European Gas & LNG Scenarios

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5 May 2023 @Enerday Dresden

Claim 1: Demand saving is key
Claim 2: Spot LNG to Europe
Claim 3: Elevated price level 2023/24

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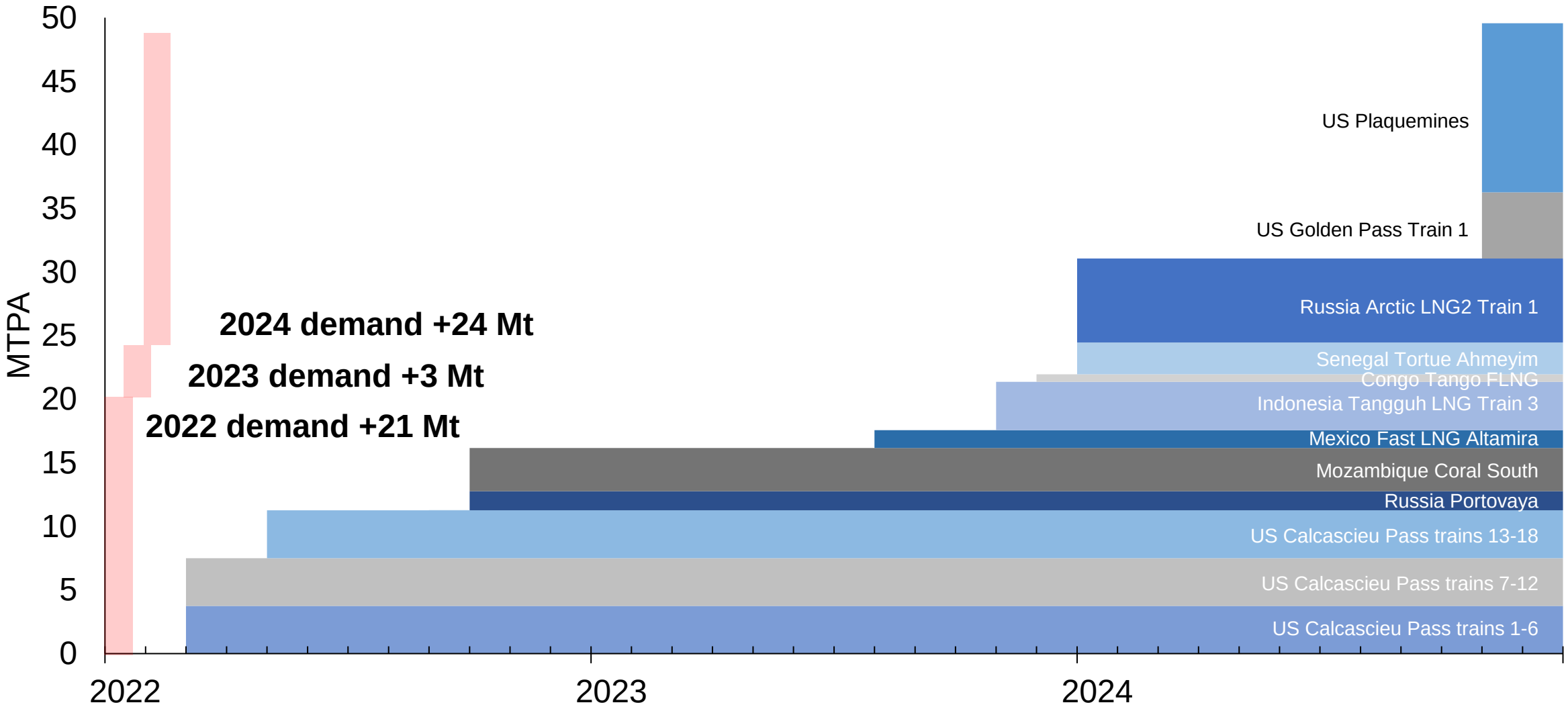
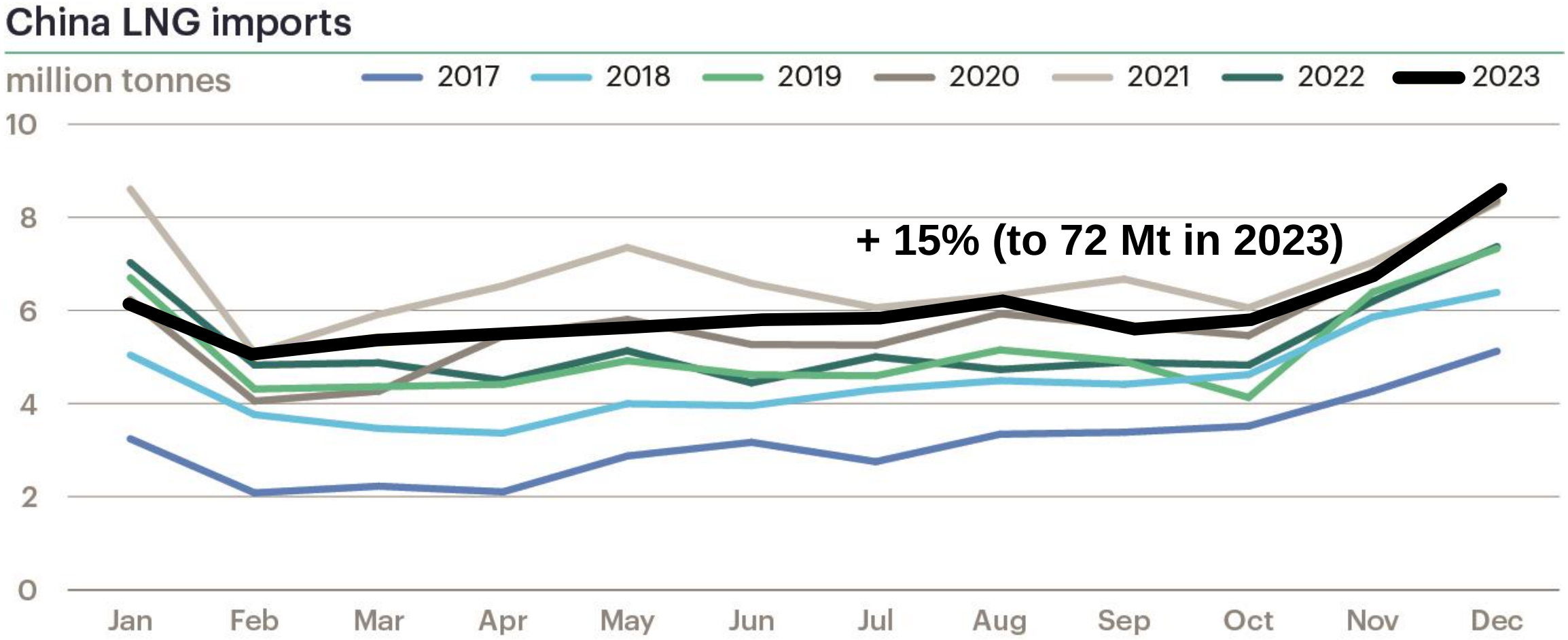
Global LNG supply remains bottleneck 2023-2024

Annual liquefaction capacity additions (mtpa)

