NEW

LNG Market Tracker

LNG JOURNAL'S WEEKLY LNG MARKET TRENDS REPORT 27 APRIL 2020

Wobbly Demand, Supply Glut Increases Risk to Australian LNG Expansion

COVID-19 has weighed on demand among Australia's most significant LNG buyers though year-on-year growth remains positive. However, a distressed price environment, resulting capex cuts, a running clock on continually ageing gas assets and rising domestic demand carry risk for future Australian LNG expansion.

Preliminary data from our LNG Journal Market Tracker suggests Australian LNG exports will have fallen by around 0.2mmt (-2.6%) month-on-month to c. 6.8mmt from around 7.0mmt exported in March. Partly due to seasonal demand reductions throughout the Pacific, a likely tumbling of Japanese demand will have the most significant short-term effect, we think.

Short-term demand reduction in Asia

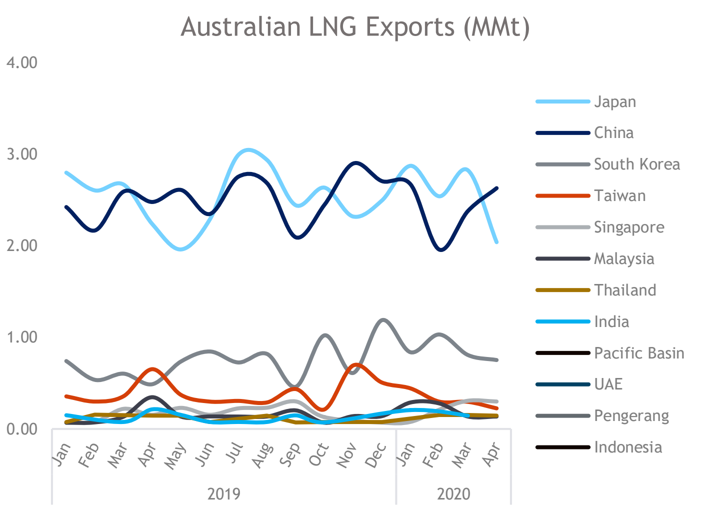
Accordingly, ranking among the most significant importers of Australian gas, Japan is likely to have curtailed imports by almost a third by the end of April and is thus probably going to weigh on monthly Australian export growth. Although Japanese imports dipped in February as part of seasonal demand variations, they nonetheless supported Australian exports to the Far East throughout March and into early April whilst China battled with COVID-19 and curtailed LNG offtakes.

China and Japan changed batons for top Australian LNG importer in April

China's official manufacturing This short-term trend, however, reversed in April with Chinese imports of Australian LNG overtaking those by Japan since the second week of April. Whereas China has been keen to jump-start its economy and even began to import LNG from the United States after a hiatus lasting more than a year, Japan was forced to introduce its own state of emergency to tackle the spread of COVID-19.

South Korean demand decline is likely slowing already

Australia's third most significant importer – South Korea – has also felt the negative economic impact of COVID-19. The country has so far been meticulous in implementing social distancing and tracking measures and thus avoided slamming on the brakes with a full lockdown. However, its economy contracted by 1.4% in 1Q 2020 as services and private consumption were hit particularly hard, according to an advance estimate by Bank of Korea. South Korean monthly LNG imports from Australia decreased by 0.22mmt (-22%) in March but that reduction will likely have slowed to around 0.06mmt (-7%) in April, our preliminary data suggests.



Source: LNG Journal

Australian LNG still likely to see modest growth year-on-year

Whilst likely having to contend with a fall in month-on-month demand in April this year, our preliminary data suggests Australia will still see slight year-on-year growth of around two cargoes, equating to 0.15mmt (2.3%) in April. However, we think at least half of that growth may be bunkered at Singapore.

Although the COVID-19 outbreak has had a quick, sharp impact on certain sectors within Asian economies, evidence so far suggests overall LNG demand is not curtailed to quite the same extent and trending downwards more gently at a time of seasonally lower demand. Indeed, some importers such as Thailand and India have increased overall imports in April to benefit from extremely low spot prices, our data indicates.

