LNG Market Tracker

LNG JOURNAL'S WEEKLY LNG MARKET TRENDS REPORT 23 MAY 2022

Risk of Capacity Limitation Puts Brakes on UK LNG Imports

A decision by the UK's National Grid to adopt a policy to temporarily, but at short notice, limit available transmission capacity when deemed necessary has resulted in a sharp drop in LNG imports via the country's two Welsh terminals. Cargoes landed at South Hook and Dragon LNG are not only intended for the domestic market but are also fed into continental Europe's transmission system. Whilst National Grid has been adamant its decision to limit capacity is necessary to maintain safe operations, some LNG traders have been quick to reduce their exposure to the UK market to avoid stranded cargoes.

Combined LNG imports at the UK's two Welsh LNG terminals – South Hook LNG and Dragon LNG – have dropped sharply since the first week of May, our data show. The decrease of around 60pct in the second and third week of the month was mainly due to a decrease in imports at South Hook LNG.

Safety risk

National Grid, the transmission owner and system operator of the United Kingdom's gas pipeline network, decided to limit imports of LNG over fears its infrastructure could be overwhelmed by a drastic increase in imports at South Hook in particular since the start of the year.

UK gas hub role

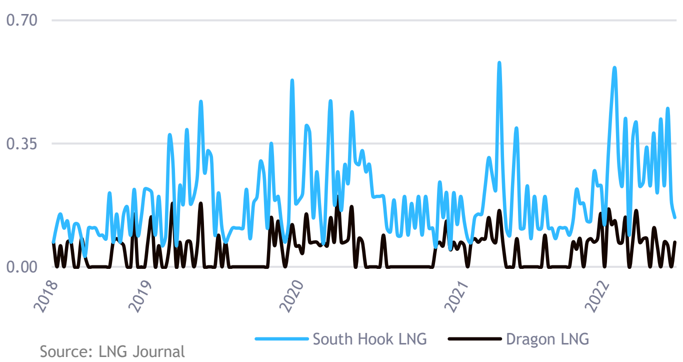
LNG cargoes arriving in Wales are not only intended for the UK market but are also earmarked to be transmitted onwards to mainland Europe via two gas interconnectors that link Britain to Belgium and the Netherlands. Gas transmissions from the UK to continental Europe have expanded to record levels as several European economies have vowed to significantly reduce fuel imports from Russia.

Short notice "tail" risk

National Grid has been adamant that temporary limits to capacity are necessary for safety reasons. However, the policy has been criticized by German utility RWE as "unnecessarily conservative". RWE also expressed its disappointment in the short notice of National Grid's decision and the regulator's apparent lack of preparation. RWE further warned that a policy of short-notice capacity limits comes with significant "tail" risk for LNG importers, who might find themselves stuck with stranded LNG and thus decide to avoid the UK market as a precaution.

RWE further opined that "the geopolitical situation in Europe [...] is a reason to find ways to maximise possible throughput and attract LNG, not to propose arrangements that achieve the opposite".

Weekly LNG Imports at Milford Haven (MMt)



Source: LNG Journal

Imports in doubt

Our data show the Shell-controlled LNGC Methane Julia Louise, carrying a Peruvian cargo it loaded at the Pampa Melchorita plant on 24 April, was routed away from the UK at the time of writing. The vessel had previously been 'parked' in St. Brides Bay awaiting entry into Milford Haven. Meanwhile, the Ras Laffan-derived Q-Max Umm Slal remained scheduled to deliver its cargo on 25 May, according to its AIS signal. Another vessel carrying Qatari LNG, the Q-Flex Al Sheehaniya, successfully discharged its cargo on Monday, our data show.

Notably, terminal operator South Hook Gas indicated in its consultation response in late April that "the publication of the [National Grid] Consultation has resulted in [a South Hook] shipper enquiring about the cancellation of its firm cargo deliveries for summer 2022".

In line with South Hook Gas' comment, LNG shippers purchased only a fraction of available transmission capacity at a subsequent auction in early May amid uncertainty over the extent of any future capacity notices.

South Hook Gas is a joint venture between affiliates of QatarEnergy (70pct) and ExxonMobil Qatargas (II) Trading Company Limited (30pct). The Dragon LNG terminal is a 50:50 joint-venture by Shell and Ancala LNG Ltd with capacity contracted to Shell and Petronas ◆

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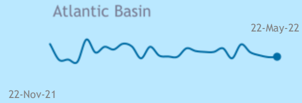
LNG EXPORTS (MMT)

Pacific Basin

Week-on-Week	0.21	-7pct
Six-month change	0.64	-18pct

Atlantic Basin



Week-on-Week	0.00	0pct
Six-month change	0.43	-14pct

Middle East

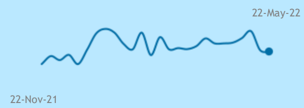
Week-on-Week	0.06	3pct
Six-month change	0.29	-14pct