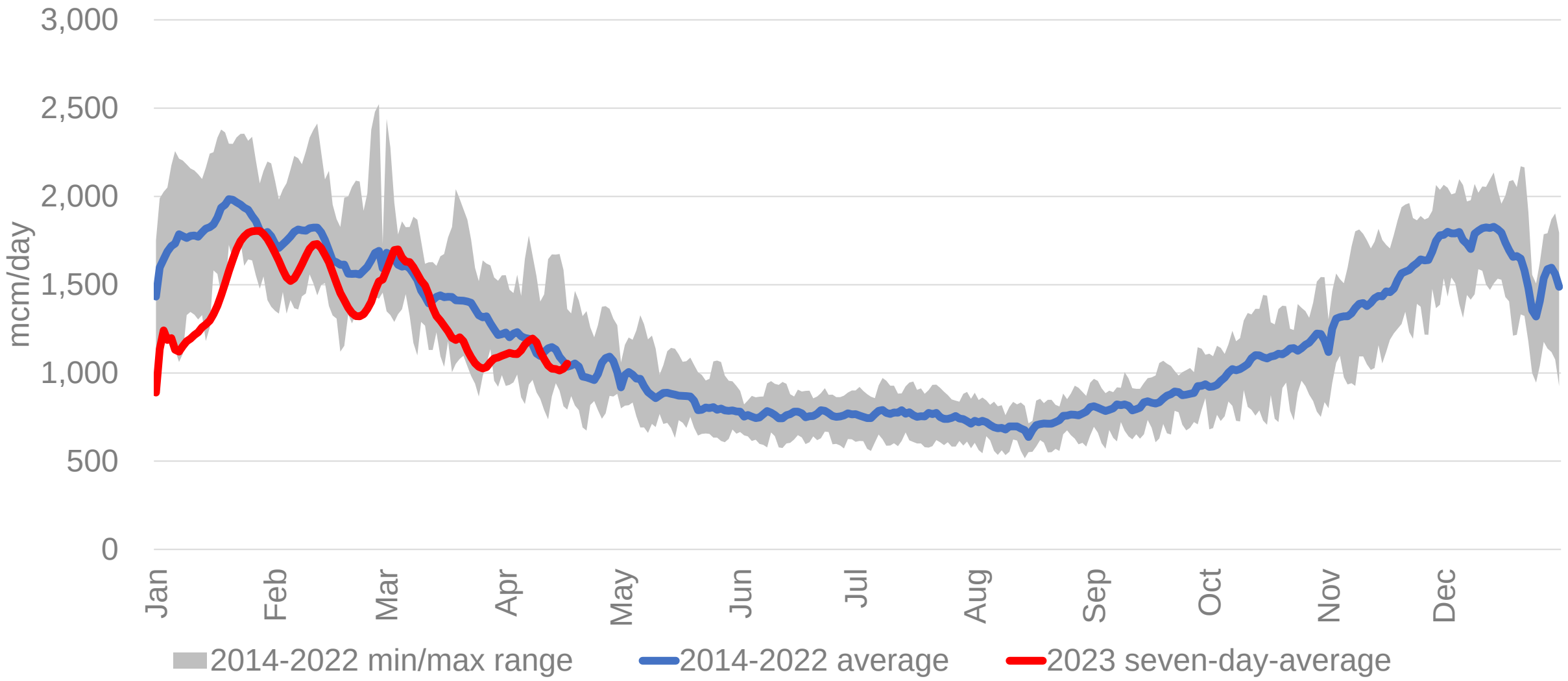


China's LNG imports to reach 72 Mt but limited spot buying



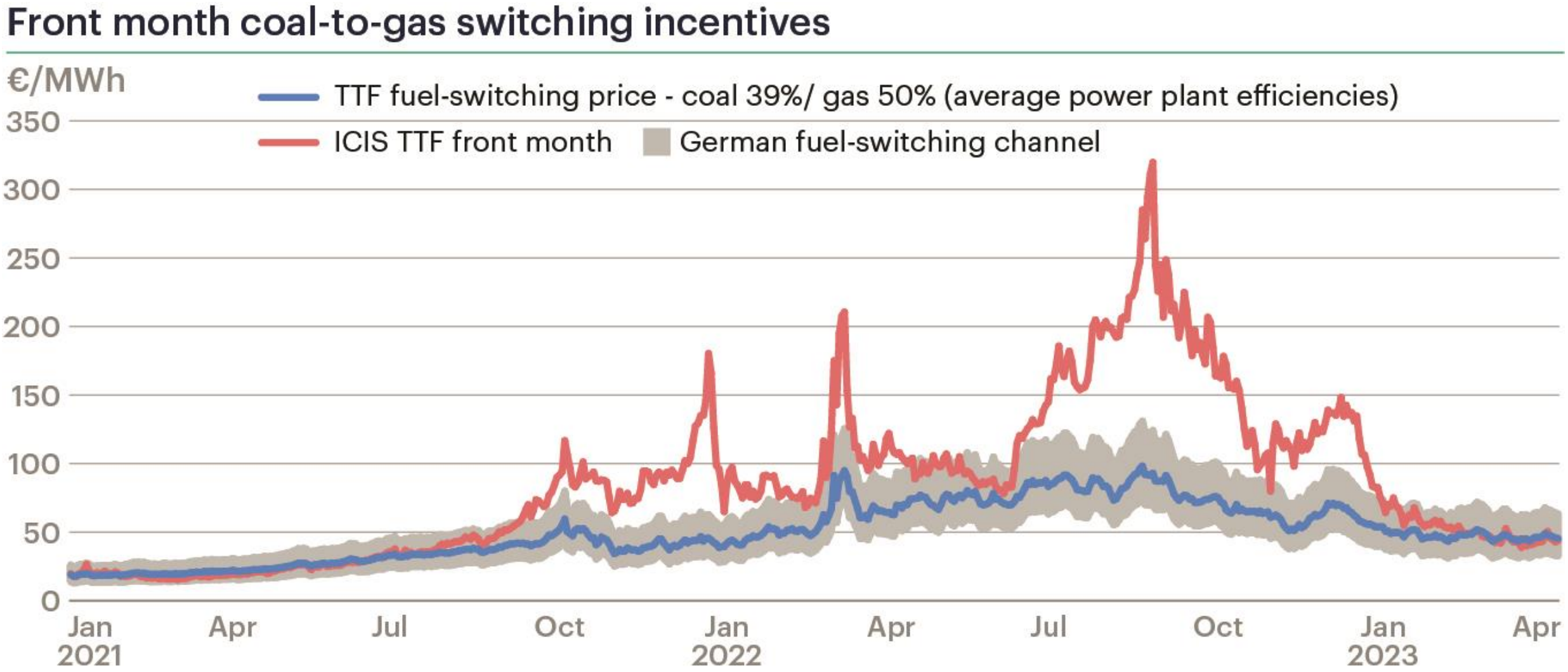
Source: ICIS LNG Edge

European gas demand starts into 2023 at 13% below average



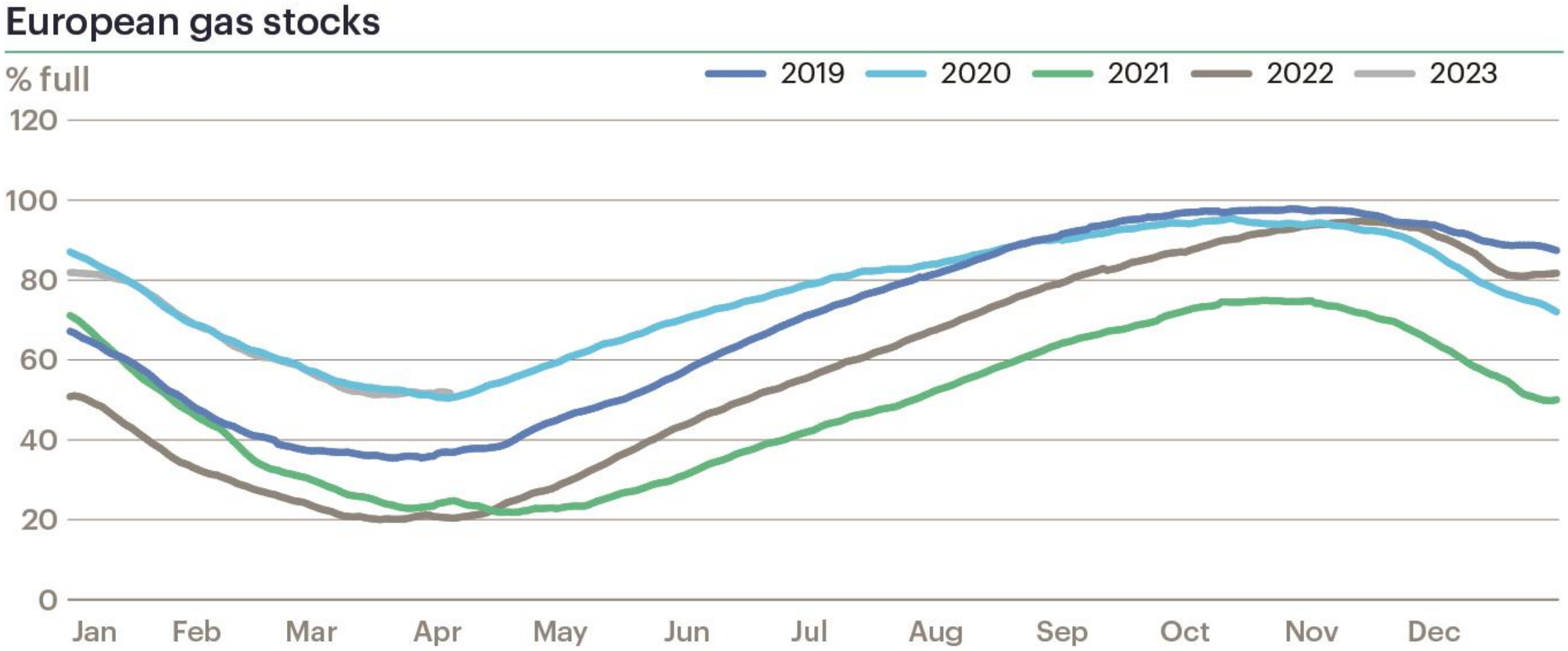
Source: ICIS based on TSO data, updated 18 April 2023