Prevailing supply glut leads to CAPEX reductions

Instead, the prevailing supply glut outstripping current demand growth and a weaker global economic outlook for the remainder of the year is set to

CONTENTS

WEEKLY TRADE

Global	↓	-8.4%
Pacific	↓	-1.8%
Atlantic	↓	-19.2%
Middle East	↓	-3.7%

WEEKLY EXPORTS

Pacific	↓	-2.9%
Atlantic	↓	-21.5%
Middle East	→	0%

WEEKLY IMPORTS

Pacific	↓	-1.2%
Atlantic	↓	-17%
Middle East	↓	-21%

have a more profound impact on Australian LNG, in our view. Rather than low prices alone – we expect the majority of contracted Australian LNG to have been hedged at floor prices significantly above Brent's current sub-$20/bbl range – operators are deferring final investment decisions (FID) and curtailing CAPEX with potential repercussions on future Australian gas production.

"Growth projects deferred until business conditions improve"

Notably, Santos slashed its 2020 capex budget by 38% and delayed FID for the Barossa offshore development until further notice. Gas from Barossa was previously earmarked to secure feedgas supply to the Darwin LNG plant, which is currently dependent on the ageing Bayu-Undan field discovered in 1995.

Fellow Australian LNG producer Woodside has also announced a CAPEX cutback of 62%, including deferral of the planned Scarborough and Browse developments as well as a second train at Pluto LNG. Japan's INPEX also indicated it will be cutting expenditure.

Domestic competition

Concurrently, Australian LNG is facing growing competition not just for markets abroad, but also feedgas domestically, a March report by Australia's independent Energy Market Operator suggests. It highlights that existing and committed gas developments would be sufficient to meet domestic east coast demand until 2023 but that additional sources of gas supply are required to address a potential shortfall from 2024. Since its inception, LNG capacity in Queensland in particular has had to contend with public backlash for not seemingly prioritising domestic supply over exports.

Consequently, we see three LNG growth constraints pulling in different directions in Australia at the moment – current and imminent capex reduction announcements, the clock running on ageing gas assets (likely hastened if less drilling investment) and domestic demand growth with its potential for political pressure if growth exceeds supply and increases domestic prices. These factors embody a much more profound risk to future LNG capacity expansions in Australia than COVID-19, in our view, as their combined effect is potentially far-reaching ◆

Expected Deliveries this Week

China tops list for this week's LNG deliveries with 1.03mmt

Pacific Basin

We are currently expecting 4.46mmt to be delivered within the Pacific Basin by the end of this week, constituting a decrease of 12% over our expectation at this point last week. At least 60% are destined for China (1.03mmt), South Korea (0.87mmt) and Japan (0.80mmt) whilst 0.84mmt are still without a confirmed destination within the Basin.

China

Current market visibility suggests the largest share of LNG scheduled to arrive in China within this week is coming from Australia (0.50mmt, 49%) under contracts with Gorgon LNG (0.15mmt, 15%), followed by NWS LNG (0.13mmt, 13%). Among LNGCs currently under way, the Dapeng Moon and the Shell-controlled Methane Patricia Camila are scheduled to dock at CNOOC's Guangdong Dapeng LNG and Zhejiang LNG terminals by Sunday, respectively. However, China's current import schedule suggests offtakes are likely to decrease significantly by 0.75mt (-42%) week-on-week and more modestly by 0.06mmt (-5%) year-on-year following a robust rise last week.

