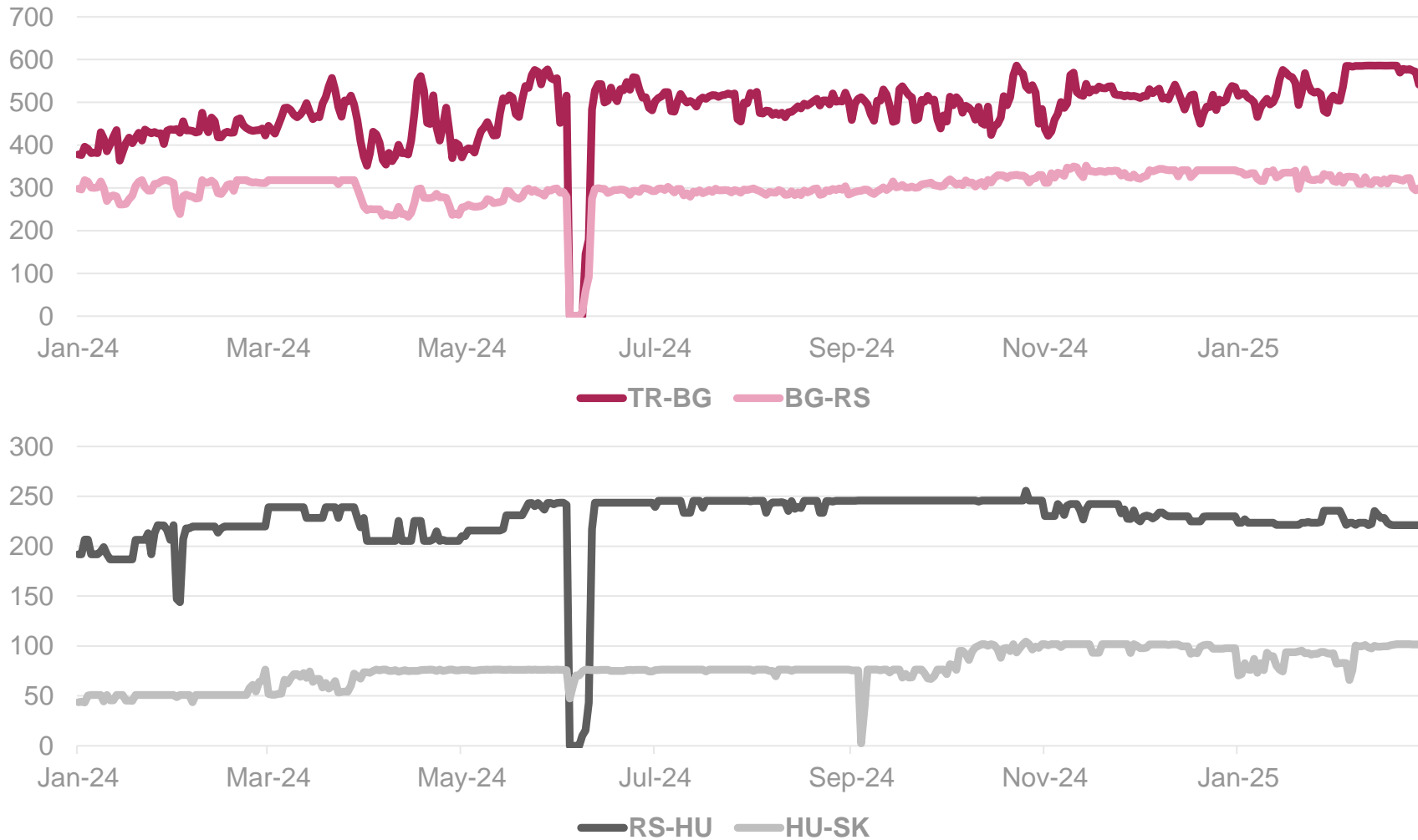
GAS STORAGE LEVELS OF MAJOR COUNTRIES



EXPERT OPINION:

- » Overall, **the EU's gas storage stocks has decreased significantly** (2024 - 712 TWh, 2025 - 442 TWh) compared to the previous year, reflecting the ongoing **challenges in energy supply** and the **colder winter**, than last year.
- » The **6 countries displayed** in the diagram **represent about 80%** of the European Union's gas storage capacity.
- » The **largest decrease** in gas storage stocks occurred **in Germany**. A major factor in this may have been the significant **increase in German exports to Austria and the Czech republic after the halt of Ukrainian transit**, with German withdrawals in January and February about twice as high as in December.
- » **Hungary also saw a significant decrease** (44,5%) This sharp decline could be linked increased consumption in 2024-25 winter months.
- » Overall, most countries showed a **30-50% decrease** in gas storage.
- » The expected higher demand due to low storage levels could have a significant price upward impact on the next injection period.

TURKSTREAM AND HU-SK FLOWS AFTER THE UKRAINIAN GAS TRANSIT



EXPERT OPINION:

- » The flows from Turkey to Bulgaria increased in February, reaching almost 600 GWh/day, surpassing the monthly volumes of any other month in 2024 and January 2025.
- » There was no significant change in the BG-RS flows, so these volumes from Bulgaria likely shifted to Romania.
- » Due to maintenance work on TurkStream, 0% of capacity was available from June 4 to June 11 last year.
- » The outflows from Hungary to Slovakia were at their maximum level throughout February, then decreased at the beginning of March.
- » Since February 1, Slovakia has resumed receiving some volumes from Gazprom through the TurkStream, with the volumes expected to increase starting in April.

GAS IMPORTS OF UKRAINE

EXPERT OPINION:

- » **Ukraine significantly increased its imports from the EU** in February due to extremely low storage levels.
- » **Naftogaz purchased 6 000 GWh of gas from the EU** in February. **Gas prices increased significantly** compared to those observed in the last injection period. **Between April and September**, the average gas price was **€33/MWh**, while in February, it was **€50/MWh** on the **TTF exchange**.
- » According to former ukrainian energy minister, in 2025, Ukraine will need to import roughly 2-3 bcm of gas to compensate for the shortfall.
- » Most of the **purchased gas is arriving** to the country **via Slovakia and Hungary**, with a small amount coming through Poland.
- » **Ukraine plans to import nearly half of its gas requirements for 2025 from USA LNG** delivered to European terminals, thereby further strengthening its economic partnership with Washington.

Ukrainian gas import & gas storage level in percent