Gas prices dipping into power sector fuel switching range



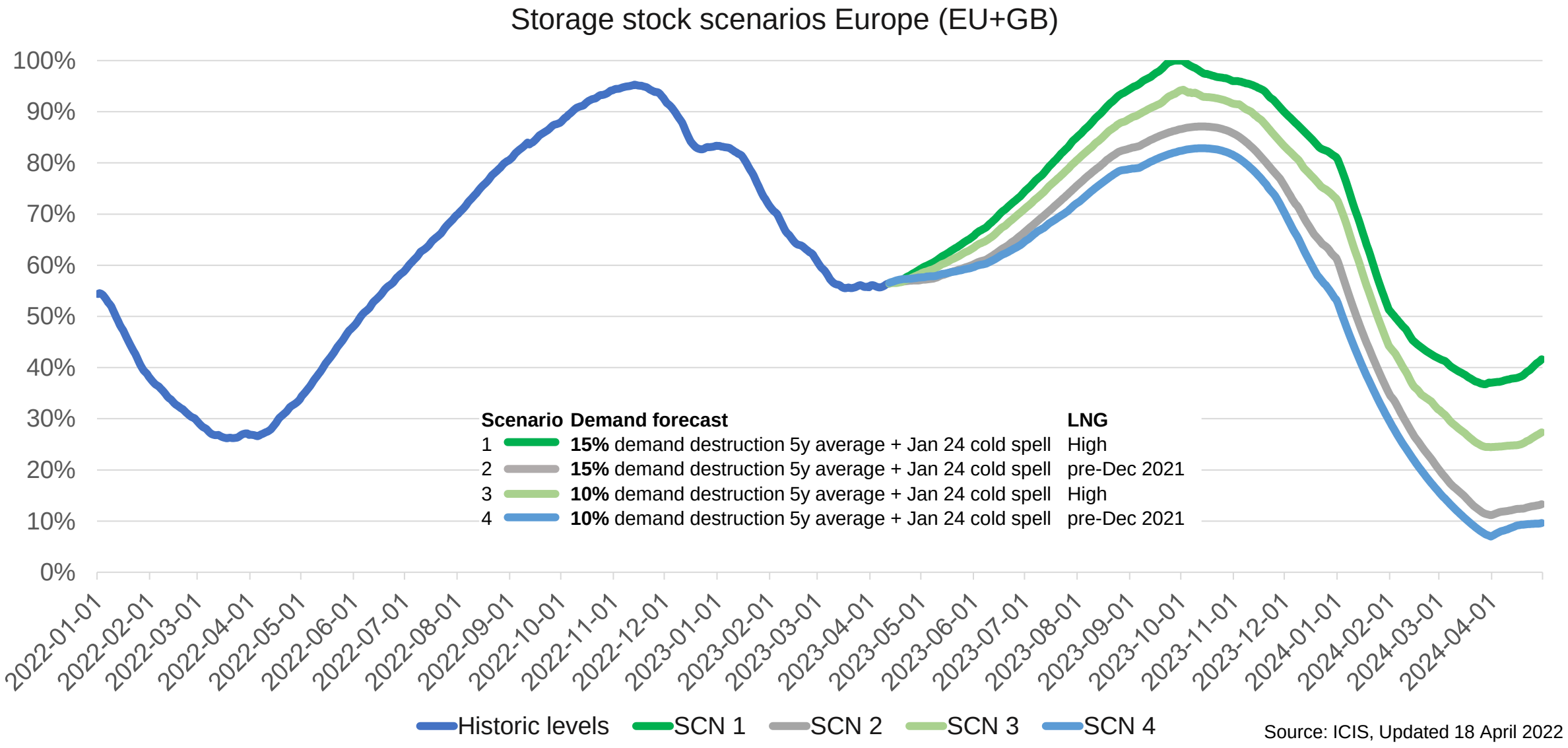
Source: ICIS, 18 April 2023

European gas storage at near-record levels



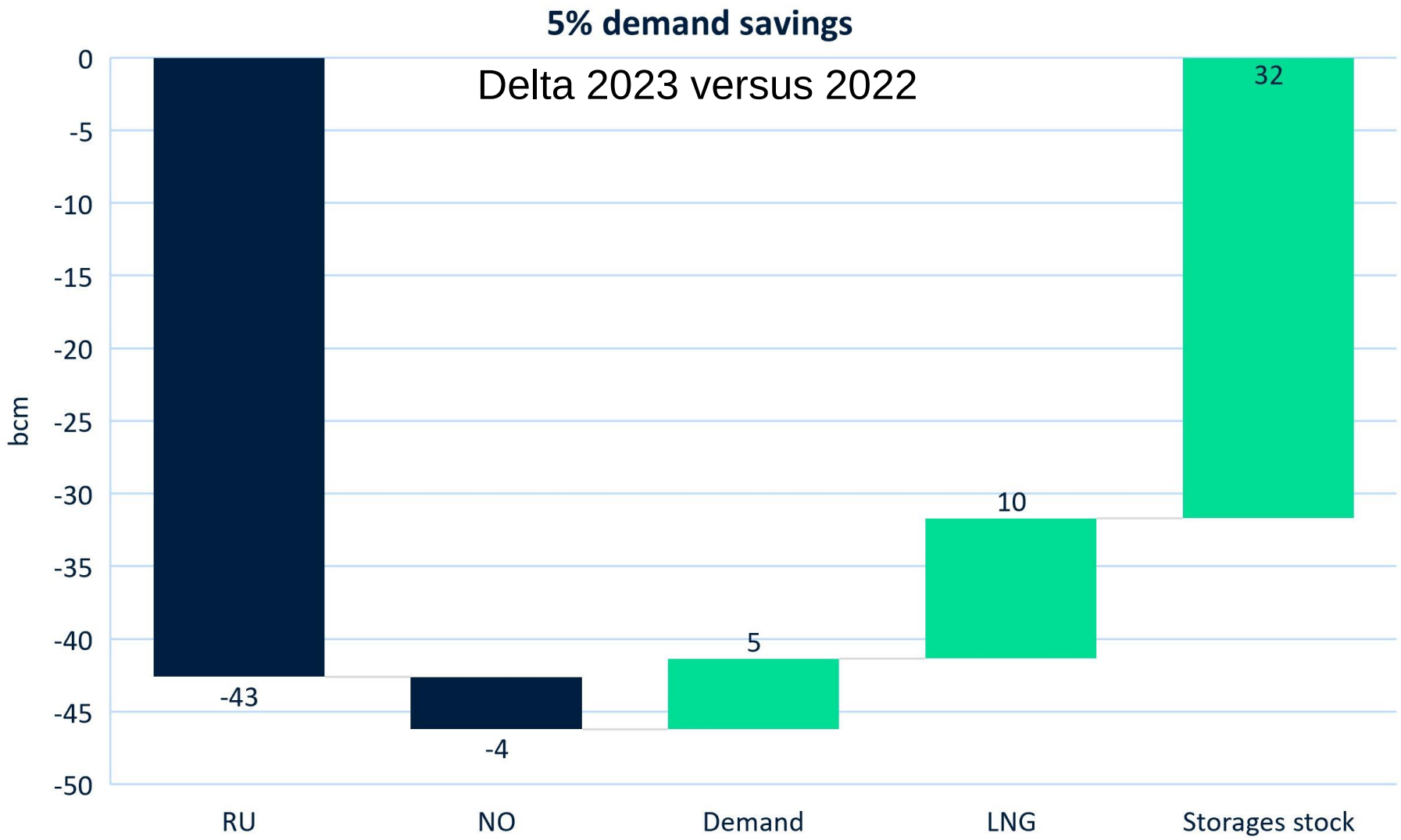
Source: ICIS

Demand savings & LNG determine European storage stock



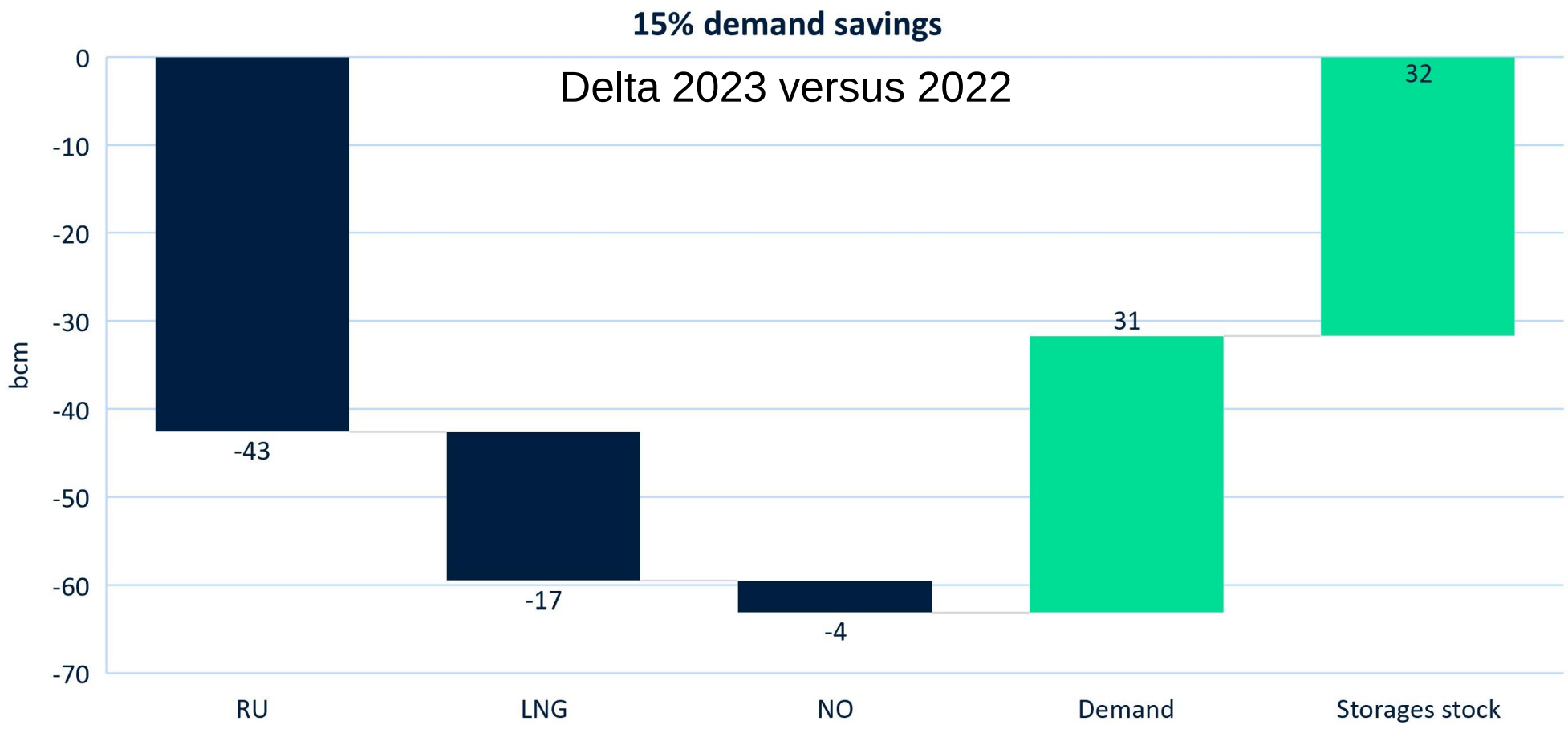
Source: ICIS, Updated 18 April 2022

Additional LNG needed if EU demand savings are weak



Source: ICIS, 2023.