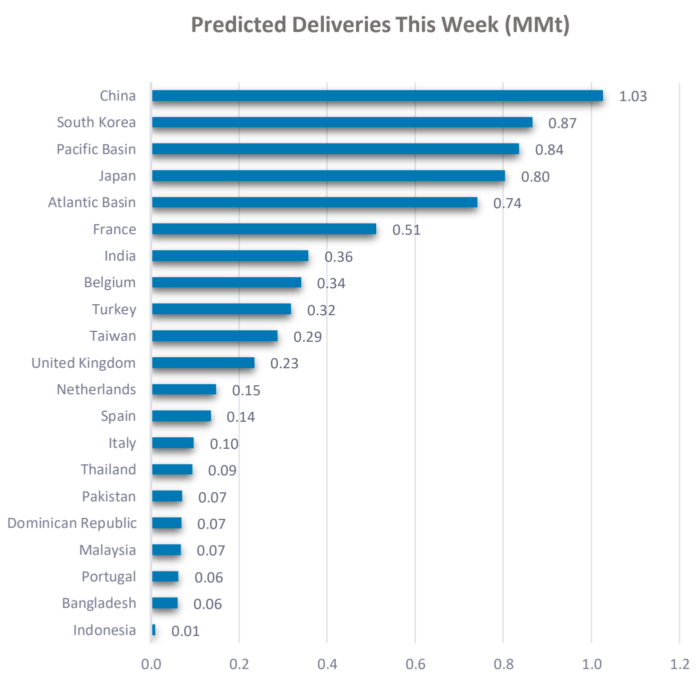
South Korea

The largest single source of LNG destined to arrive in South Korea within this week is Qatar's Ras Laffan LNG complex (0.23mmt, 21%), followed by Oman LNG (0.12mmt, 14%). Of LNGCs currently en route, we expect the Rias Baixas Knutsen to arrive at Pyeongtaek on Friday whilst the Q-Max Lijmiliya is expected at Incheon on Saturday. Nevertheless, whilst China's LNG imports are likely to remain ahead of South Korea's this week, the latter's imports are likely to increase by 0.14mmt (19%) week-on-week and marginally by 0.02mmt (2%) year-on-year.

Japan

Meanwhile, expected deliveries to Japan are mainly coming from Australia and the United States, with both exporters currently directing 0.31mmt to the island nation via, inter alia, the Energy Confidence and the Diamond Gas Rose. Additionally, we see Japan receiving at total of three cargoes from Malaysia (0.12mmt, 15%) and Russia (0.07mmt, 8%). The Puteri Delima is scheduled to dock at Negishi by Tuesday whilst we expect the Ob River to arrive at Chita LNG on Monday. Japan's imports are thus likely to decrease significantly by 0.22mmt (-22%) week-on-week and by 0.16mmt (-17%) year-on-year.

Atlantic Basin



Source: LNG Journal

The Atlantic Basin is currently expected to receive 2.73mmt by the end of this week, constituting a decrease weekly offtake. Roughly 0.81mmt are still without a clear destination within the Basin, whilst 43% are destined for France (0.51mmt), Belgium (0.34mmt) and Turkey (0.32mmt).

France

France's currently expected LNG deliveries within this week are mainly coming from Nigeria's Bonny Island (0.14mmt, 27%) and Russia (0.08mmt, 15%). The Nigerian volumes sailed aboard the LNG Ogun and the LNG Abalamabie on the 2nd and 16th April and out data indicate their scheduled arrivals at Montoir on Sunday and Thursday, respectively. The Russian cargo derives from Yamal LNG via the Rudolf Samoylovich, which we expect to arrive at Montoir on Friday.

Our data also indicate the country is also anticipating 0.30mmt to arrive at Elengy's Fos-sur-Mer terminal from Angola and Algeria whilst the Fluxys-led Dunkerque Le Clipton terminal is expecting an Atlantic LNG cargo via the Portovyy and a Snøhvit LNG shipment aboard the Arctic Lady by Sunday. Finally, the Neptune, carrying a Cameron LNG-derived cargo, is expected to dock at Montoir on Monday.

Consequently, France is looking to be in the lead for European cargo destinations once more, showing weekly demand growth of 0.04mmt (9%). Nevertheless, on a year-on-year basis, the country is likely to see offtakes decrease by roughly four cargoes or 0.26mmt (-33%).

Belgium

Concurrently, market visibility indicates Belgium's imminent LNG deliveries of 0.34mmt consist of two Qatari cargoes (0.19mmt., 55%) destined for Zeebrugge and two Russian shipments (0.15mmt, 45%). The Al Sadd is carrying a Qatargas III contingent and is scheduled to arrive on Tuesday. Meanwhile, the Al Ruwais will arrive on Sunday, port authority data confirms.

Meanwhile, the Nikolay Urvantsev and Fedor Litke have sailed from Yamal LNG to deliver a 0.15mmt cargo contingent, probably for bunkering, on Thursday and Sunday, respectively.

LNG volumes flowing into Belgium are thus likely to increase by 0.05mmt (17%) week-on-week as well as looking to record 0.18mmt of growth (117%) year-on-year.

Turkey

The Atlantic Basin's third largest importer this week – Turkey – is anticipating its imminent LNG deliveries of 0.32mmt to mainly derive via two Sabine Pass shipments aboard the Sovcomflot-controlled SCF La Perouse and the Naturgy-chartered Castillo de Merida, which our market visibility indicates will arrive at Izmir and Marmara Ereglisi, respectively, by Sunday. We also see Izmir receiving one cargo each from Qatar's Ras Laffan LNG complex via the Q-Flex Al Oraiq on Thursday as well as a Norwegian cargo from Snøhvit LNG via Equinor's Arctic Aurora on Tuesday.