LNG IMPORTS (MMT)

Pacific Basin

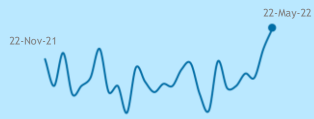
Week-on-Week	0.29	-6pct
Six-month change	0.61	-12pct

Atlantic Basin



Week-on-Week	0.07	-3pct
Six-month change	0.49	27pct

Middle East



Week-on-Week	0.10	28pct
Six-month change	0.15	48pct

Expected Deliveries this Week

Japan leading imports with 1.07mmt at current market visibility

Pacific Basin

LNG Imports in the Pacific Basin are likely to amount to 4.63mmt, according to our data at the time of writing, constituting a decrease of 16pct compared to the previous week's total of 4.41mmt. The Pacific's imports this week are likely going to be led by Japan (1.07mmt), China (1.07mmt) and South Korea (0.42mmt) whilst nine cargoes totalling 0.57mmt had yet to confirm their destination but were broadly directed to within the Basin at the time of writing.

Japan

Current market visibility indicated the largest share of LNG destined to arrive in Japan by Sunday is derived from Australia via ten cargoes totalling 0.63mmt. Most of Australia's shipments to Japan have sailed from Ichthys LNG (0.24mmt, 38pct) and Gorgon LNG (0.13mmt, 21pct), inter alia via the Energy Frontier, the Energy Progress and the Beidou Star. Our analysis indicates these deliveries to have been completed by Sunday. Concurrently, our market visibility highlights that the Futtsu and Sodegaura terminals will be Japan's busiest this week on imports of 0.16mmt (15pct) and 0.12mmt (11pct), respectively. In addition to Australia's shipments, we are also expecting Japan to receive eight cargoes totalling 0.44mmt from, inter alia, Malaysia, Oman and Qatar. Our data thus indicate Japan's expected cumulative LNG imports of 1.07mmt this week are likely to have decreased by 0.20mmt (-16pct) from 1.27mmt last week and decreased by 0.35mmt (-25pct) from 1.42mmt year-on-year.

China

The most significant origin of LNG destined to arrive in China by volume this week is Australia via six cargoes totalling 0.42mmt. Most of Australia's shipments to China have sailed from Australia Pacific LNG (0.16mmt, 38pct) and Queensland Curtis LNG (0.14mmt, 33pct), inter alia, via the CESI Gladstone, the CESI LianYungAng and Maran Gas Hydra. We are currently expecting these shipments to arrive by Sunday, with the Guangdong Dapeng LNG and Jieyang LNG terminals set to be China's busiest this week on imports of 0.21mmt (24pct) and 0.16mmt (18pct), respectively. In addition to Qatar's shipments, we are currently tracking nine cargoes totalling 0.65mmt led by Qatar, Oman and Papua New Guinea, which we expect to arrive in China by Sunday. We therefore think China's weekly LNG offtake is likely to have remained broadly steady compared to last week and decreased by 0.49mmt (-31pct) from 1.56mmt year-on-year.

South Korea

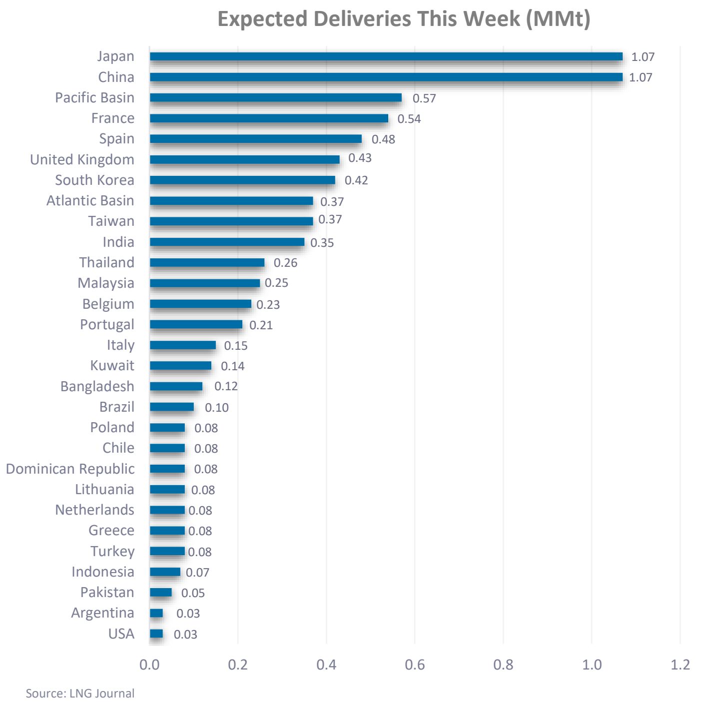
Meanwhile, the largest share of expected deliveries to South Korea is also going to be coming from Qatar via two cargoes totalling 0.12mmt this week. Qatar's volumes have sailed from Ras Laffan via the SK Summit and the SK Supreme. We expect these South Korea-bound shipments to arrive by Saturday. We are also expecting five cargoes totalling 0.30mmt from, inter alia, Indonesia, Australia and the United States to arrive in South Korea this week, with the Incheon and Tongyeong terminals set to be South Korea's busiest on imports of 0.21mmt (60pct) and 0.08mmt (23pct), respectively. Based on our market visibility, we expect the country's weekly imports to have decreased by 0.59mmt (-58pct) from 1.01mmt last week and decreased by 0.56mmt (-57pct) from 0.98mmt year-on-year.

