

# Global & Regional Market Analysis

NATURAL GAS, 2025 May

18/06/2025

# STORIES OF THE MONTH

## MAY 2025



The European Commission will propose legal measures in June to **phase out all Russian gas and LNG imports by the end of 2027**. This includes banning imports under existing contracts and prohibiting new deals and spot purchases by the end of 2025.



**LNG Croatia** will launch a new auction system on 12 May, **offering an additional 0.75 bcm/year LNG until 2040**. The volumes, split into 950 GWh blocks (roughly one LNG cargo), will be available via the Prisma platform, replacing the previous first-come, first-served model.



- » **A new discounted gas route from Greece to Ukraine via the Trans-Balkan corridor** is launching, with a first auction on 29 May for June capacity (~31 GWh/day).
- » Offered by five TSOs, **the route includes up to 46% price discounts** and aims to boost Ukraine's energy security. **Gas must be transmitted directly to Ukraine, without access to national markets along the route.**



**Serbia has extended its gas deal with Russia until 30 September**, securing 6 mcm/day at €290/1000 cm to fill storage in Banatski Dvor and Hungary.



**Slovenia's Geoplin and Algeria's Sonatrach have extended their gas supply deal**, increasing volumes from 300 mcm to **500 mcm annually for 2023–2025**.



OMV Petrom and Moldova's Energocom have signed a three-year deal to supply gas from the Neptun Deep project after it starts production post-2027.

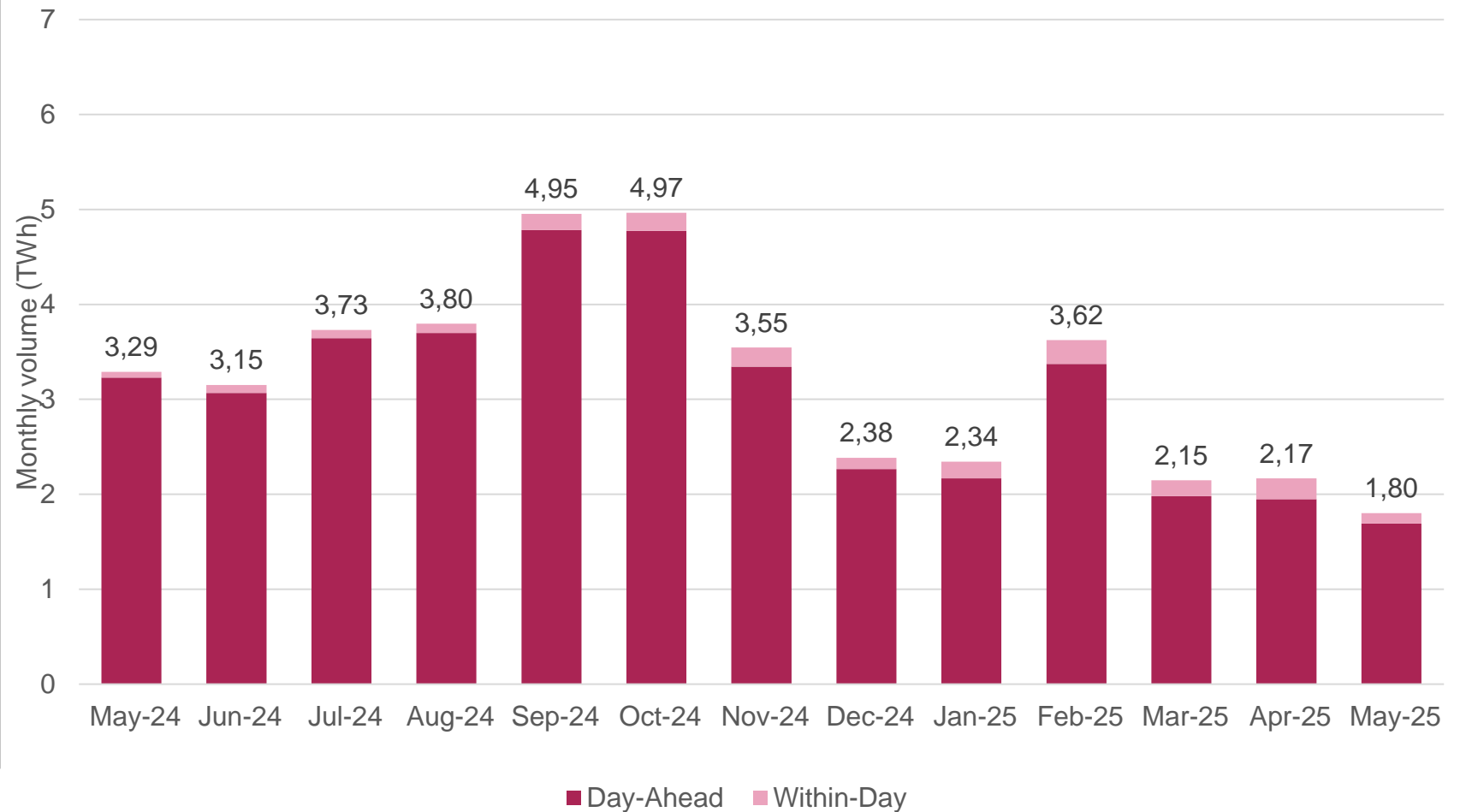


Germany's cabinet has approved a reduction in the gas storage target for 1 November, lowering it from 90% to 80% capacity at most storage sites.