Based on the current delivery horizon, Turkey will see weekly LNG imports increase by 0.12mmt (61%) week-on-week. Meanwhile, we also see the country's imports increasing by 0.19mmt (143%) year-on-year

Middle East

In the Middle East, we are anticipating only one cargo arrival this week as the Golar Snow is waiting offshore Pakistan's Port Qasim terminal with indicated arrival on Wednesday. Market visibility therefore suggests Pakistan's LNG offtake this week will decrease by 0.09mmt (-56%) week-on-week and year-on-year ◆

LNG in Transit

Currently 15.86mmt of LNG on the water

Total LNG volumes currently in transit amount to 15.86mmt, representing a decrease of 0.22mmt (-1.4%) week-on-week. Current market visibility pegs the delivery horizon at 1 June.

Pacific Basin

There are currently 8.73mmt destined for the Pacific Basin, whereby China's Qingdao LNG terminal is in the lead with 0.30mmt and a delivery horizon of 6 May, inter alia via the CESI Qingdao sailing from Australia's Australia Pacific LNG plant.

Notably, of the 8.73mmt currently in transit, 2.62mmt have yet to have a firm destination, which are broadly destined for the Pacific by 29 May.

At the time of writing, Gorgon LNG tops the list of export plants in the Pacific with 0.66mmt currently in transit, followed by NWS LNG with 0.66mmt and Malaysia LNG with 0.30mmt via, inter alia, the Rias Baixas Knutsen (0.08mmt), the Grace Dahlia (0.08mmt) and the Maran Gas Pericles (0.08mmt). The delivery horizon for Pacific in-transit exports by the Basin's top 3 plants above is currently 14 May.

Atlantic Basin

The Atlantic Basin, meanwhile, can expect to receive 5.13mmt by 28 May. Confirmed Atlantic deliveries are led by 0.51mmt worth of orders destined for Belgium's Zeebrugge with a delivery horizon of 10 May.

As with the Pacific Basin, there are still roughly 1.80mmt of in-transit LNG that have yet to confirm their destination. Around 1.58mmt are currently broadly destined for Europe by 28 May.

Among Atlantic exporters with LNG deliveries currently pending, Sabine Pass LNG is in the lead with 1.77mmt, followed by Bonny Island with 1.65mmt and Yamal LNG with 0.84mmt. These cargoes are onboard, inter alia, the GasLog Warsaw (0.08mmt), the Castillo de Merida (0.08mmt) and the LNG Lagos II (0.08mmt). The delivery horizon for Atlantic in-transit exports was 28 May at the time of writing.

Middle East

Meanwhile, there are 3 cargoes – 0.24mmt – headed for Pakistan and Kuwait. The cargo en route to Pakistan is the shipment via the Golar Snow outlined above whilst the remaining two constitute Qatar's Q-Flex Al Shamal – carrying a Qatargas III shipment – and the WilForce sailing from Sabine Pass LNG in the United States. The delivery horizon for the three cargoes is 25 May.

In terms of Middle Eastern cargoes under way to destinations outside the Basin, 3.58mmt have a delivery horizon of 16 May, including 3.01mmt that originated in Qatar, with a further 0.39mmt coming from Oman's Qalhat terminal and 0.18mmt from the UAE's Das Island facility via, inter alia, the Shagra (0.12mmt), the Hoegh Gallant (0.07mmt) and the Ish (0.06mmt). According to our shipping data Egypt's Idku LNG had no cargo at sea at the time of writing ◆

Expected Cargo Liftings

108 cargo liftings expected this week

Based on our shipping data, we see 108 cargo liftings amounting to 7.55mmt by the end of this week, representing a 1.581mmt (26%) increase week-on-week.

Pacific Basin

Our market visibility indicates the Pacific Basin will account for 47 of this week's liftings, meaning that roughly 3.03mmt are exported throughout the Basin by Sunday.

In Australia, we expect NWS LNG to lead the continent's exports with 5 cargoes (c. 0.33mmt) likely to be lifted, followed by Pluto LNG (4 cargoes, 0.30mmt) and Gorgon LNG (4 cargoes, 0.29mmt). Meanwhile, Australia Pacific LNG, Darwin LNG, Ichthys LNG, Wheatstone LNG, Queensland Curtis LNG and Gladstone LNG are expected to ship a total of 13 cargoes amounting to 0.96mmt by Sunday.

In Southeast Asia, our shipping data points to Malaysia LNG exporting up to 8 cargoes amounting to 0.34mmt whilst we do not currently expect Petronas' FLNG barge PFLNG Satu to load a cargo. Across the border, we think Indonesia is looking to export 5 cargoes amounting to 0.29mmt from its Tangguh and Bontang facilities.