Atlantic Basin

Demand in the Atlantic Basin is likely to reach 3.05mmt this week, our data indicated at the time of writing, constituting an increase of 34pct from the 2.28mmt of regional imports last week. At least 54pct are destined for France (0.54mmt), Spain (0.48mmt) and the United Kingdom (0.43mmt) whilst 0.37mmt remain without a confirmed destination but were broadly directed to within the Basin at the time of writing.

France

Our market visibility indicates the main origin of LNG destined to arrive in France this week is Russia, based on three cargoes totalling 0.23mmt. These shipments have sailed from Yamal LNG (0.23mmt, 43pct) via, inter alia, the Georgiy Brusilov and the Rudolf Samoylovich. Our data peg their delivery horizon at 29 May. Apart from Russia's exports, we are also expecting France to receive four additional cargoes totalling 0.31mmt from the United States and Qatar by the end of the week. Concurrently, our market visibility indicates the Montoir-de-Bretagne and Dunkerque Le Clipton terminals will be France's busiest this week on imports of 0.23mmt (43pct) and 0.16mmt (30pct), respectively. Our data thus suggest France's cumulative LNG offtake this week is likely to have increased by 0.11mmt (26pct) week-on-week and by 0.15mmt (38pct) year-on-year.



Spain

Our current market visibility further indicates the most significant supply of LNG to Spain this week is coming from the United States via four cargoes totalling 0.29mmt. Most of these volumes have sailed aboard the Corpus Christi LNG-derived Traiano Knutsen and the Cove Point-sailed Rias Baixas Knutsen as well as the Freeport LNG-derived British Contributor, which were headed for the Huelva and Bahia de Bizkaia terminals. We are also expecting a cargo each from Nigeria's Bonny Island LNG, Peru's Pampa Melchorita LNG and Egypt's Damietta SEGAS LNG as well as a shipment from Indonesia's Bontang plant. These anticipated deliveries mean Spain is likely to see a week-on-week offtake increase of 0.14mmt (41pct) from 0.34mmt as well as a 0.34mmt (243pct) increase from 0.14mmt year-on-year.

The United Kingdom

Meanwhile, our data indicate the largest share of expected deliveries to the United Kingdom is equally going to be coming from Qatar via three cargoes totalling 0.29mmt this week. Qatar's shipments sailed from Ras Laffan via the Al Sheehaniya, the Al Kharsaah and the Umm Slal. These cargoes are due to arrive at the South Hook LNG terminal by the end of the week. Moreover, the country is expecting two cargoes from Peru's Pampa Melchorita LNG via the Methane Julia Louise and the Valencia Knutsen by Friday. We are expecting the South Hook LNG and Dragon LNG terminals to see imports of 0.29mmt (67pct) and 0.14mmt (33pct), respectively. As such, our data indicate the United Kingdom's LNG demand this week is going to increase by 0.29mmt (207pct) compared to last week and by 0.21mmt (95pct) year-on-year, the country having imported 0.22mmt this time last year. Nevertheless, we highlight that the UK's National Grid applied to Britain's energy regulator to temporarily limit LNG imports through the two Welsh terminals to prevent a breach of safety limits within the national transmission network. It could therefore be that these cargoes are diverted or delayed.

Middle East

Our data also indicate demand in the Middle East is likely to reach 0.19mmt this week via three cargoes, constituting a decrease of 59pct from the 0.46mmt of regional imports last week.

The roster of regional buyers comprises Kuwait with expected imports of 0.14mmt via two cargoes aboard the Bonny Island LNG-derived LNG Akwa Ibom as well as the LNGShips Athena, which is carrying a Cove Point LNG cargo. We expect these shipments to arrive at the Al Zour terminal by Friday. These anticipated deliveries indicate Kuwait is likely to see a weekly demand decrease of 0.14mmt (-50pct) and but an increase of 0.01mmt (8pct) from 0.13mmt year-on-year.

In addition, our data point to Pakistan's Port Qasim LNG terminal receiving a shipment of 0.05mmt via the Ras Laffan-derived LNG Al Jassasiya by Tuesday. Accordingly, Pakistan's LNG demand this week is likely to see a decrease of 0.13mmt (-72pct) as well as a decrease of 0.12mmt (-71pct) year-on-year, the country having imported 0.17mmt this time last year ◆

LNG in Transit

Currently, 15.52mmt of LNG have a delivery horizon of 11 July

Total LNG volumes currently in transit amount to 15.52mmt, representing a decrease of 1.29mmt (-8pct) week-on-week. Current market visibility pegs the delivery horizon at 11 July.