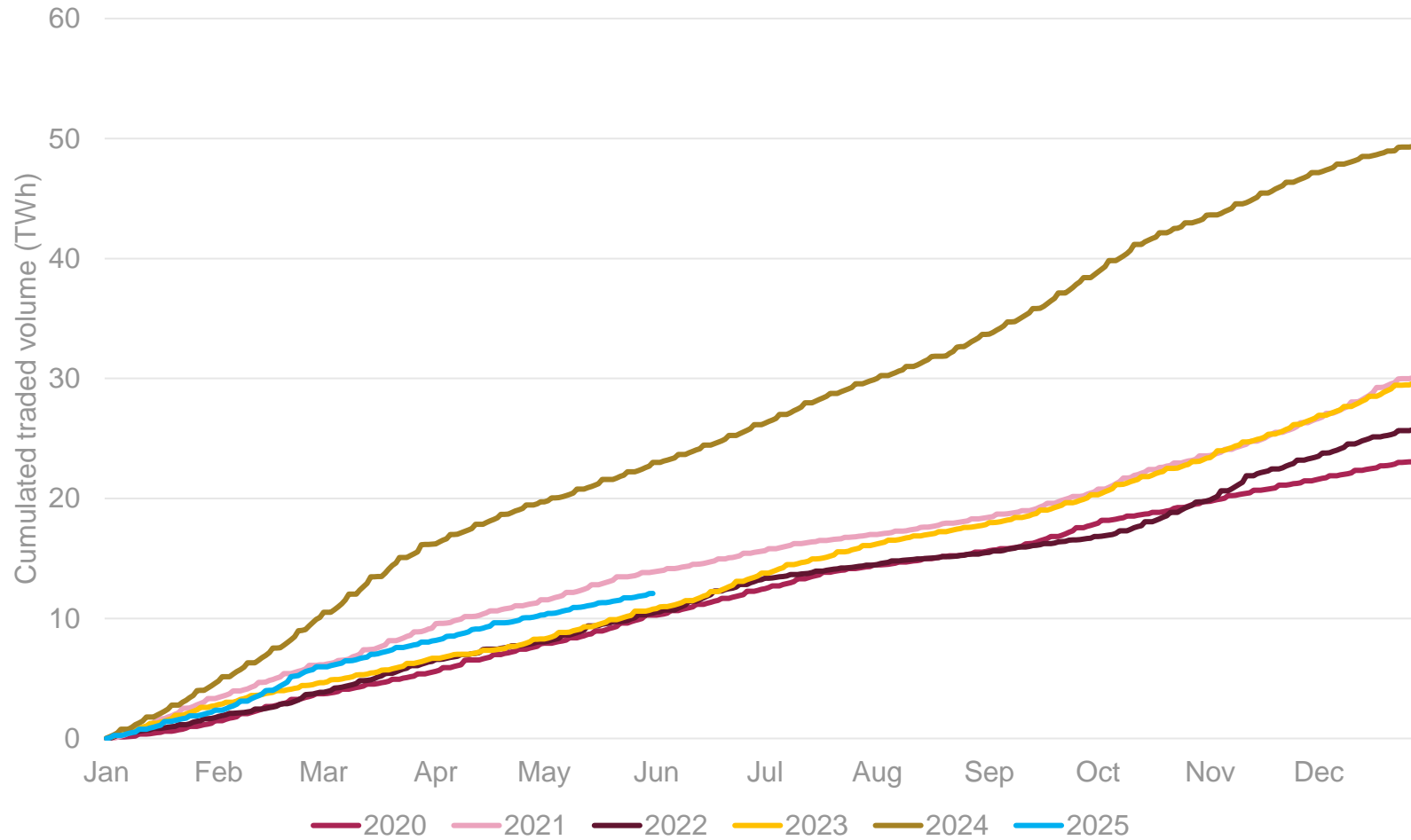
# TRADED VOLUMES

## EXPERT OPINION:

- » In May, traded volumes MoM decreased.
- » The decrease may be due to slightly lower domestic consumption and a declining spread compared to CEGH.
- » At the same time, the spread increased compared to other benchmark exchanges, and the pace of storage injection also accelerated — these factors could have had a stimulating effect on trading.
- » YoY, Compared to May of last year, the **traded volumes in May 2025 have declined significantly**.
- » Last year, the larger price differentials compared to the more eastern exchanges may have provided a stronger incentive for trading.



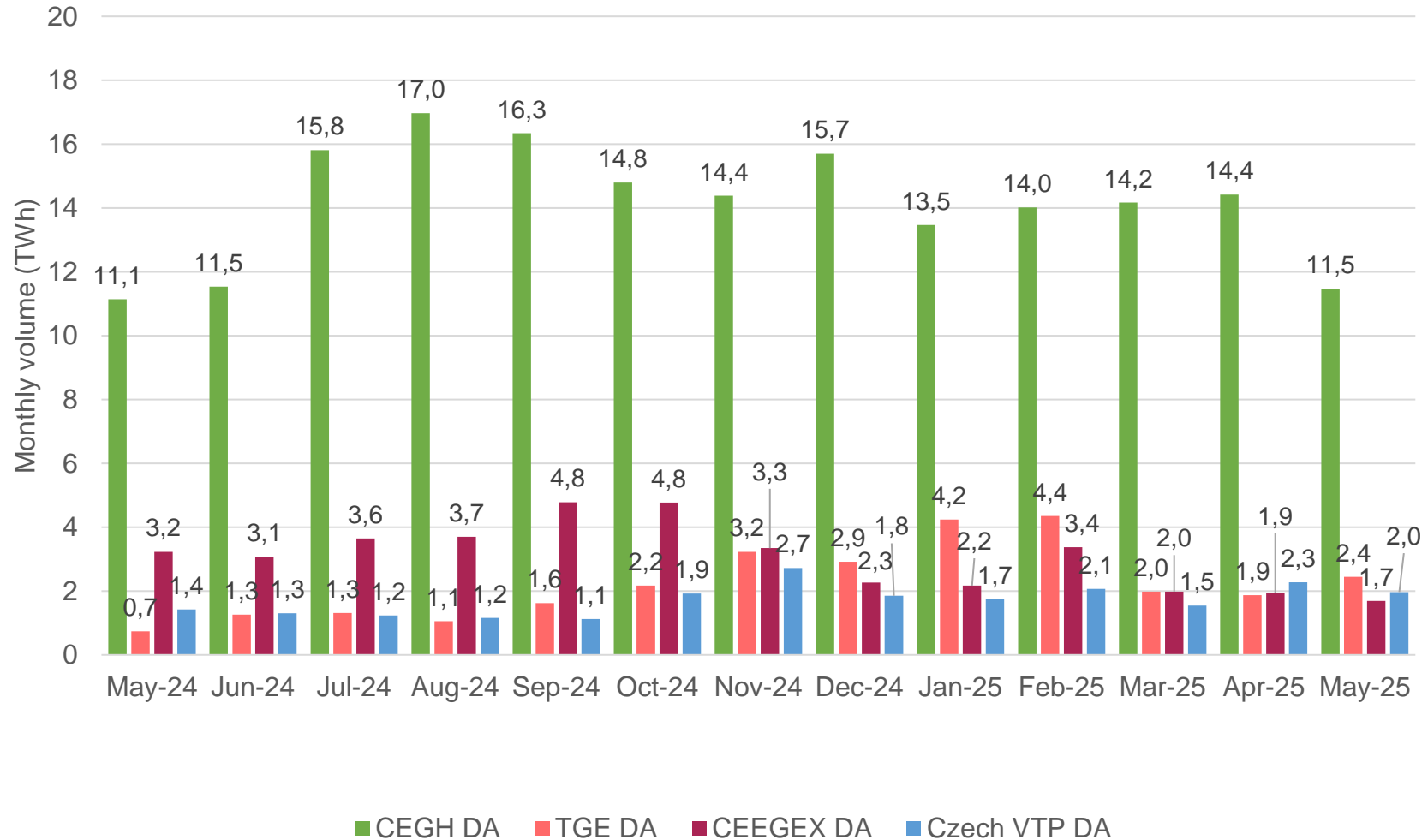
# TRADED VOLUMES YEARLY COMPARISON



## EXPERT OPINION:

- » On the cumulative annual volumes graph we can observe a decline compared to the more favorable volumes in 2024 May.
- » The volume traded in May last year was not approached even by the May figures of previous years.