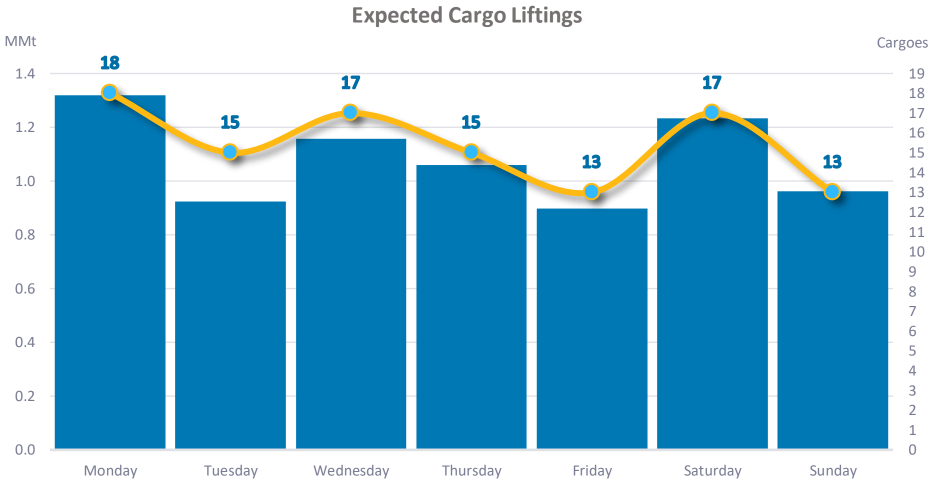
Other LNG export plants within the Basin, namely Russia's Sakhalin-2 LNG at Prigorodnoye on Sakhalin Island and PNG LNG in Papua New Guinea are going to export 5 cargoes, totalling 0.34mmt, according to our data.

Atlantic Basin

Meanwhile, our analysis indicates the Atlantic Basin will see 29 cargo liftings, with up to 2.05mmt exported throughout the Basin by Sunday night.

A significant share of those liftings is going to materialise in the United States, where we see Freeport LNG, Sabine Pass LNG, Cove Point LNG, Cameron LNG and Corpus Christi LNG preparing for a total of 10 cargoes (0.75mmt) to be lifted aboard, inter alia, the British Contributor (Freeport), the Pan Europe (Sabine Pass), the Meridian Spirit (Cove Point), the SK Audace (Cameron) and the Flex Ranger (Corpus Christi). Nevertheless, whilst remaining a significant source of Atlantic Basin supply, US LNG is thus looking to continue to reduce exports week-on-week, showing a drastic reduction to more than half of visible shipments seen in the same week-period last month.

In South America and the Caribbean, we currently expect 3 cargo liftings (0.20mmt) from Trinidad's Atlantic LNG via the Maran Gas Efessos, the Galea and the British Ruby by Sunday.



Source: LNG Journal

On the other side of the Atlantic, we expect up to 17 cargoes (1.19 mmt) to be lifted during this week. We see Nigeria's Bonny Island facility exporting up to 5 cargoes, amounting to 0.35mmt, whilst Algeria is likely to load 4 cargoes totalling 0.31mmt at Arzew. Market visibility, meanwhile, suggests to us Angola's Soyo will export two cargoes amounting to 0.14mmt via the Cubal and Soyo this week.

In the Arctic, we anticipate Norway's Snøhvit LNG to ship 1 cargo via the Arctic Princess whilst our shipping data suggests Novatek's Yamal LNG is going to load 4 cargoes amounting to 0.31mmt by Sunday.

Middle East

Middle Eastern cargo liftings this week are likely to amount to 29 (2.24mmt) by Sunday, most of which (1.93mmt) are going to take place at Qatar's Ras Laffan LNG complex, inter alia via the K. Freesia and the Rasheeda. Market visibility currently also suggests to us Oman is looking to load 3 cargoes (0.19mmt) via the LNG Jamal, the K. Acacia and the Ibri LNG by Saturday. We also anticipate ADNOC LNG's Das Island plant in the UAE to ship 2 cargoes via the Ghasha and the Al Hamra. However, we do not currently expect an export from Egypt's Idku LNG before Sunday.