Less LNG needed if EU demand savings are strong



Source: ICIS, 2023.

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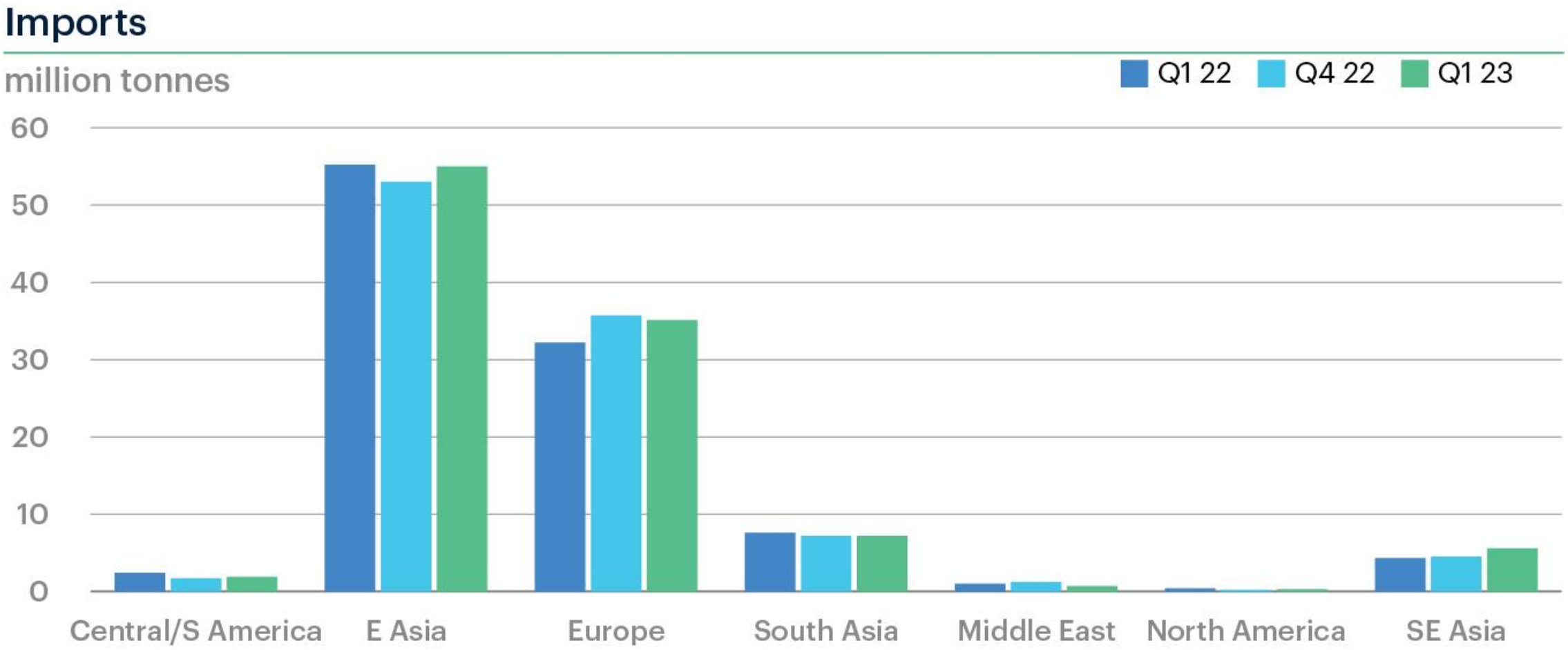
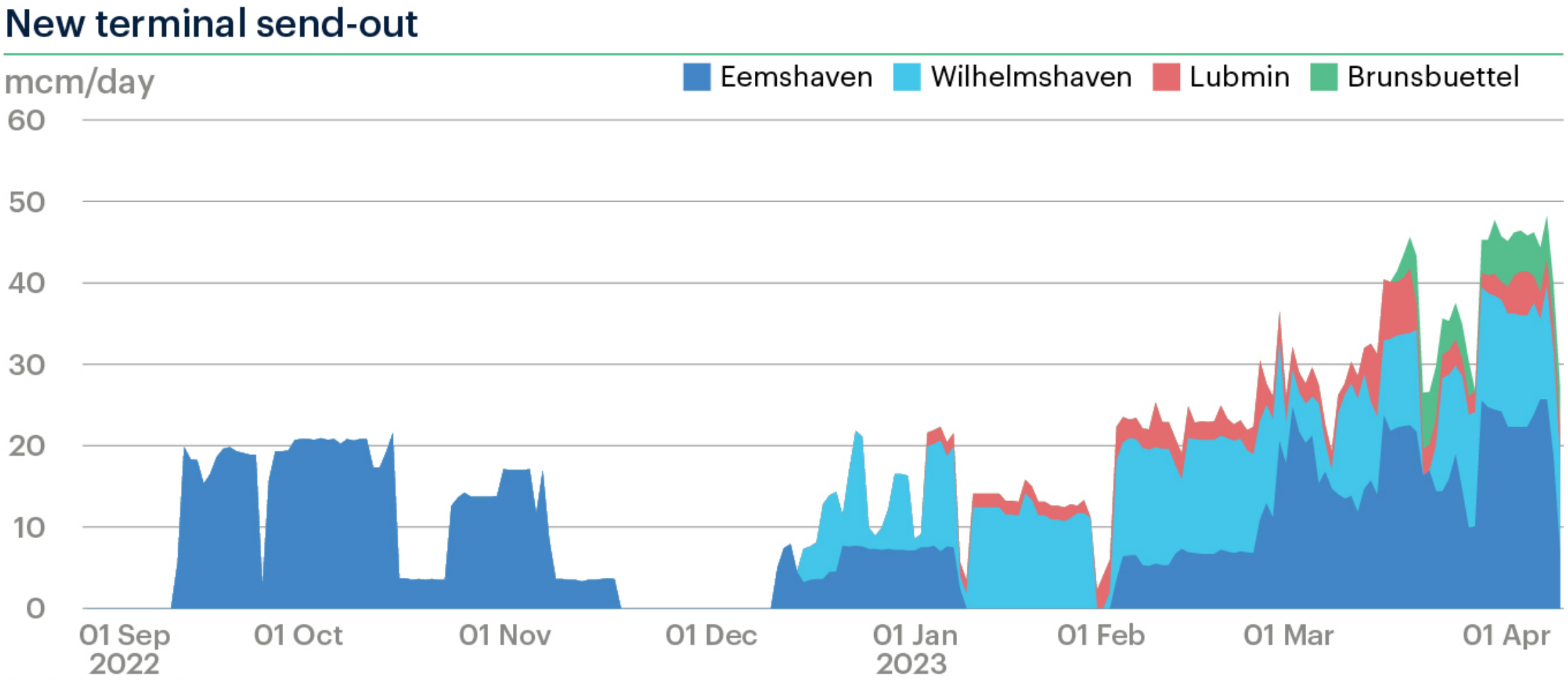
Continued strong LNG in Europe, East Asia muted



