LNG Monthly Markets

NEW

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Summary & Highlights

Monthly trade decreased by 0.46mmt in May following steep demand reductions in South Korea, Japan and Europe

Global conventional LNG trade saw a 0.46mmt reduction in May, decreasing to 28.93mmt (-2%) from the 29.39mmt seen in April. Meanwhile, trade performance in May 2020 also marks a decrease of 0.44mmt over 2019, equating to 1.5% of year-on-year negative growth. At the time of writing, 1.24mmt (4%) of the exported 31.22mmt in May remain to be delivered; their current delivery horizon is 19 July.

The May month-on-month performance drop in terms of volume was primarily due to the Atlantic Basin, where trade was down 0.66mmt (-6.3%) to 9.84mmt on April's 10.50mmt. Coming in second by volume drop was the Pacific Basin, where trade decreased by 0.24mmt (-2%) to 11.54mmt from 11.78mmt in April. Meanwhile, Middle Eastern trade increased by 0.44mmt (6.2%) month-on-month to 7.55mmt, compared to April's 7.11mmt. Notably, only Atlantic Basin trade saw an increase year-on-year, whereby May 2020 volumes were 0.63mmt higher than in May 2019, representing a 6.8% trade increase for the Basin. Concurrently, Pacific LNG trade decreased by 0.42mmt (-3.5%) whilst Middle Eastern trade decreased more noticeably by 0.65mmt (-7.9%) year-on-year.

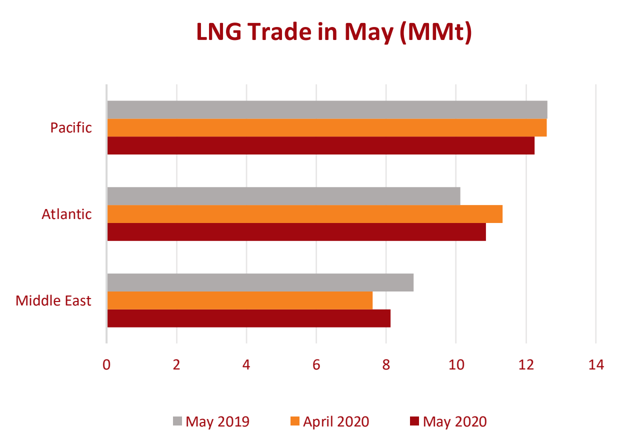
The decrease in trade in May was underpinned by a significant reduction in Pacific and Atlantic Basin exports, with capacity utilisation in both Basin reducing noticeably. There was a significant demand decrease in Europe and Asia - including leading buyers such as the United Kingdom, South Korea and Japan - following government measures targeting the COVID-19 outbreak. Fortunately, China's LNG demand continued to grow robustly in May, albeit at a slower pace than that observed in April.

Notably, Qatar grew month-on-month exports by almost 0.50mmt, thereby pushing its Ras Laffan LNG complex to full capacity utilisation and claiming market share both in Europe and in Asia. Accordingly, inter-basin trade picked up again following a lull in April as on the one hand Australian shipments to the Far East decreased significantly - seeing significant competition from Qatar - and African exporters directing an increasing number of spot cargoes (led by Angola) to India on the other. The United States also added to inter-basin trade by directing more LNG to the Pacific and the Middle East whilst also leading exporters globally in terms of month-on-month export reductions. Sabine Pass in particular slashed monthly exports to its lowest point over the past 12 months.

On the demand side, once more it was down to Chinese demand growth that prevented the global LNG market from undergoing a much more substantial slump in May as South Korea and Japan in particular saw imports drop by 0.61mmt month-on-month. Decreasing North Asian demand at this time is particularly significant since May forms part of the countries' second high demand season when electricity demand rises due to increased electricity demand from air conditioning. However, many Asian economies remain gripped by strict public health measures in response to COVID-19 that oblige non-essential industry to remain shut.