The current schedule therefore suggests peak loading activity of 18 cargoes on Monday, followed by 17 on Wednesday, whilst Sunday is looking to be least active with 13 liftings ◆

Expected Cargo Liftings (MMt)

Country	Plant	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Algeria	Arzew	-	0.03	0.06	-	-	0.14	-
	Skikda	-	-	-	-	-	-	-
Argentina	Tango FLNG	-	-	-	-	-	-	-
Angola	Angola LNG	0.07	-	-	-	-	0.07	-
Australia	Australia Pacific LNG	-	0.08	0.08	-	-	-	0.08
	Darwin LNG	-	-	-	-	0.07	-	-
	Gladstone LNG	-	-	0.07	-	-	0.07	-
	Gorgon LNG	0.08	-	0.07	0.07	-	-	0.07
	Ichthys LNG	-	0.07	-	0.07	-	-	-
	NWS LNG	0.06	0.06	0.08	-	-	0.07	0.06
	Pluto LNG	0.08	-	-	-	0.07	0.08	0.08
	Queensland Curtis	-	-	-	0.08	-	0.08	0.08
	Wheatstone LNG	0.07	-	-	0.08	-	-	-
	Prelude FLNG	-	-	-	-	-	-	-
Brunei	Brunei LNG	0.07	-	-	0.06	-	-	-
Cameroon	Cameroon FLNG	-	-	-	-	-	-	-
Canada	Tilbury LNG	-	-	-	-	-	-	-
Equatorial Guinea	EG LNG	-	-	-	-	-	-	-
Egypt	Damietta SEGAS LNG	-	-	-	-	-	-	-
	Idku LNG	-	-	-	-	-	-	-
Indonesia	Bontang	-	0.03	0.06	-	-	-	-
	Donggi-Senoro LNG	0.06	-	-	-	-	-	-
	Tangguh	0.07	0.06	-	-	-	-	0.07
Malaysia	Malaysia LNG	-	0.04	0.18	0.01	0.01	0.10	-
	PFLNG Satu	-	-	-	-	-	-	-
Nigeria	Bonny Island	0.08	0.07	-	0.08	0.08	0.06	0.07
Norway	Snøhvit LNG	-	-	-	0.07	-	-	-
Oman	Oman LNG	-	0.06	-	0.06	-	0.07	-
Peru	Pampa Melchorita	-	-	-	-	-	-	-
Papua New Guinea	PNG LNG	-	-	0.08	-	-	-	-

Qatar	Ras Laffan	0.40	0.16	0.18	0.27	0.22	0.38	0.31
Russia	Sakhalin-2 LNG	0.06	0.07	-	-	-	0.13	-
	Yamal LNG	0.08	-	0.08	-	0.08	-	0.08
Singapore	Singapore LNG	-	-	-	-	-	-	-
Trinidad & Tobago	Atlantic LNG	0.07	0.06	0.07	-	-	-	-
UAE	Das Island	-	0.06	-	0.06	-	-	-
United States	Elba Island LNG	-	-	-	-	-	-	-
	Cove Point LNG	0.07	-	-	-	0.07	-	-
	Cameron LNG	-	-	0.08	-	-	-	-
	Freeport LNG	-	-	-	0.08	0.08	-	0.08
	Sabine Pass LNG	-	0.07	0.08	-	0.07	-	-
	Corpus Christi LNG	-	-	-	0.08	-	-	-
	Total	**1.32**	**0.92**	**1.16**	**1.06**	**0.74**	**1.23**	**0.96**

Trade Last Week

Global LNG trade stood at 14.22mmt last week

Last week's global LNG trade stood at 14.22mmt, having thus decreased by 1.31mmt (-8.4%) week-on-week. Notably, around 7.19mmt had been shipped in previous weeks but were only delivered last week.

Overall regional trade in the Pacific stood at 7.68mmt last week, resulting in a 0.14mmt (-2%) trade decrease week-on-week. Last week's trade in the Atlantic Basin fell by 1.09mmt (-19.2%) whilst the Middle East saw negative trade growth of 0.07mmt (-4%) over the same period.

The Pacific ended last week with 0.09mmt (-3%) less in exports, down from 2.90mmt the week prior. This in turn translated into capacity utilisation of 87% for last week, a decrease of 3pp over the week prior.