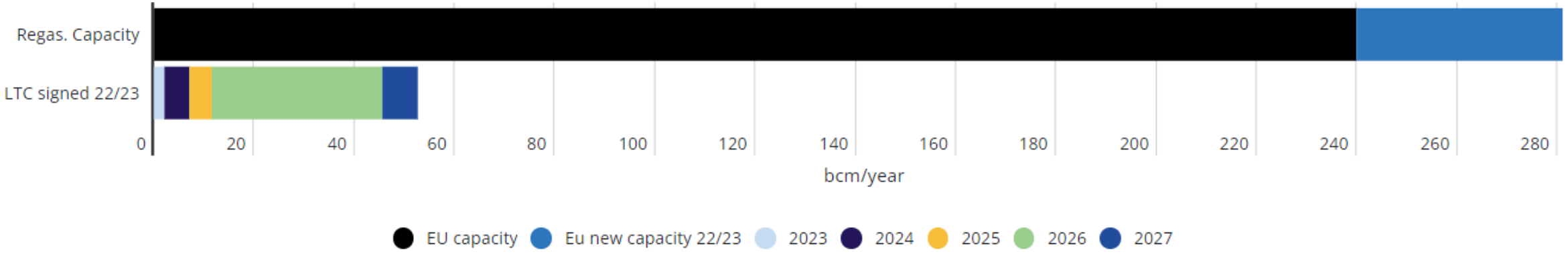
Source: ICIS LNG Edge

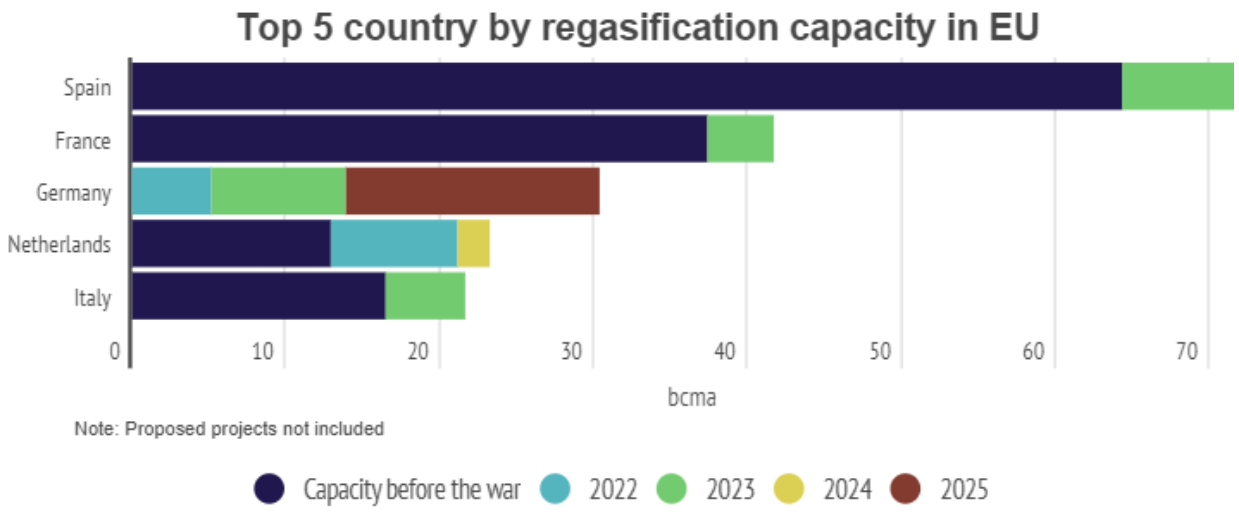
New terminals send-out strong over first quarter 2023



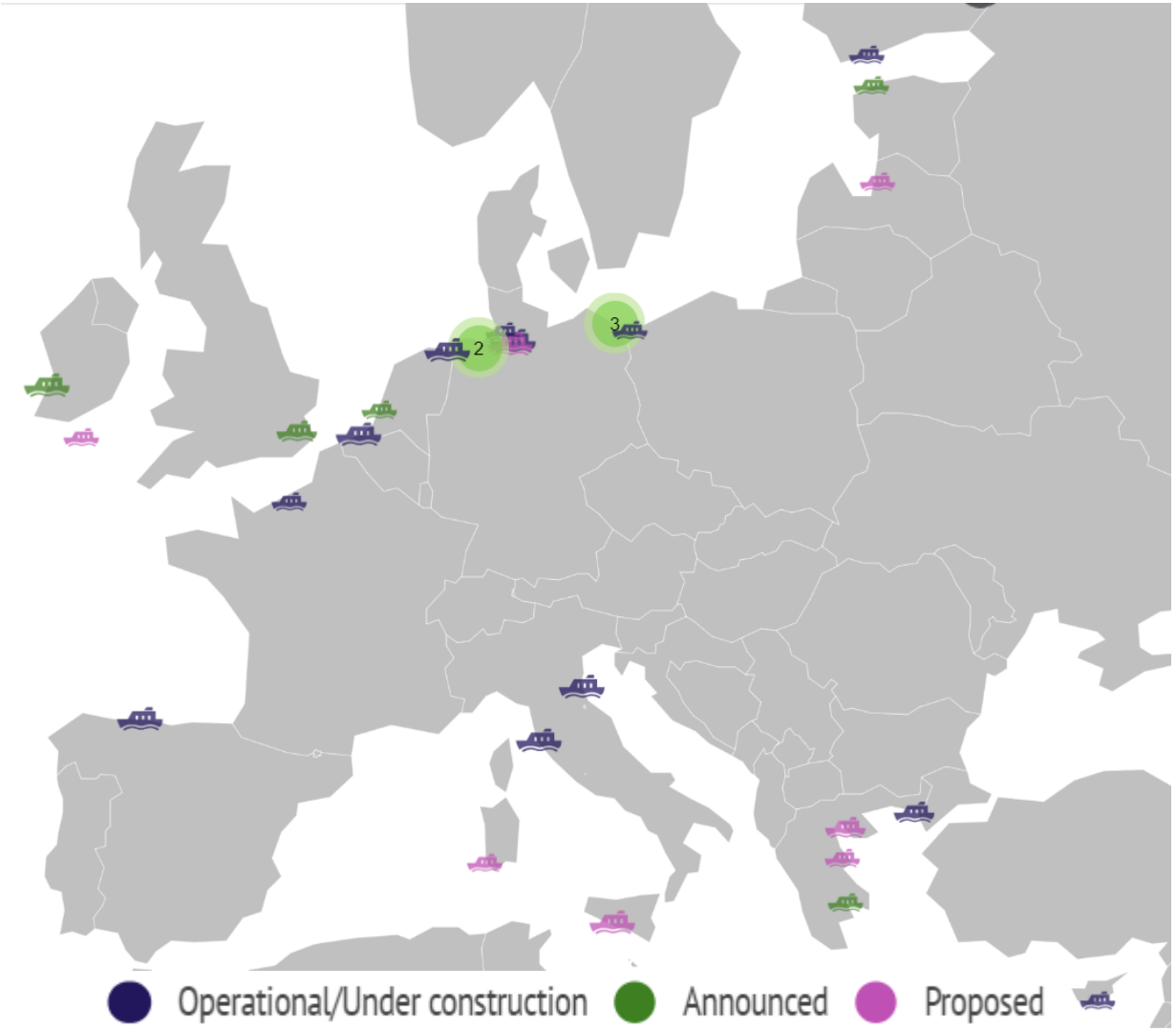
Source: operators

New LNG regasification terminals in Europe need contracts





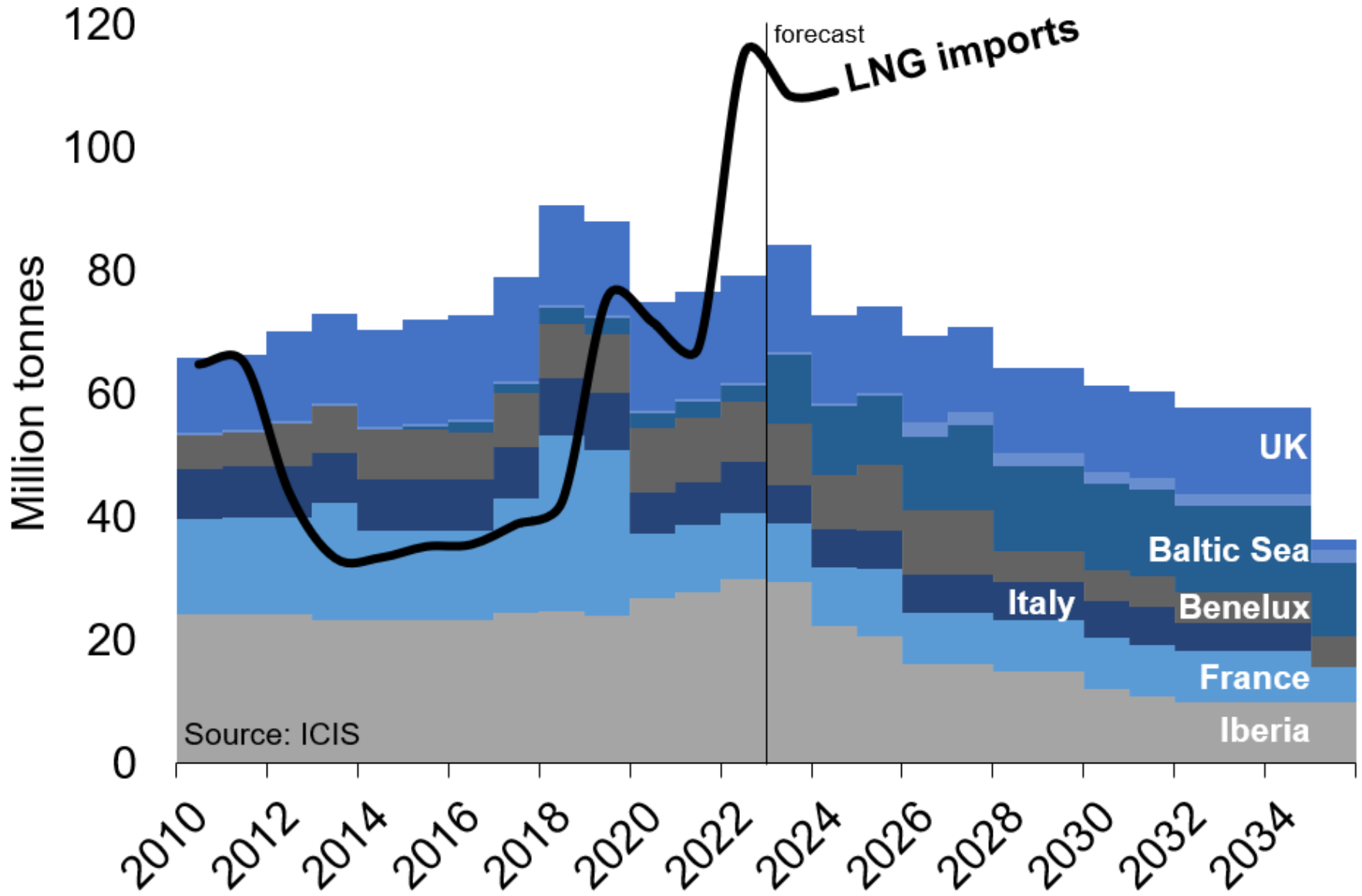
New LNG regasification terminals for Europe