Pacific Basin

Our current market visibility indicates 6.75mmt are destined for the Pacific Basin, whereby Thailand's Map Ta Phut LNG terminal is in the lead with 0.35mmt and a delivery horizon of 4 June currently set by the Al Sahla. Of the 6.75mmt currently in transit, 3.01mmt (45pct) have yet to have a firm destination, which are broadly destined for the Pacific region by 23 June.

At the time of writing, Gorgon LNG topped the list of export plants in the Pacific with 0.62mmt currently in transit, followed by NWS LNG with 0.59mmt and Malaysia LNG with 0.49mmt via, inter alia, the Asia Endeavour, the Bahrain Spirit and the Aman Sendai, respectively. The delivery horizon for Pacific in-transit exports by the Basin's leading three plants was 11 July at the time of writing.

Atlantic Basin

The Atlantic Basin, meanwhile, is due to receive 4.38mmt by 2 June, our data indicates. Firmed-up Atlantic deliveries are led by 0.40mmt destined for Belgium Zeebrugge terminal with a delivery horizon of 2 June.

As with the Pacific Basin, there remain 1.61mmt of in-transit LNG cargoes that have yet to confirm their destinations. Around 1.61mmt are currently broadly destined for Europe by 5 June.

Among Atlantic exporters with LNG deliveries currently pending, Sabine Pass LNG was the lead with 1.86mmt, followed by Freeport LNG with 0.84mmt and Cameron LNG with 0.76mmt. These cargoes are aboard, inter alia, the British Achiever, the British Contributor and the Diamond Gas Rose. The delivery horizon for all in-transit exports by Atlantic Basin plants was 23 June at the time of writing.

Middle East

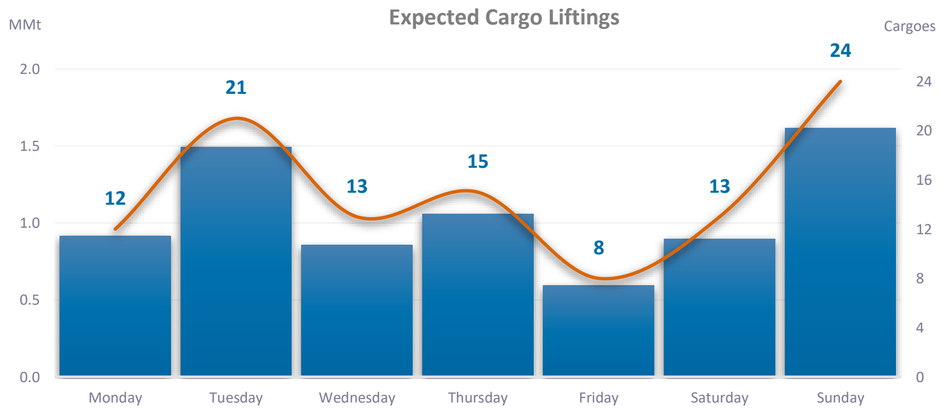
Meanwhile, our data indicate there is a total of five cargoes – 0.32mmt – currently headed for Kuwait and Pakistan. In addition to the cargoes scheduled for arrival this week as outlined above, Pakistan's Port Qasim LNG terminal is expecting one cargo of 0.07mmt via the Angola LNG-derived Soyo in addition to the Bonny Island-derived LNG Oyo, which is currently headed for Kuwait. The delivery horizon for these cargoes was 9 June at the time of writing.

In terms of Middle Eastern cargoes underway to destinations outside the Basin, 3.94mmt have a delivery horizon of 11 June, including 3.06mmt that originated in Qatar, with a further 0.44mmt coming from Oman's Qalhat terminal and 0.18mmt from the UAE's Das Island facility. Egypt's Idku LNG plant, meanwhile, had no shipments at sea at the time of writing. Neighbouring Damietta LNG had four cargoes totalling 0.26mmt underway at the time of writing ◆

Expected Cargo Liftings

106 cargo liftings estimated this week

Based on our shipping data and nominal vessel capacities, we are currently expecting 106 cargo liftings amounting to 7.43mmt by the end of this week.



Source: LNG Journal

Pacific Basin

Our data indicate the Pacific Basin will account for 47 of this week's liftings, meaning that roughly 3.14mmt are exported throughout the Basin by Sunday.

In Australia, we are expecting NWS LNG to lead the continent's exports with six cargoes amounting to 0.42mmt, according to nominal vessel capacity. Concurrently, LNG Journal data points to Queensland Curtis LNG shipping three cargoes (0.23mmt), followed by two cargoes (0.15mmt) from Ichthys LNG. Meanwhile, Pluto LNG, Wheatstone LNG, Gorgon LNG, Australia Pacific LNG and Curtis Island Terminals are expected to ship a total of ten cargoes amounting to 0.73mmt by the end of the week.