# REGIONAL SCOPE DA MARKETS



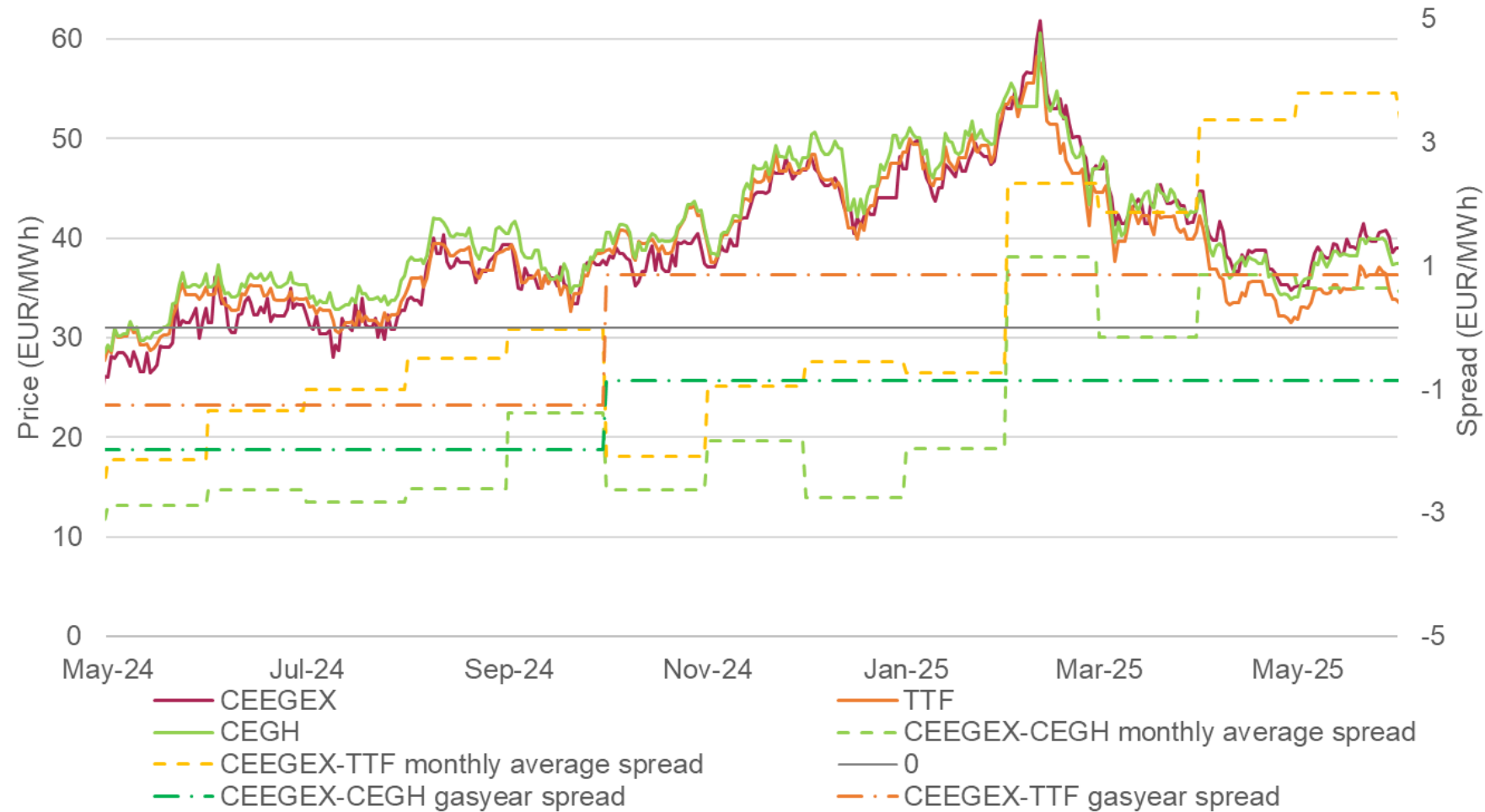
## EXPERT OPINION:

- » The traded volume MoM increased in May only on TGE. CEGH experienced the largest drop, with a decrease of nearly 3 TWh.
- » The traded volume decreased on the CEGH, CEEGEX and Czech VTP as well, compared to the previous month.
- » Compared to May 2024, traded volumes decreased on CEEGEX, while TGE, Czech VTP and CEGH saw increases. On the TGE, the YoY volume growth was more significant (1,7 TWh).

# TTF, CEEGH PRICES AND SPREADS

## EXPERT OPINION:

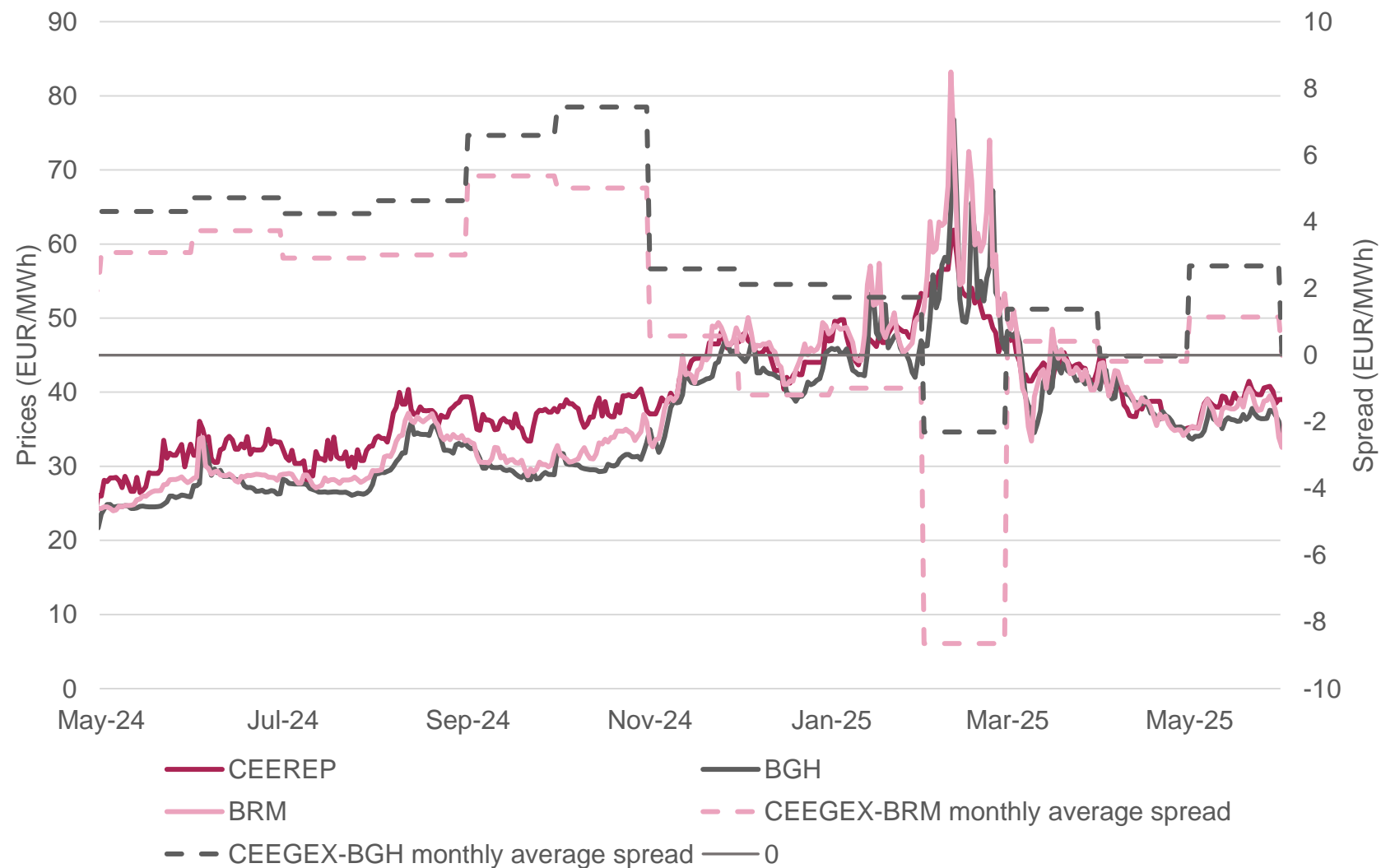
- » Compared to April, the **CEEEX-TTF** spread widened in May, the monthly average standing around **€4**.
- » The May value of the **CEEEX-CEGH** spread is under **€1**, stayed relatively same over the month.
- » **TTF prices** remain **lower than** those on **CEEEX** and **CEGH**.
- » In May, a **general price increase** was **observed across all three examined exchanges**, breaking the previous downward trend.
- » The **larger price difference between the TTF and CEEEX** can still be **explained by the abundant LNG supply arriving in the more western parts of Europe** in May, while **demand remained higher in the eastern region** due to **relatively significant Ukrainian imports**.