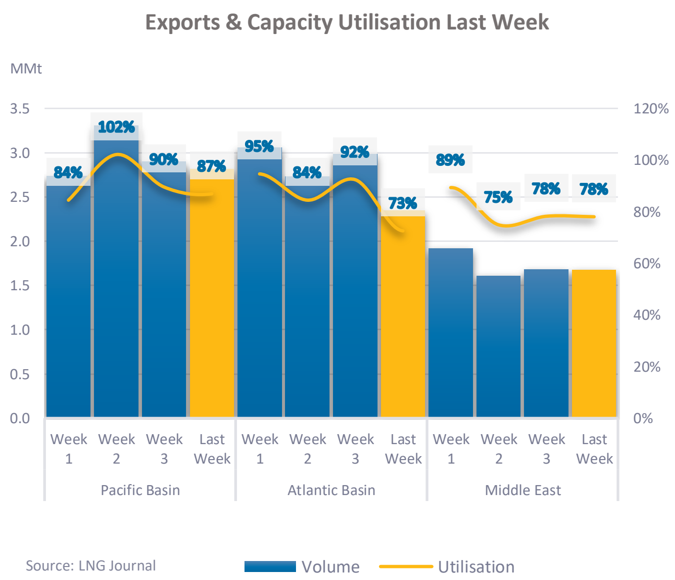
Meanwhile, the Basin's demand – including domestic re-exports in Indonesia and China – reduced by 0.06mmt (-1.2%) to 4.87mmt. As a result, Pacific import capacity utilisation increased by 0.7pp to 62%.

Atlantic Basin exports had amounted to 2.34mmt by midnight on Sunday, a -21.5% decrease compared to the week prior. This in turn translated into regional export capacity utilisation of 73% for the week, a decrease of 20pp week-on-week.

Over the same one-week period, the Basin's imports decreased by 0.45mmt (-17%) to 2.26mmt. As a result, Atlantic import capacity utilisation stood at 47% for the week, a decrease of 9.4pp over the week prior.

As for the Middle East, the region's exports had held steady at 1.68mmt by midnight on Sunday. As such, regional export capacity utilisation stood at 78% for the week.

Meanwhile, the Middle East's imports saw negative weekly growth, decreasing by 0.07mmt (-21.4%) to 0.25mmt. The region's import capacity utilisation thus stood at 42% for the week, constituting a decrease of 11.3pp over the week prior.



Pacific Basin

The Pacific Basin's most significant exporter – Australia – shipped 1.59mmt last week, achieving a slight increase of 0.05mmt (3%) in exports compared to the week prior. Meanwhile, on a year-on-year basis, the country grew LNG shipments more substantially by a margin of 0.16mmt (11%). Meanwhile, the Basin's second largest exporter by capacity – Malaysia – shipped 0.34mmt last week, and thereby equally increased exports by 0.05mmt (16%) week-on-week, whereas its neighbour Indonesia saw a reduction of 0.13mmt to 0.26mmt (-33%) over the same period. On a year-on-year basis, however, Malaysia continued to see a significant- albeit slower - export reduction of 0.10mmt (-22%) as shipments had fallen by 0.19mmt the week prior, too. Indonesia, meanwhile, managed to maintain exports at 0.26mmt for the same period.

Concurrently, the remaining Pacific LNG producers saw combined exports of 0.61mmt by the end of last week compared to 0.67mmt the week prior. Whilst Papua New Guinea reduced weekly shipments by 0.07mmt (-32%), Russia's Sakhalin-2 LNG saw exports decrease by 0.06mmt (-23%). Brunei kept exports steady at 0.07mmt. Peru's Pampa Melchorita plant, meanwhile, increased its market presence with an additional export via the Shell-controlled Megara whereas Singapore re-exported a small shipment via the newbuild Saga Dawn.

In line with slightly lower exports, weekly Pacific demand also decreased marginally by 0.06mmt (-1.2%). China continued to increase offtakes by 0.22mmt (14%), but also slowing the pace of growth significantly to less than 50% of last week's increase. Elsewhere in the Pacific, demand grew by 0.17mmt (47%) from its equal decrease by volume last week on returning demand in Bangladesh and an almost quadrupling of imports seen in price-conscious Thailand. Concurrently, Mexico's market step-in compensated for the loss of Chilean requirements, Singapore, on the other hand, kept offtakes steady.

However, regional demand could not book net growth last week as Japan significantly reduced offtakes by 0.24mmt (-19%). Our data indicates this to be a seasonal shift in demand, with imports slightly up on year-ago levels of 0.97mmt. Taiwan also saw lower weekly demand by 0.15mmt (-36%). Although somewhat less dramatic, demand reductions also weighed on South Korean weekly offtakes, reducing imported volumes by 0.09mmt (-11%) week-on-week.