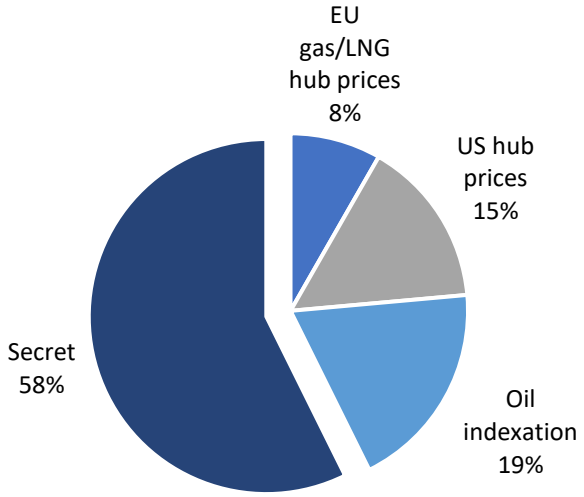
New Operational and Under Construction terminals

	Regasification Capacity (bcma)			
Eemshaven	8.3		2022	FSRU
Stade	5		2024	FSRU
Wilhelmshaven	5		2022	FSRU
Lubmin (Deutche Regas)	5.2		2023	FSRU
Lubmin	5		2024	FSRU
Brunsbuttel	3.5		2023	FSRU
Piombino	5.2		2023	FSRU
Ravenna	5		2024	FSRU
El Musel	7.4		2023	Terminal
La Havre	4.3		2023	FSRU
Swinoujscie	2.7		2023/2024	Expansion
Cyprus	2		2023	FSRU
Zeebrugge	6.7		2024-2026	Expansion
Alexandropolis	5.5		2023/2024	FSRU
Inkoo	4.8		2023	FSRU

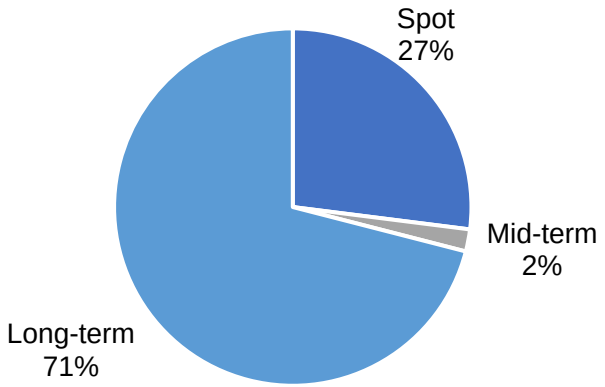
Contracted LNG not enough to cover EU imports