# BRM, BGH PRICES AND SPREADS

## EXPERT OPINION:

- » The movement of the prices was **highly similar** in May, with spreads getting wider.
- » Throughout the month the spreads of **CEEEX** and **BRM, BGH** became wider, with the BRM spread reaching €1 and the BGH spread closing to €3.
- » **Prices showed an upward trend in May** on the eastern exchanges as well, after the previous downward trend.
- » **Prices on both BRM and BGH were higher in April compared to TTF**, which can also be attributed to the fact that the significant LNG shipments likely had less of a price-reducing impact on the eastern markets.



# JAPANESE CANDLES LAST 3 MONTHS

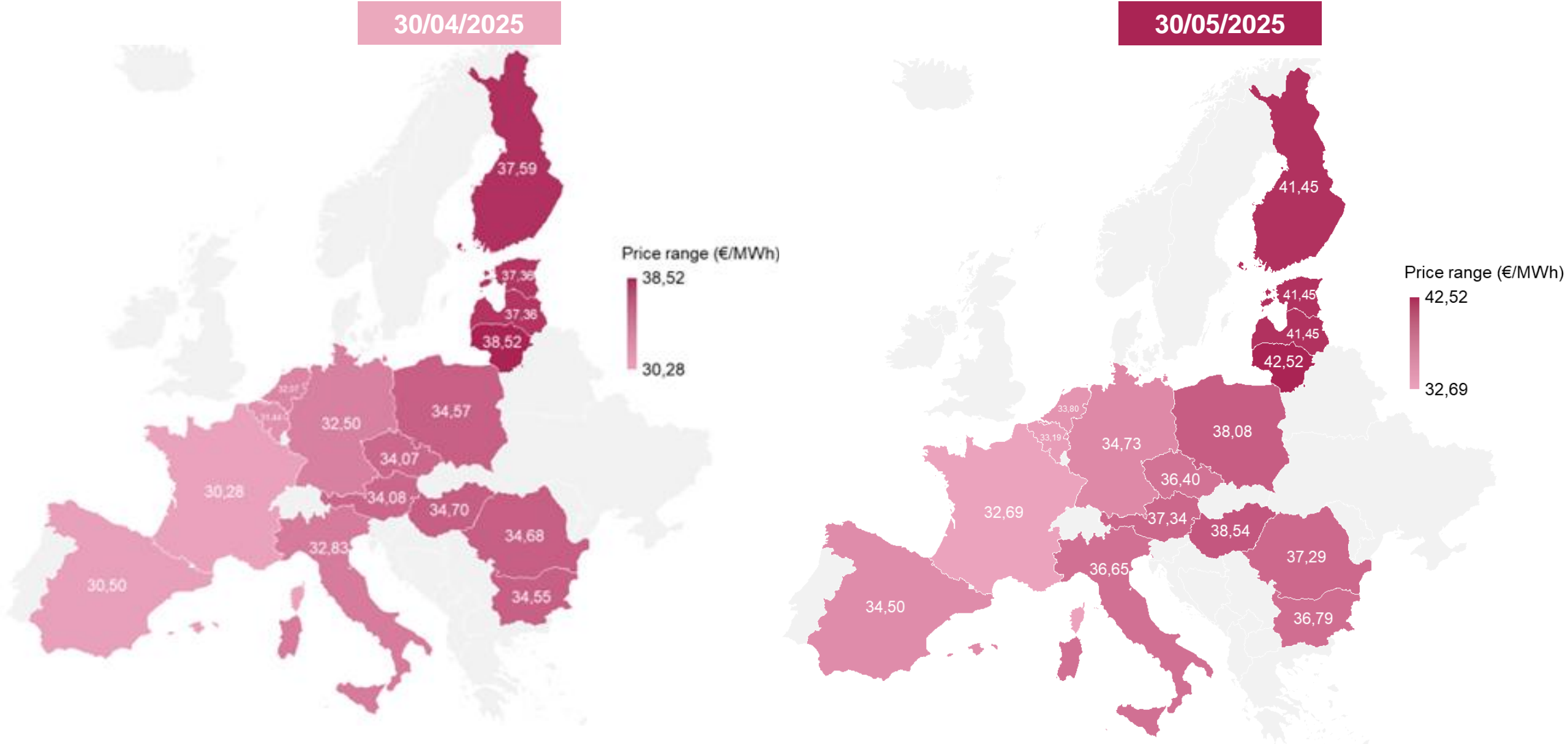


## EXPERT OPINION:

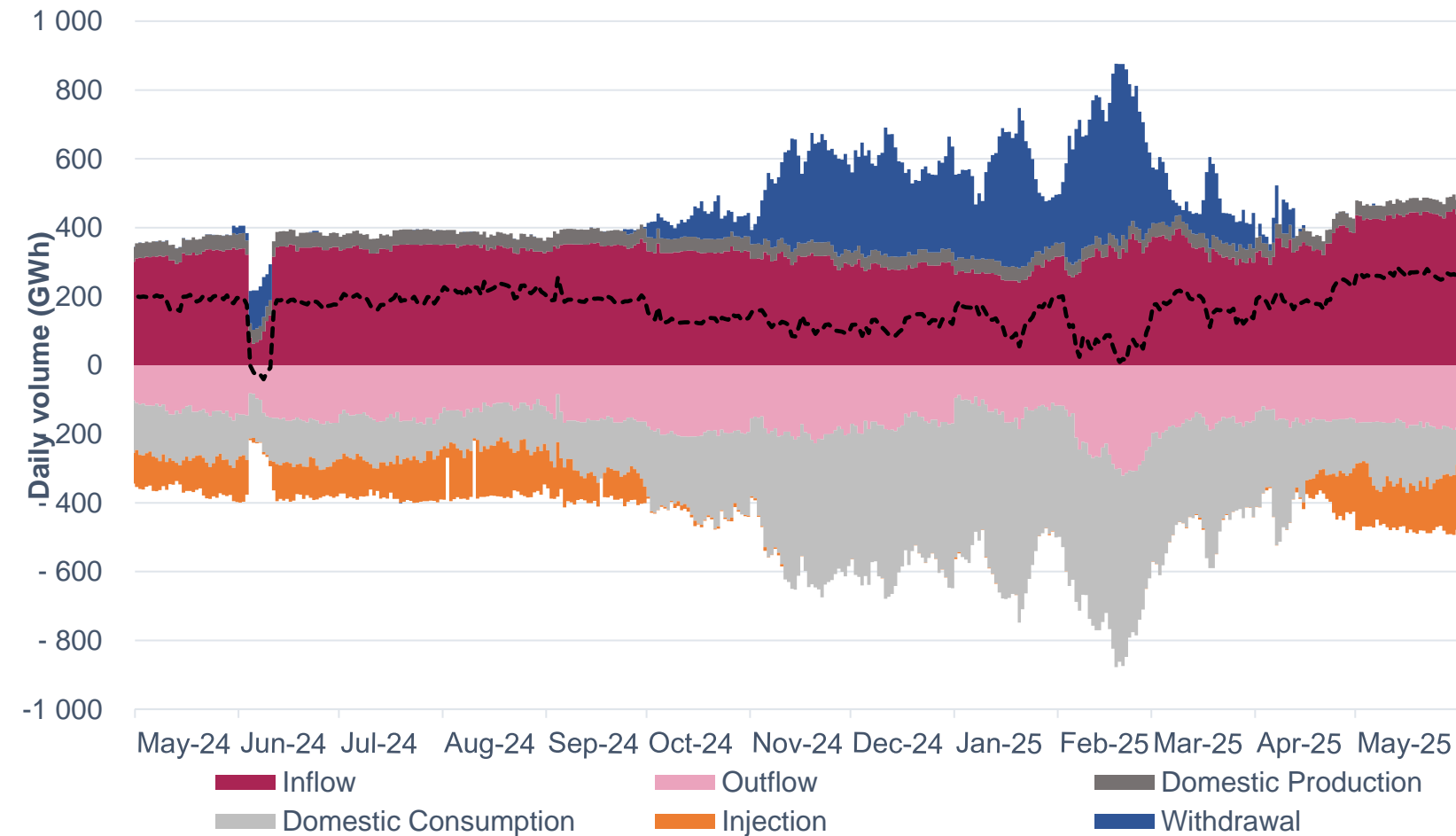
- » The Japanese candle chart shows that **prices stopped decreasing at the end of April** since then, the **prices are slowly increasing**, reaching above 40 EUR at the end of May .
- » In May, price **volatility decreased** compared to April and March.
- » In May, **significant intraday price changes were less typical** than in April and March.