In Southeast Asia, our shipping data points to Malaysia LNG exporting up to 12 cargoes amounting to 0.67mmt. In neighbouring Indonesia, we think this week's exports will amount to five cargoes totalling 0.33mmt from its Bontang, Tangguh and Donggi-Senoro LNG plants. Additionally, based on our market visibility, we are expecting Brunei LNG to ship one cargo of 0.07mmt via the Amadi this week.

The remaining LNG export plants within the Pacific, namely Russia's Sakhalin-2 LNG at Prigorodnoye on Sakhalin Island and PNG LNG in

Papua New Guinea are going to export up to eight cargoes totalling 0.54mmt, according to our market visibility.

Atlantic Basin

Meanwhile, our analysis indicates the Atlantic Basin will see 35 cargo loadings, with around 2.48mmt exported throughout the Basin.

In the United States, we are expecting a total of 16 cargoes (1.19mmt) to be lifted. These exports are likely to be led by Sabine Pass LNG with 0.37mmt, inter alia via the Amberjack LNG (0.08mmt), the GasLog Gibraltar (0.08mmt) and the Iberica Knutsen (0.06mmt). Concurrently, Freeport LNG is going to ship 0.29mmt via four cargo liftings, our data suggests, whilst we expect Cameron LNG, Corpus Christi LNG, Cove Point LNG and Calcasieu Pass LNG to ship a total of 0.54mmt via seven cargo liftings.

In South America and the Caribbean, market visibility indicated three cargo liftings totalling 0.20mmt at Trinidad's Atlantic LNG via the Pearl LNG, the Sestao Knutsen and the Shandong Juniper this week.

On the other side of the Atlantic, we think up to 16 cargoes (1.09mmt) will be lifted by Sunday. In West- and North Africa, we are expecting Nigeria's Bonny Island facility to export four cargoes amounting to 0.28mmt whilst our market visibility further suggests Algeria will ship up to three cargoes amounting to 0.16mmt from its Arzew and Skikda plants by Sunday. We are also expecting Angola's Soyo plant to export one cargo whilst our data point to an export from Equatorial Guinea's EG LNG. Moreover, we are currently expecting a shipment from Cameroon's FLNG facility offshore Kribi via the Hoegh Gannet (0.08mmt) this week.

In the Arctic, we are currently anticipating Norway's Snøhvit LNG to restart exports and potentially ship two cargoes by the end of the week. Meanwhile, our shipping data suggests Novatek's Yamal LNG is going to load up to four cargoes amounting to 0.31mmt by Sunday.

Middle East

Finally, we are expecting a total of 24 Middle Eastern cargo liftings totalling 1.80mmt by the end of the week, most of which (1.26mmt) would take place at Qatar's Ras Laffan LNG complex, inter alia via the Al Deebel and the Al Gharrafa. Market visibility currently also suggests to us Oman is looking to load up to four cargoes amounting to 0.26mmt via the LNG Jamal, the Maran Gas Coronis, the Marvel Swan and the Trader. In addition, we are expecting ADNOC's Das Island plant in the UAE to ship one cargo totalling 0.06mmt via the Mubaraz. Finally, our shipping data pointed to three Egyptian shipments this week - two from Damietta SEGAS LNG and one from Idku LNG.

The current schedule therefore suggests peak loading activity of 24 cargoes on Sunday, followed by 21 on Tuesday, whilst Friday is looking to be least active with eight liftings ◆

Estimated Cargo Liftings (MMt)