Atlantic Basin

In the Atlantic Basin, African exporters once more decreased their overall shipped amount significantly by 0.31mt (-37%) week-on-week. Nigeria – the continent's largest exporter – slashed weekly shipments by 0.10mmt (-20%) to 0.40mmt, Algeria's Arzew terminal curtailed exports even more dramatically by 0.14mmt (-68%) to 0.07mmt. Equatorial Guinea, meanwhile, did not export a cargo as in the week prior and Cameroon was also absent. Only Angola kept exports steady at one shipment of 0.07mmt.

In the United States, meanwhile, LNG plants kept the country's weekly exports broadly steady, reducing shipments slightly by 0.02mmt (-1.8%) to 1.09mmt. Weekly US LNG exports were led by Sabine Pass LNG, which increased shipments by 0.13mmt (28%). However, growth at Sabine Pass could only compensate for the lack of exports from Cove Point, which did not ship a cargo. Concurrently, Corpus Christi LNG worked hard to keep exports steady, reaching 0.21mmt for the week and thereby reducing the loaded amount by 0.005mmt (-2%). Concurrently, Freeport LNG and Cameron LNG were also only treading water with weekly exports unchanged at 0.08mmt and 0.22mmt, respectively. Notably, Elba Island once more was not seen in the market.

Further south, Atlantic LNG on Trinidad curtailed exports by 44% to 0.20mmt week-on-week, whilst to the very North of the Basin Novatek's fleet lifted 0.38mmt at Yamal LNG, thus representing a weekly decrease of 0.08mmt (-16%).

European buyers, meanwhile, cut imports by 0.31mmt (-13%) to 2.12mmt last week, led by Turkey and the United Kingdom. Turkey slashed offtakes by 0.17mmt (-46%) whilst the United Kingdom lower higher demand of 0.33mmt, a decrease of 0.20mmt (-38%). Concurrently, although demand growth seen in Spain compensated for Turkey's reduction and Belgium and the Netherlands imported one additional cargo week-on-week, lower imports of 0.17mmt by Italy and France as well as Lithuania's absence kept offtakes below week-ago levels.

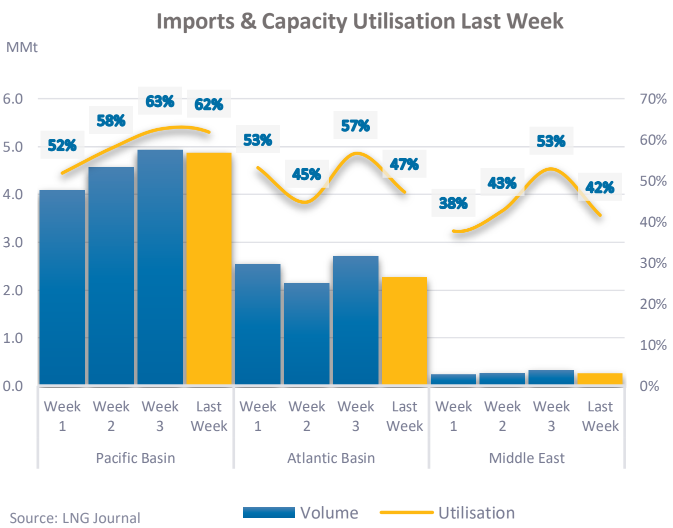
Leading the buying roster in Northern Europe was the UK's South Hook LNG terminal, which at 0.33mmt marked all of the country's demand last week. In southern Europe, France's Fos-sur-Mer LNG terminal was in the lead with 0.18mmt.

Meanwhile, buyers along the eastern coasts of the American continents imported 0.07mmt, thus seeing weekly offtakes decrease by 0.15mmt (-68%) week-on-week. Caribbean demand derived from a single cargo arriving in Jamaica aboard the GasLog Skagen.

Middle East

In the Middle East, Qatar shipped 1.43mmt, thus keeping weekly exports broadly steady with only a slight increase of 0.05mmt (4%). Its fellow regional exporters the UAE and Oman, meanwhile, saw combined exports of 0.25mmt, thus decreasing week-on-week output by 0.06mmt as the UAE shipped one cargo less. Idku LNG, meanwhile, did not export a cargo.

Completing the Middle East's LNG trade picture last week were Pakistan and Kuwait, which alone could not maintain regional imports of four cargoes seen the week prior. Regional weekly offtakes therefore decreased by 0.07mmt (21%) ◆



Source: LNG Journal