# NATURAL GAS PRICES SNAPSHOT



# HUNGARIAN GAS MARKET BALANCE



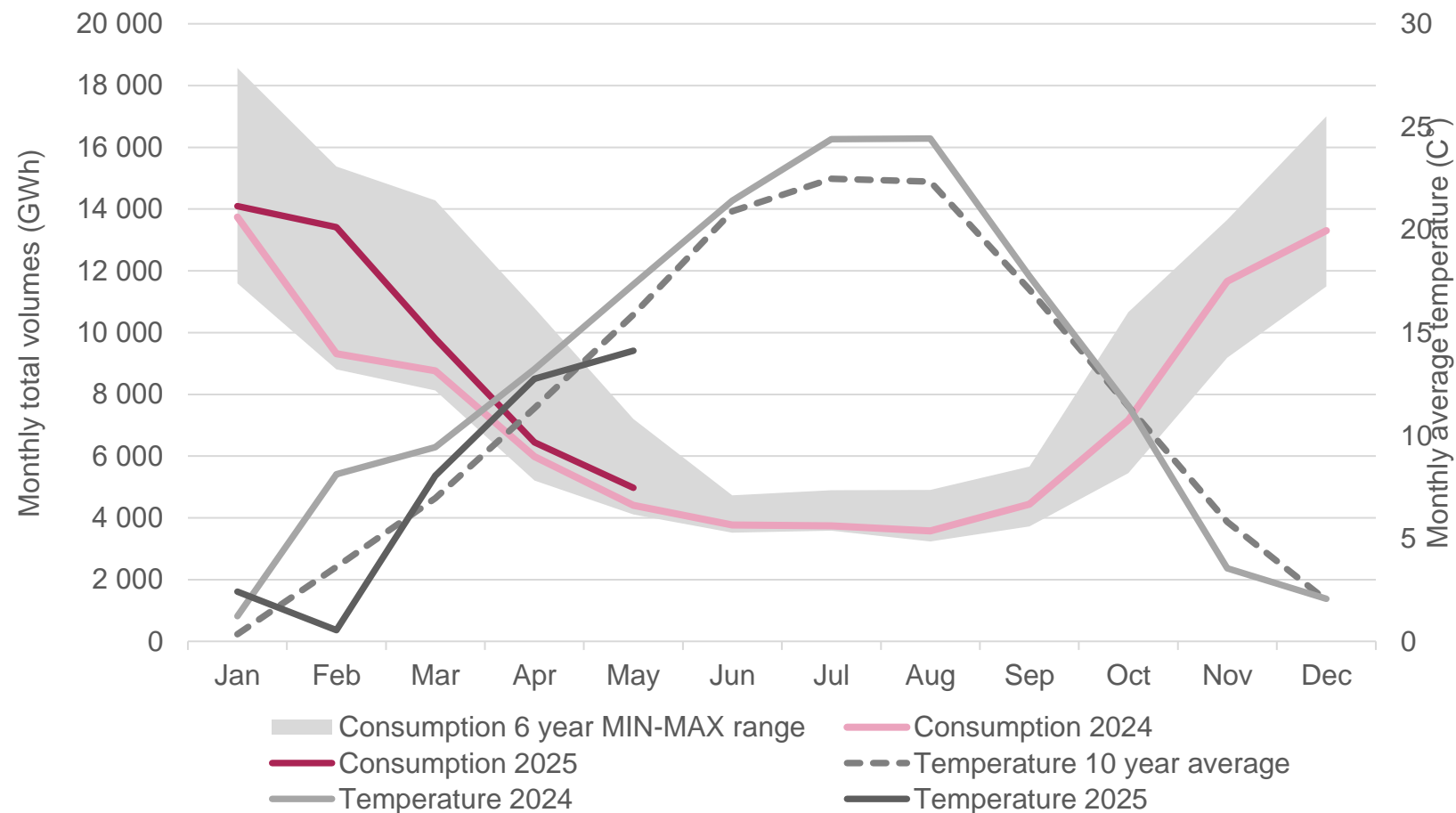
## EXPERT OPINION:

- » In May, imports increased further compared to April, which is more than 13 TWh.
- » Exports increased by more than 15% compared to April, due to the increase in exports to Ukraine.
- » The **pace of injection** has **increased** significantly compared to April.
- » **Domestic consumption decreased compared to April**, whereas the domestic production roughly remained the same.