Country	Plant	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Algeria	Arzew	-	-	-	-	0.13	-	-
	Skikda	-	0.03	-	-	-	-	-
Angola	Angola LNG	-	-	-	-	-	0.07	-
Australia	Australia Pacific LNG	0.08	-	-	-	-	-	-
	Darwin LNG	-	-	-	-	-	-	-
	Gladstone LNG	-	-	-	-	-	0.07	-
	Gorgon LNG	-	0.07	-	-	-	0.07	-
	Ichthys LNG	-	0.08	-	-	-	-	0.07
	NWS LNG	0.07	-	0.15	0.06	-	-	0.14
	Pluto LNG	0.08	-	-	-	-	-	0.07
	Queensland Curtis	0.08	-	-	0.08	-	-	0.08
	Wheatstone LNG	0.07	-	-	-	-	-	0.07
	Prelude FLNG	-	-	-	-	-	-	0.08
Brunei	Brunei LNG	-	-	-	0.07	-	-	-
Cameroon	Cameroon FLNG	-	-	-	0.08	-	-	-
Canada	Tilbury LNG	-	-	-	-	-	-	-
Equatorial Guinea	EG LNG	-	-	-	-	-	-	0.07
Egypt	Damietta SEGAS LNG	-	0.08	-	-	-	-	0.07
	Idku LNG	-	0.08	-	-	-	-	-
Indonesia	Bontang	-	-	0.07	-	-	0.07	-
	Donggi-Senoro LNG	-	-	-	-	-	-	0.06
	Tangguh	-	0.07	-	-	0.06	-	-
Malaysia	Malaysia LNG	0.13	0.12	0.09	-	0.06	0.12	0.07
	PFLNG Satu	-	-	-	-	-	-	-
	PFLNG Dua	-	-	-	-	-	-	0.07
Nigeria	Bonny Island	-	0.07	-	0.14	-	-	0.07
Norway	Snøhvit LNG	-	-	-	-	-	-	0.13
Oman	Oman LNG	-	0.08	0.12	0.06	-	-	-
Peru	Pampa Melchorita	-	-	-	-	-	-	-
Papua New Guinea	PNG LNG	-	-	0.07	-	-	0.08	-
Qatar	Ras Laffan	0.12	0.31	0.06	0.19	0.26	0.06	0.25
Russia	Sakhalin-2 LNG	-	0.13	-	0.07	-	0.06	0.13
	Yamal LNG	0.08	-	0.08	0.08	-	0.08	-
Singapore	Singapore LNG	-	-	-	-	-	-	-
Trin. & Tobago	Atlantic LNG	0.06	-	-	-	-	0.08	0.06
UAE	Das Island	-	-	-	-	-	-	0.06
United States	Elba Island LNG	-	-	-	-	-	-	-
	Cove Point LNG	-	0.08	-	-	-	-	0.07
	Cameron LNG	-	0.08	-	-	0.08	-	-
	Freeport LNG	-	0.08	0.07	0.08	-	0.06	-
	Sabine Pass LNG	0.08	0.14	0.08	-	-	0.08	-
	Corpus Christi LNG	0.08	-	0.07	-	-	-	-
	Calcasieu Pass LNG	-	-	-	0.08	-	-	-
	Total	0.92	1.49	0.86	0.98	0.59	0.90	1.62

Source: LNG Journal

Trade Last Week

Global LNG trade stood at 7.38mmt last week

Last week's global LNG flows stood at 7.38mmt, having thus decreased by 0.15mmt (-2pct) from 7.53mmt the week prior.

Pacific Basin

The Pacific ended last week with 2.82mmt in exports, resulting in a 0.21mmt (-7pct) trade decrease from 3.03mmt recorded for the week before last. This, in turn, translated into capacity utilisation of 87pct, a decrease of 6pp. Meanwhile, week-on-week demand in the Pacific region - including domestic re-exports in Malaysia, Indonesia and China - decreased by 0.29mmt (-6pct) from 4.70mmt to 4.41mmt. As a result, last week's Pacific import capacity utilisation contracted by 4pp to 56pct.

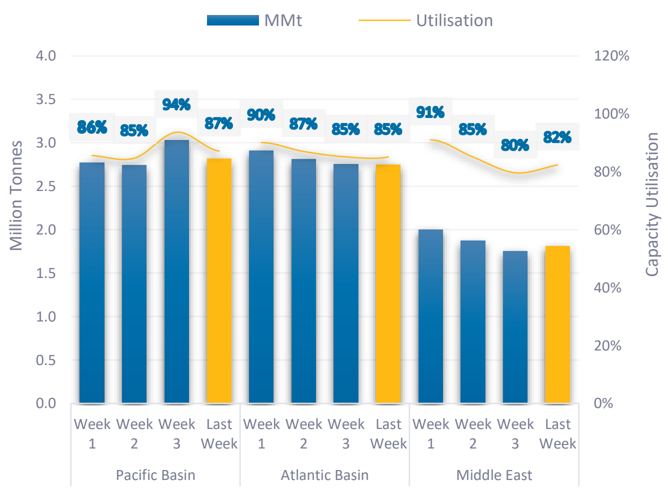
Atlantic Basin

Concurrently, trade in the Atlantic Basin had amounted to 2.75mmt by midnight on Sunday, an 0.00mmt (0pct) increase compared to the 2.75mmt recorded for the prior week. This in turn translated into regional export capacity utilisation of 85pct for last week, an increase of 0pp week-on-week. The Basin's imports, meanwhile, had decreased by 0.07mmt (-3pct) to 2.28mmt by Sunday. As a result, Atlantic import capacity utilisation stood at 48pct for the week, a decrease of 1pp over the week prior.

Middle East

As for the Middle East, the region's exports had seen positive weekly trade growth of 0.06mmt to 1.81mmt by midnight on Sunday. This represented a 3pct increase from the 1.75mmt seen the week before last. As such, regional export capacity utilisation also grew to 82pct for the week, up 3pp over the week before. Meanwhile, Middle Eastern imports saw positive weekly growth, increasing by 0.10mmt (28pct) to 0.46mmt. The region's import capacity utilisation thus stood at 75pct for the week, constituting an increase of 16pp over the prior week.