EU27 contract pricing

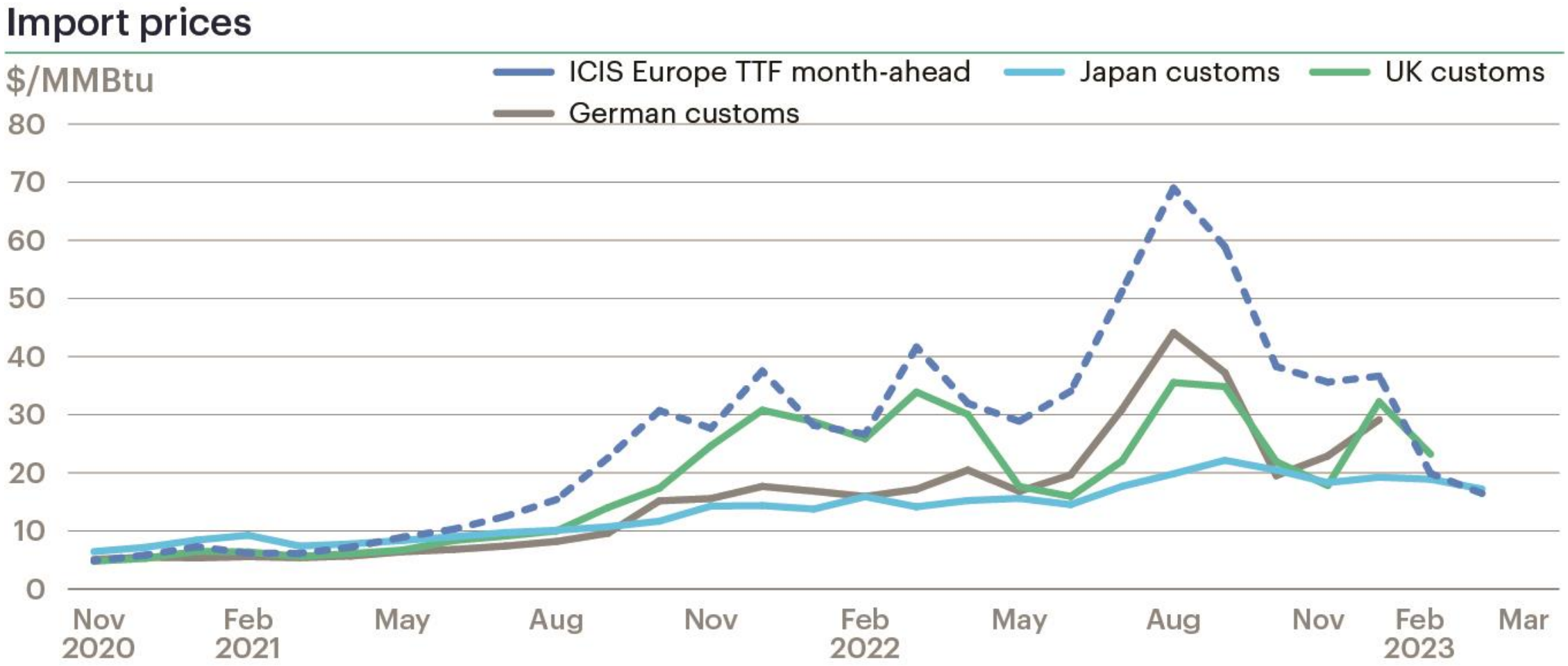


Global LNG trade 2022



Updated 18 Apr 2023

Long-term contracts can offer shelter from spot spikes



Source: ICIS, customs

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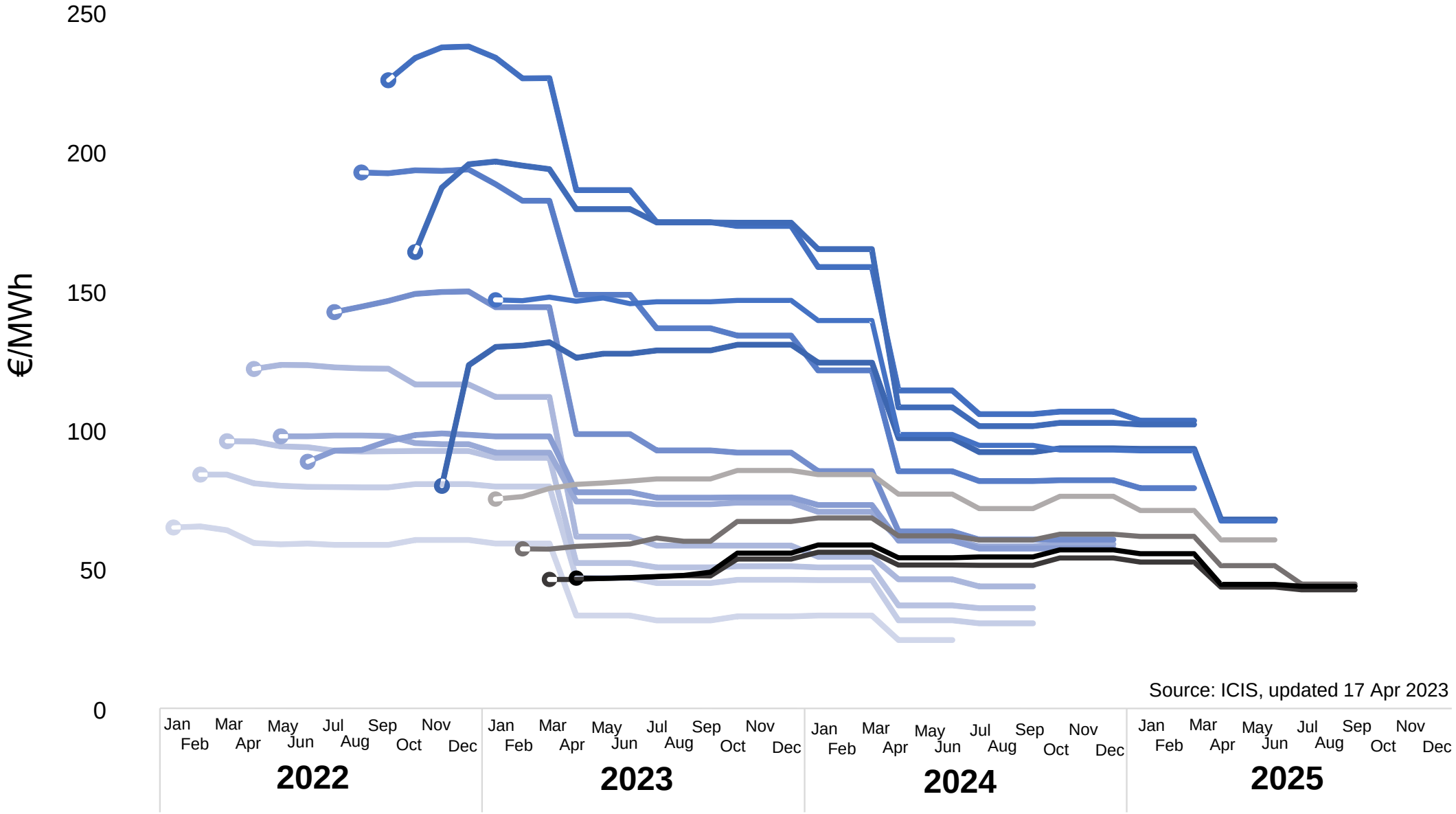
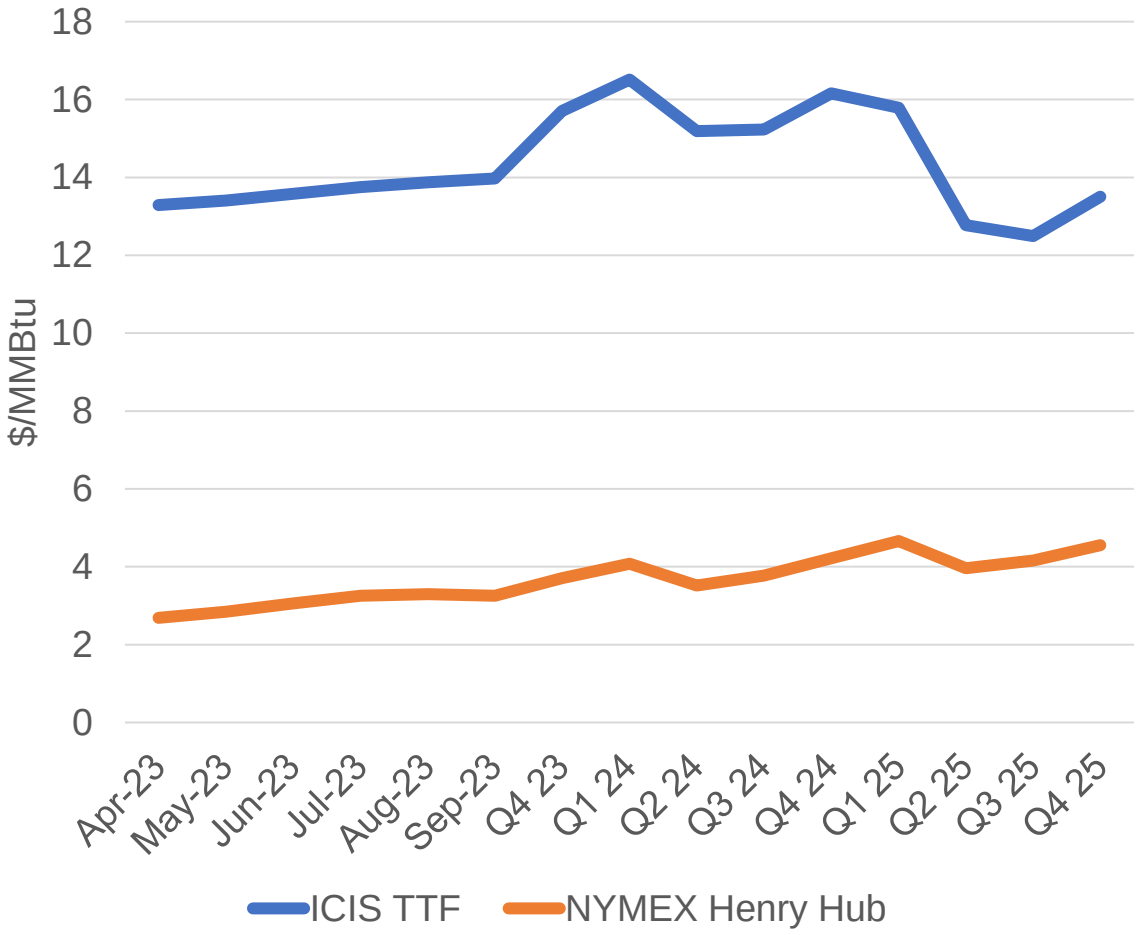
Forward prices 2024 at elevated level



Source: ICIS, updated 17 Apr 2023

Natural gas prices: mid-term outlook

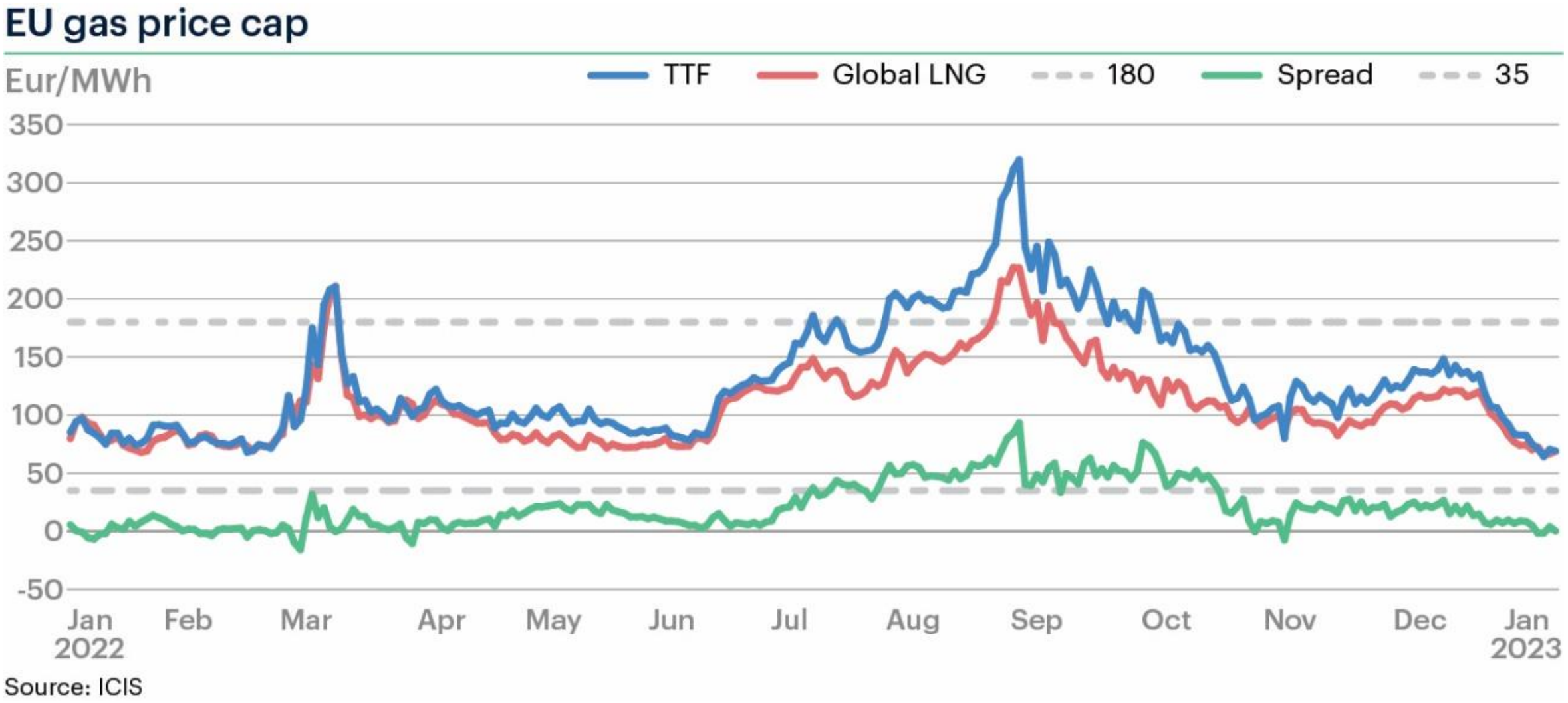


- Unlikely to see significant supply-side shocks
- Reduced market volatility expected