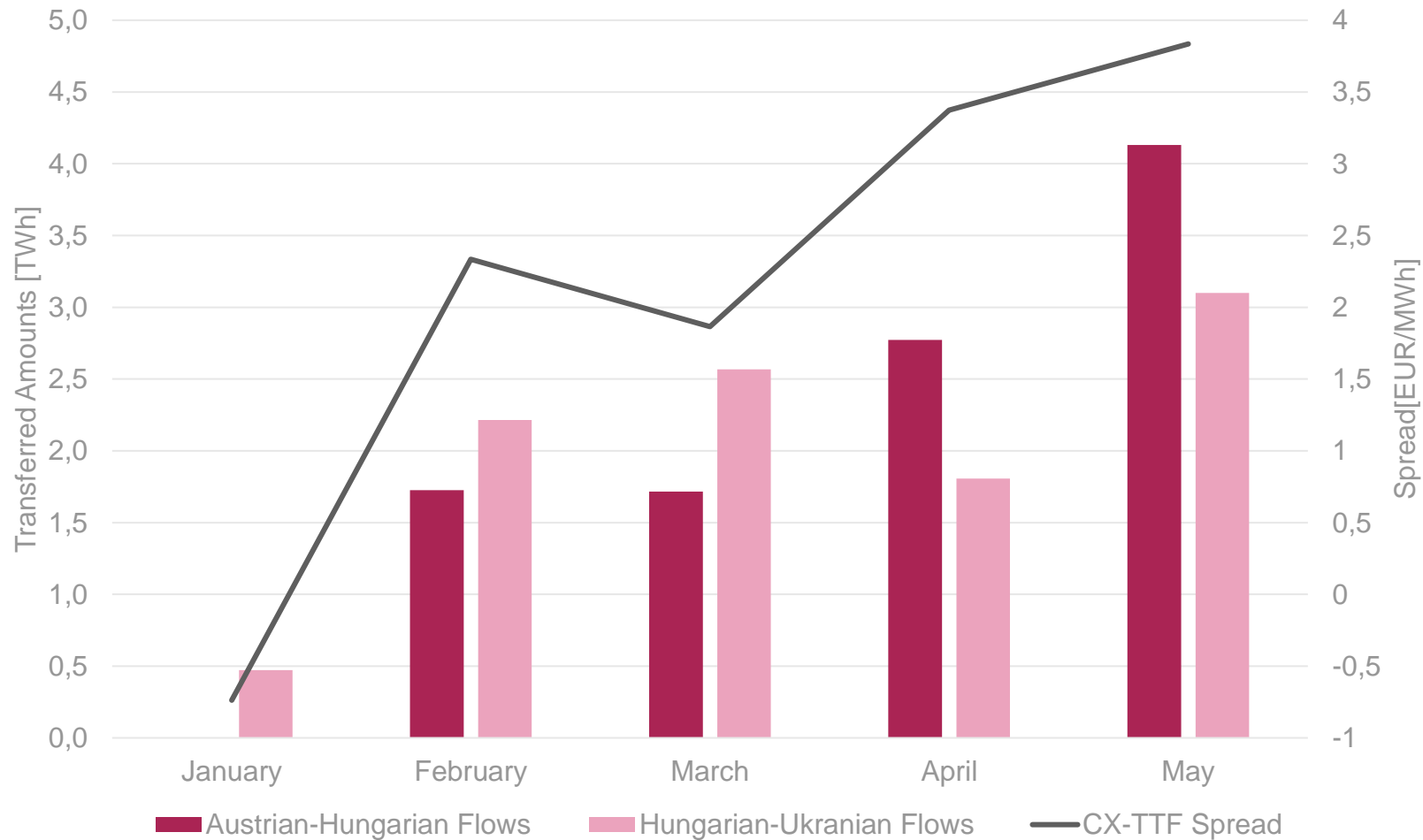
# HUNGARIAN DOMESTIC GAS CONSUMPTION

## EXPERT OPINION:

- » In the spring of 2025, the average temperature was lower (~11.64°C) than in the previous spring (~13.33°C).
- » Temperatures in March and April were above the 10-year average, while in May they were below it.
- » As a result, domestic gas consumption in spring 2025 was more than 2,000 GWh higher than in 2024. However, the difference was smaller than it had been during the winter period.



# HU GAS FLOWS INFLUENCE ON CX-TTF SPREAD



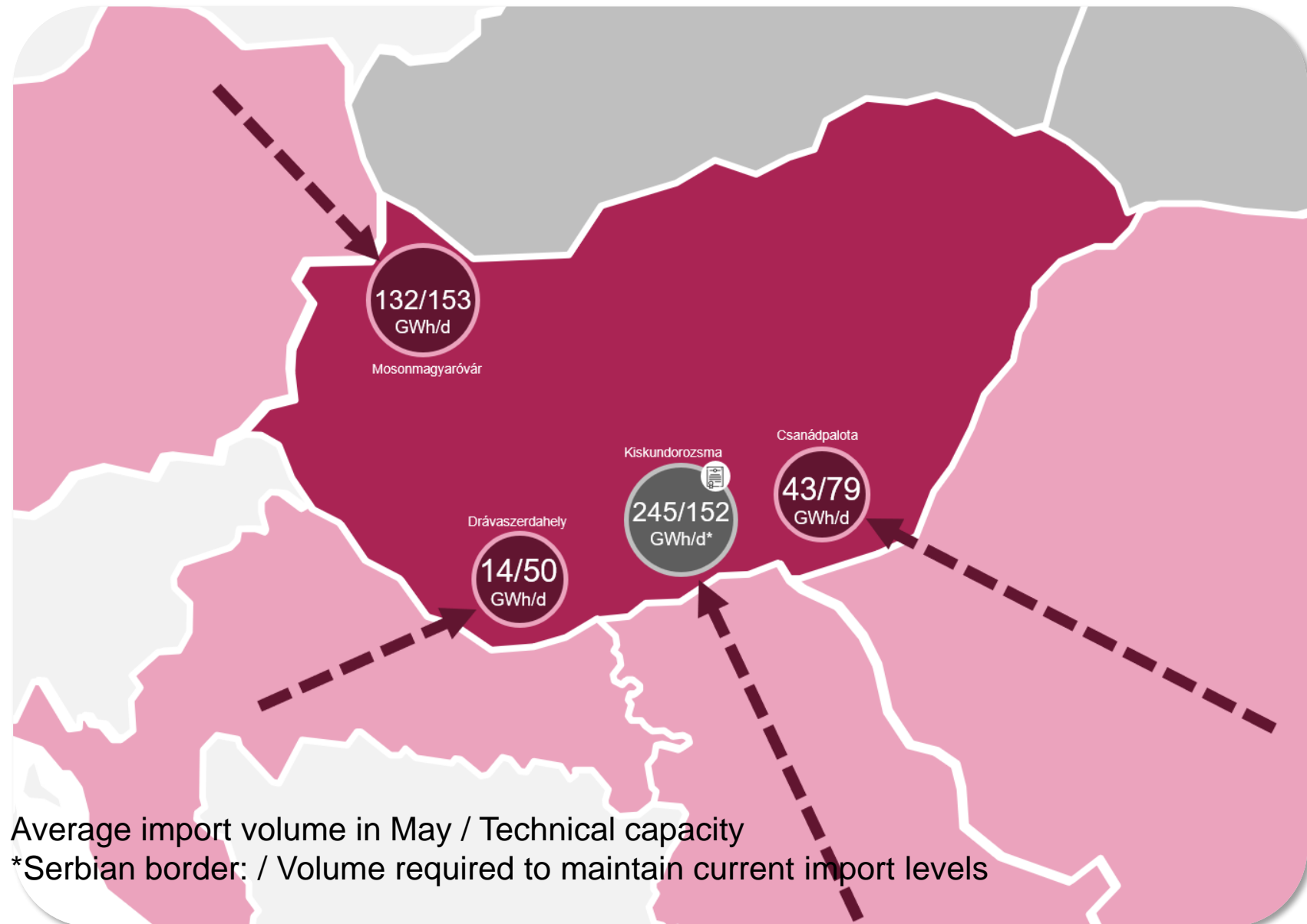
## EXPERT OPINION:

- » **We can see a strong correlation between the Austrian-Hungarian flows and the changes of CX-TTF spread.** Both are showing significant growth this year.
- » The gas arriving from Austria mostly originates from Germany, so we can see that **if the Central Eastern European region needs to import larger volumes from the more western areas, it could increase the premium on local exchanges.**
- » With the growth of the Austrian exports to Hungary, the **Ukrainian imports from Hungary have also started to increase.**

# SUPPLY STABILITY WITHOUT RUSSIAN NATURAL GAS

## EXPERT OPINION:

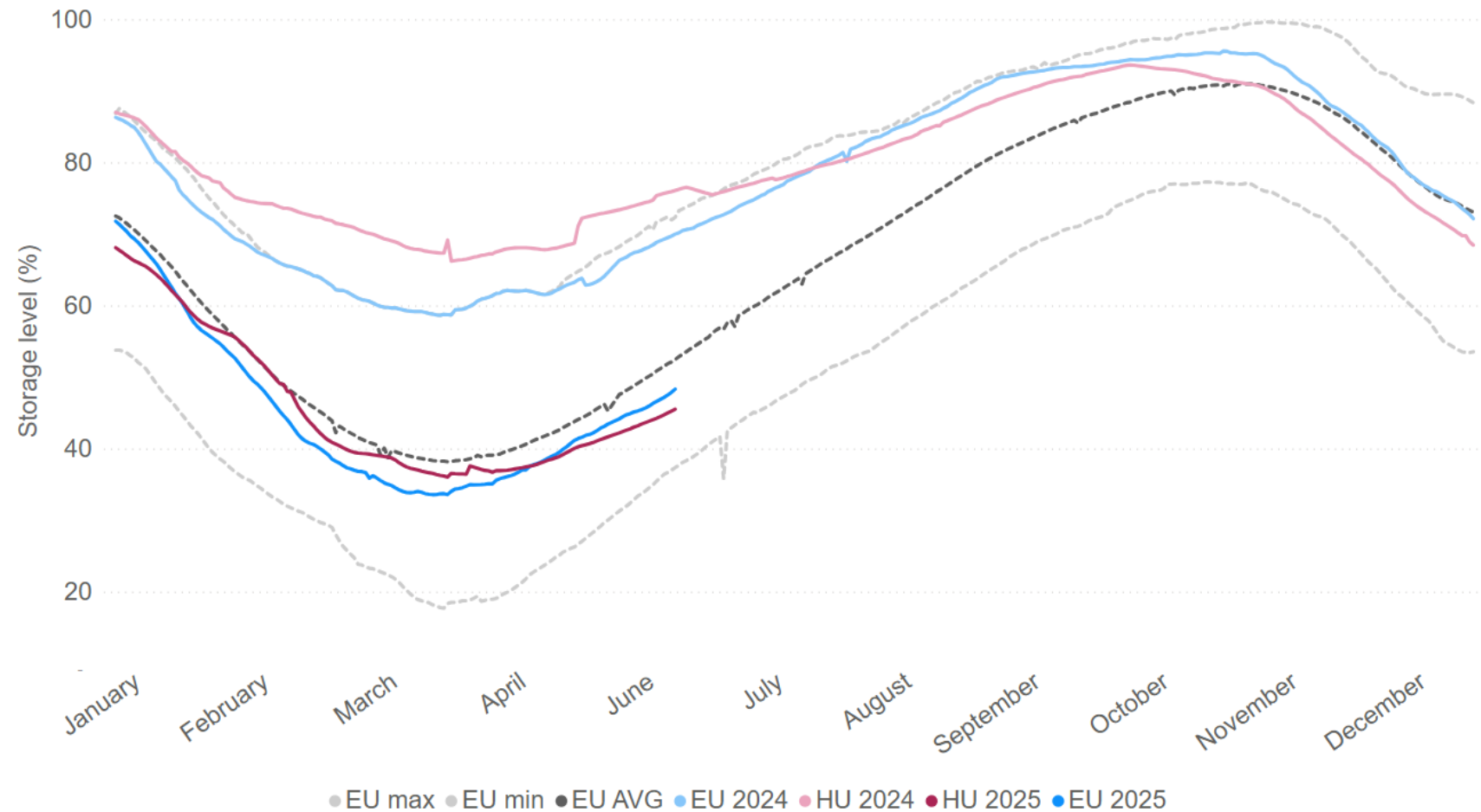
- » The EU's planned phase-out of Russian gas by 2027 would have a significant impact on Hungary, as the majority of gas imported via Serbia — the main import route — is of Russian origin.
- » We examined how much gas would still need to be imported via Serbia in order to maintain current import levels, assuming that the other import routes operate at their maximum technical capacity.
- » To achieve this, 152 GWh/d would still need to be supplied via Serbia, even without Russian-origin gas. This could be arrived via Azerbaijani gas through Serbia, as well as gas from Turkish and Greek LNG terminals, which would entail a significant price increase.
- » To cover current Hungarian consumption and injection needs, the other three import routes would be sufficient if operating at maximum capacity, even without the volumes currently arriving from Serbia. However, in this case, our export volumes towards Slovakia and Ukraine would be reduced to nearly zero.