Exports & Capacity Utilisation Last Week



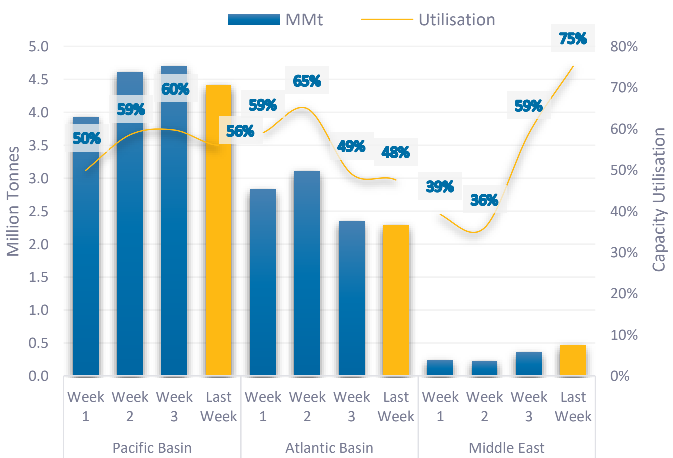
Pacific Exports – Australia

The Pacific Basin's most significant exporter by volume - Australia - shipped 1.59mmt last week, decreasing exports by 0.13mmt (-8pct) from the 1.72mmt shipped the week prior. On a year-on-year basis, the country nevertheless grew LNG shipments robustly by 0.50mmt (46pct) from 1.09mmt.

Southeast Asia

Meanwhile, the Pacific's second-largest exporter by capacity - Malaysia - shipped 0.50mmt last week, and thereby grew exports by 0.05mmt (11pct) week-on-week, whilst its neighbour Indonesia saw a reduction of 0.18mmt (-49pct) to 0.19mmt over the same period. On a year-on-year basis, Malaysia's exports thus also remained broadly steady at 0.48mmt whilst Indonesia's year-on-year shipments decreased by 0.08mmt (-30pct) from 0.27mmt. Elsewhere in the region, in the north of Kalimantan, there was one LNG shipment of 0.06mmt from Brunei LNG. The plant thus decreased exports by 0.08mmt (-57pct) from 0.06mmt the week prior whilst on a year-on-year basis, it decreased exports by 0.08mmt (-57pct).

Imports & Capacity Utilisation Last Week



Other Pacific Exporters

The remaining Pacific LNG exports had amounted to 0.48mmt by the end of last week compared to 0.35mmt the week prior, resulting in a 0.13mmt (37pct) increase in weekly exports. This was partly due to Russia's Sakhalin-2 LNG increasing exports by 0.05mmt (25pct) from 0.20mmt the week prior. Peru's Pampa Melchorita LNG plant, meanwhile, grew exports more strongly at 0.07mmt. Papua New Guinea's PNG LNG equally grew shipments, which were up by 0.01mmt (7pct) to 0.16mmt. Singapore LNG, however, did not ship LNG last week, having also shipped no LNG the week prior.

Far Eastern Demand

In line with lower weekly Pacific exports, Pacific demand decreased by 0.29mmt (-6pct) last week, which was led by a 0.05mmt (-4pct) offtake decrease from 1.32mmt to 1.27mmt in Japan. Consequently, the country's demand was also down by 0.15mmt (-11pct) year-on-year. Japan's busiest LNG terminal last week was the Himeji facility with 0.16mmt, followed by the Futtsu terminal with 0.15mmt. Concurrently, LNG demand in South Korea grew by 0.34mmt (51pct) from 0.67mmt to 1.01mmt last week, which also meant that on an annual basis the country's offtake was up by 0.03mmt (3pct). South Korea's offtakes were led by the Tongyeong terminal with 0.25mmt, followed by the Incheon facility with 0.24mmt. Moreover, Taiwan saw weekly demand decline by 18pct, which was down by 0.07mmt to 0.33mmt from 0.40mmt the week prior. On a year-on-year basis, the country's imports were nonetheless up by 0.09mmt (38pct) from 0.24mmt. In China, weekly imports remained steady at 1.48mmt whilst the country's imports had also decreased by 0.42mmt (-27pct) year-on-year. Meanwhile, we recorded a demand reduction in India last week, where offtakes were cut by 0.02mmt (-6pct) to 0.29mmt from 0.31mmt the week prior. Accordingly, India's imports had also decreased by 0.15mmt (-34pct) year-on-year from 0.44mmt.

The roster of smaller Pacific Basin buyers typically consisting of Chile, Singapore, Mexico, Malaysia, Indonesia, Thailand, Myanmar and Bangladesh slashed their collective weekly imports by 0.15mmt (-29pct) to 0.37mmt. A significant weekly offtake decrease of 0.12mmt (-63pct) to 0.07mmt in Thailand as well as by 0.06mmt (-50pct) in Bangladesh overshadowed steady weekly demand of 0.08mmt in Chile. Myanmar and Mexico were not seen in the market.