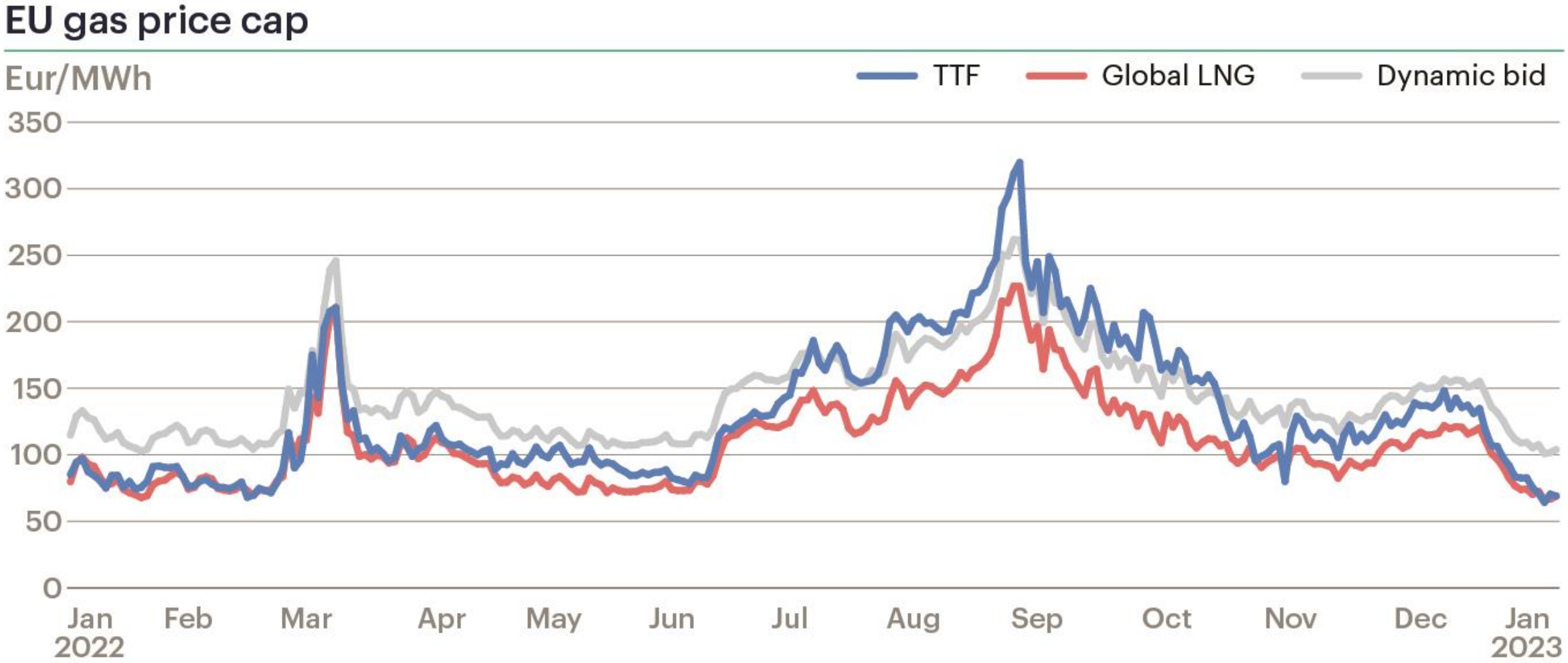
- Limited LNG supply coming online 2023-2024
- Large LNG production projects not coming online until 2025 onwards

- European prices unlikely to return to pre-covid levels until 2025
- US prices could find support from rising LNG export capacity

EU price cap: trigger conditions



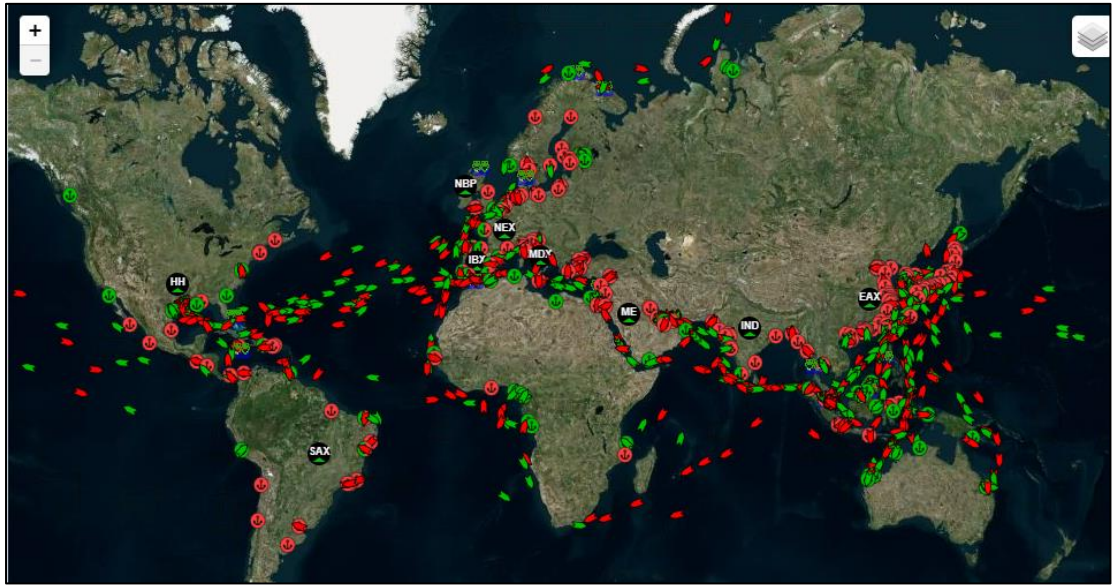
EU price cap: dynamic bid mechanism

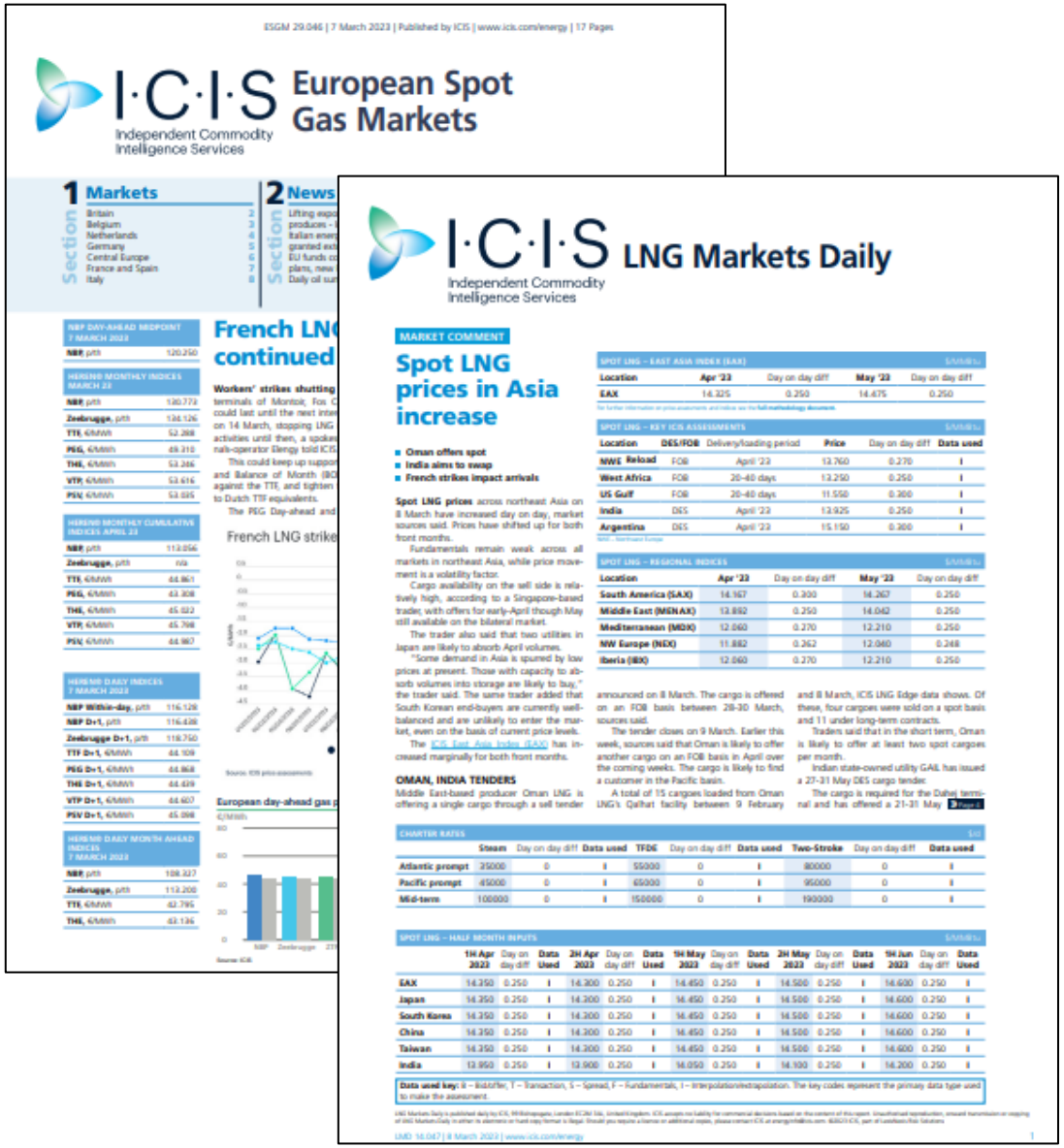


Source: ICIS

ICIS Gas and LNG reports

- Daily gas and LNG prices and news
- LNG Edge ship-tracking and forecasts
- New ICIS TTF Early Day price
- New DES Germany LNG assessment
- API data for voyage history and prices





Thank you!

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No Respite for European Gas

https://www.icis.com/explore/resources/no-respite-for-european-gas/