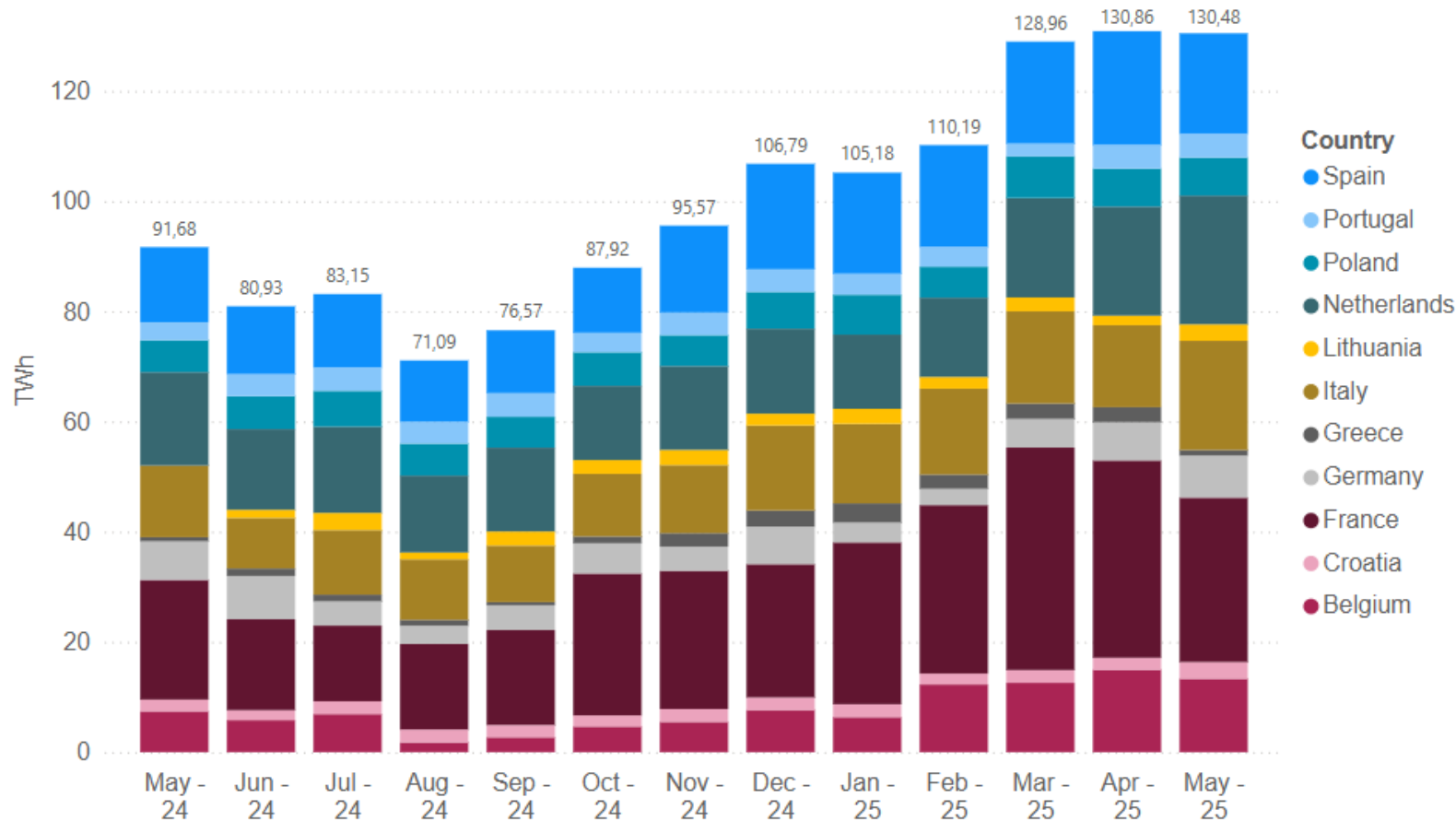
# GAS STORAGE LEVEL IN EU AND HU

## EXPERT OPINION:

- » At the end of April, the aggregated EU storage facilities stood at 48,3%, while Hungarian stocks stood at 45,5%.
- » Both the EU and Hungary's gas storage levels are significantly lower than last year's values.
- » Although gas storage levels are increasing, as of May 31, neither the EU nor Hungary has reached half of their total storage capacity. The EU is approaching the halfway mark, while Hungary is slightly lower.
- » This means that while summer refilling is progressing well, a significant amount of additional injection is still needed to reach a safe reserve levels by the start of the heating season.
- » Hungary's storage fill level is closely tracking the EU trend but remains slightly behind.



# LNG SEND-OUTS BY EUROPEAN COUNTRIES\*

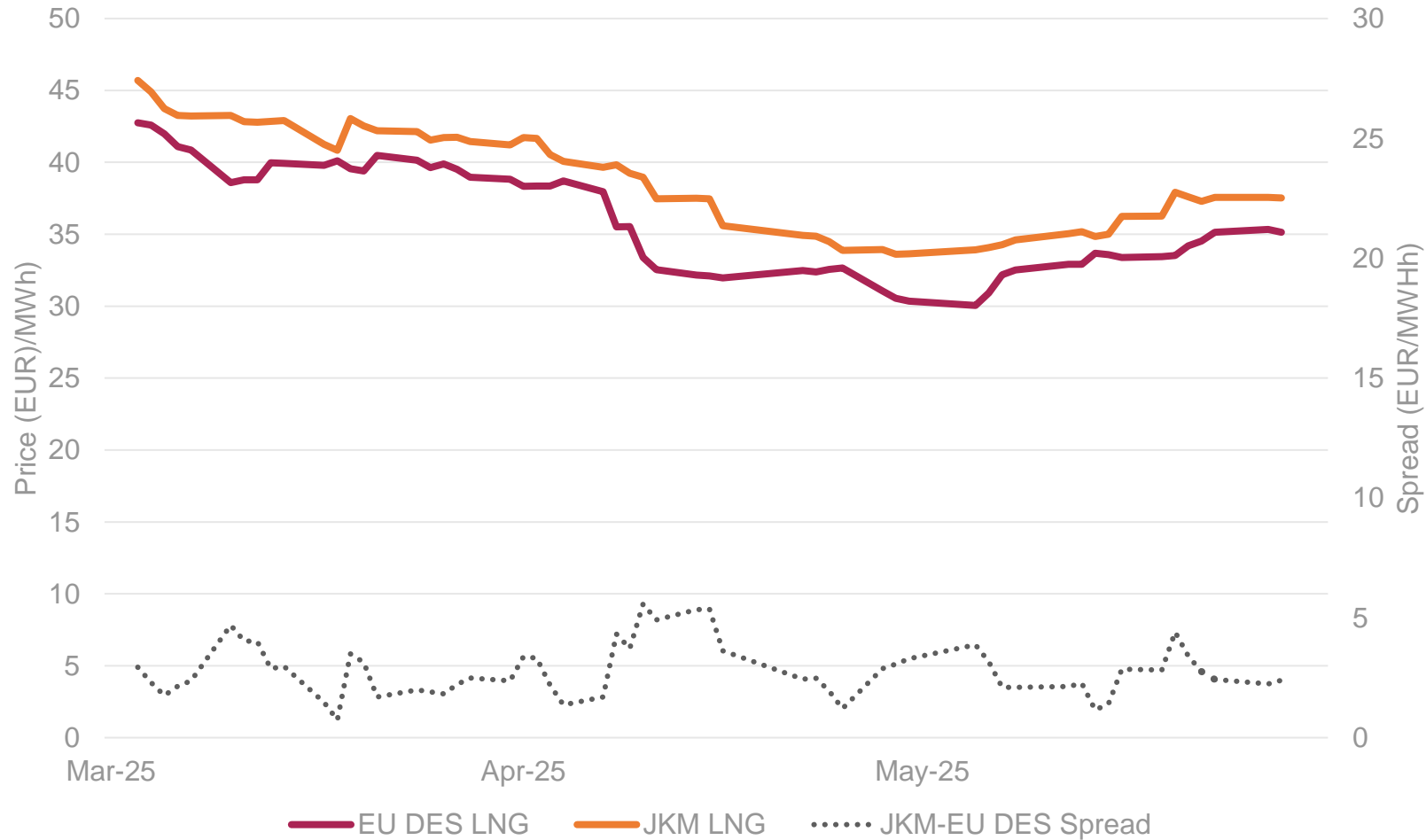


## EXPERT OPINION:

- » In May, European LNG imports remained at the same high level, continuing the trend observed since March, with a **YoY increase of 42%**.
- » This marked one of the highest level of European LNG send-out in recent times, primarily driven by ramped-up injections amid low storage levels across Europe.
- » **The largest LNG importers in April were France, Spain, and Netherlands.**
- » Greek LNG send-out saw a MoM decrease, dropping to less than half the level recorded in April. This was likely due to planned maintenance at the Revithoussa LNG terminal, which lasted until mid-May.

• Excluding UK, Finland (data not available)

# LNG BENCHMARK



## EXPERT OPINION:

- » Asian LNG prices stayed low due to weak regional demand in April.
- » Supply disruptions in Australia, Brunei, and Malaysia provided limited price support.
- » Asian LNG prices edged up in May following a 90-day tariff truce agreed between the United States and China.
- » **U.S. LNG exports continued to favor Europe over Asia.**
- » U.S. LNG imports into Europe have increased every month since February.
- » In May, Europe's imports of Russian LNG fell by 3.2% from the previous month.