Atlantic Exports – West Africa

In the Atlantic Basin, West African exporters curtailed their overall shipped volumes by 0.38mmt (-46pct) net last week. Nigeria decreased weekly shipments by 0.10mmt (-29ct) to 0.25mmt, whilst Algeria reduced exports by a more modest 0.05mmt (-29pct) in volume terms to 0.12mmt. Concurrently, Angola curtailed its shipped LNG volumes by 0.07mmt (-50pct) again to 0.14mmt. Moreover, Equatorial Guinea and Cameroon both did not ship LNG last week in contrast to exports of 0.08mmt each the week prior.

United States

In the United States, export plants saw the total of shipped LNG volumes expand by 0.38mmt (28pct) to 1.56mmt from 1.18mmt last week. US LNG export performance was mainly due to strong growth in shipments by 0.25mmt (179pct) to 0.39mmt at Freeport LNG. The plant had shipped 0.14mmt the week prior. This was followed by an increase in exports of 0.14mmt (93pct) to 0.29mmt at Corpus Christi LNG, the plant having shipped 0.15mmt the week prior. Concurrently, Cameron LNG grew exports by 0.12mmt (60pct) to 0.32mmt whilst Elba Island LNG was not seen in the market. As such, decreases of 0.08mmt and 0.13mmt at Cove Point LNG and Sabine Pass LNG, respectively, could only temper net US LNG export growth last week. Accordingly, shipments outperformed their year-on-year equivalent of 1.37mmt, showing a net improvement of 0.35mmt (26pct).

Other Atlantic Exporters

Further south, Atlantic LNG on Trinidad saw two exports totalling 0.14mmt. Concurrently, in the Arctic, Novatek's fleet lifted 0.25mmt via five shipments from Yamal LNG. Russian LNG exports in the Atlantic Basin thereby decreased by 0.10mmt (-29pct) from 0.47mmt week-on-week. Notably, there had not yet been an export from Snohvit LNG, although shipping capacity was assembled offshore.

European Demand

European buyers curtailed imports by 0.25mmt (-14pct) to 2.00mmt last week. Notably, France, the United Kingdom and Spain saw a significant combined weekly demand decrease of 0.45mmt (-33pct) to 0.91mmt. Poland and Lithuania also saw starkly reduced LNG demand last week, with the former halving imports by 0.07mmt to 0.07mmt whilst the latter showed no demand last week compared to 0.07mmt the week prior. Meanwhile, Malta was not seen in the market. Nevertheless, the resulting reduction was cushioned by demand increases totalling 0.35mmt (78pct) to 0.80mmt in Greece, Croatia, Portugal, Italy, the Netherlands and Turkey, our data showed. Among European terminals, imports in northern Europe were led by the Maasvlakte Gate Terminal in the Netherlands with 0.15mmt whilst in southern Europe, Spain's Sagunto LNG terminal was in the lead with 0.13mmt.

Other Atlantic Buyers

Meanwhile, Atlantic buyers in North- and South America, as well as the Caribbean, increased imports by 0.18mmt (180pct) from 0.10mmt to 0.28mmt. This overall week-on-week demand picture evolved as offtakes in Jamaica, Puerto Rico and Brazil reappeared with 0.07mmt, 0.04mmt and 0.08mmt, respectively, following no demand the week prior. Argentina also boosted imports by 0.07mmt (350pct) to 0.09mmt last week. The resulting week-on-week increase was only tempered by absent demand in the Dominican Republic, following imports of 0.08mmt in the country the week prior. We did not record market activity by other buyers in the Americas last week.

Middle Eastern Exports

In the Middle East, Qatar shipped 1.38mmt last week and thereby saw week-on-week exports increase by 0.07mmt (5pct) from the 1.31mmt seen the week prior. The country, however, still decreased exports by 0.08mmt (-6pct) from the 1.46mmt shipped this time last year. In contrast, Oman decreased weekly exports by 0.04mmt (-19pct) to 0.17mmt whilst the UAE returned to weekly exports with 0.19mmt following market absence the week prior. On a year-on-year basis, Oman thus also decreased exports by 0.02mmt (-11pct) whilst the UAE's volumes were up by 0.14mmt (74pct). Egypt, meanwhile, decreased exports by 0.16mmt (-70pct) to 0.07mmt last week, having shipped 0.23mmt the week prior. The country nevertheless still increased shipped volumes by 0.01mmt (17pct) year-on-year, following exports of 0.06mmt this time last year.

Middle Eastern Demand

Completing the Middle East's LNG trade picture last week were Kuwait and Pakistan, which imported 0.46mmt via seven cargoes. As such, the region's week-on-week demand had increased by 0.10mmt (28pct) from 0.36mmt the week prior. Regional weekly demand thus also came in 0.16mmt (53pct) above its year-on-year equivalent of 0.30mmt ◆