In this regard, India provided a rare bright spot for Asian LNG demand as the easing of lockdown measures in India promises a return to accelerated demand growth. The country's LNG offtake has embarked on a sustained growth trajectory, even accelerating in recent weeks. As a result, African exporters - led by Angola -have found a much-needed LNG sink in India. Accordingly, Indian LNG demand had grown slightly faster in the first half of May than over the same period last year.

Particular beneficiaries of sustained Chinese demand growth were Indonesia and Papua New Guinea, which were producing at above nameplate capacity in May. Nevertheless, this leaves little headroom for these exporters to grow production. At the same time, Australian LNG capacity utilisation decreased as major plants in Pilbara, the Northern Territories and Queensland curtailed output by up to 47% due to maintenance. In our view the protracted low-price environment



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in conjunction with subdued demand in Northeast Asia enticed the scheduling of planned train outages during a traditionally high-demand period this year, with plants such as Australia Pacific LNG slated for partial outages well into October ◆

Inter- & intra-regional Trade

Trade volumes were determined by increased inter-regional flows in May

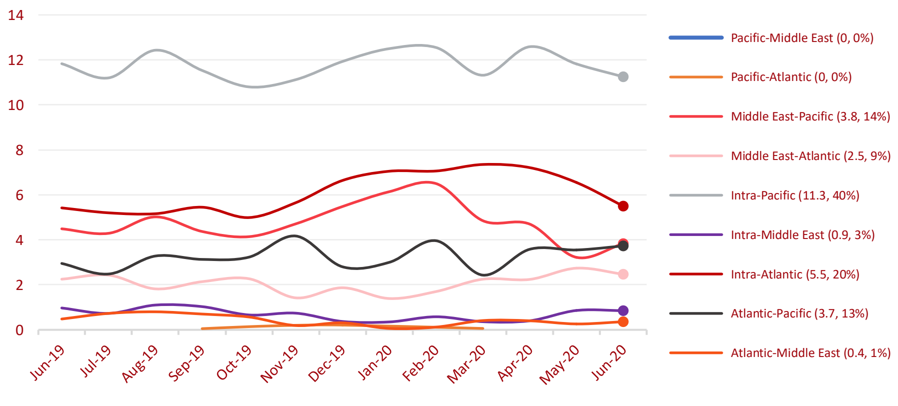
Trade patterns were impacted significantly by inter-regional trade in May. Whereas in April the amount of LNG shipped from one Basin to another decreased by 1.39mmt (-12%) to 10.26mmt from 11.65mmt in March, that amount increased again by 0.71mmt (7%) to 10.97mmt in May. Meanwhile, the single largest general trading pattern, intra-basin trade within the Pacific, saw a reduction of 0.41mmt (-3%). Notably, the net demand reductions in South Korea and Japan had a more direct impact on Australian suppliers as some of the available slots were filled with Middle Eastern cargoes.

As such, whilst Pacific routes supplying the Atlantic Basin and the Middle East continued to lay dormant as Peru's Pampa Melchorita plant only exported to Pacific buyers, inter-basin trade between the Middle East and the Pacific Basin saw significant month-on-month growth in the form of a 0.71mmt (20%) increase. This was due mainly to Japan, Taiwan, Singapore and even South Korea (despite the country's overall month-on-month demand reduction) growing imports from the Middle East by 1.06mmt combined. Middle Eastern exports to the Atlantic Basin, meanwhile, discontinued the growth trend that began in December last year as some key European buyers of Middle Eastern LNG – led by the United Kingdom – saw lower LNG demand in May. As such, the volume of Middle Eastern cargoes shipped to Europe was down 0.34mmt (-12%) month-on-month. The monthly decline could have been worse but for two cargoes shipped from Qatar to Argentina. Meanwhile, Middle Eastern intra-basin trade remained broadly flat at 0.85mmt in May.

Concurrently, Atlantic Basin trade was no longer led by intra-basin shipments, which decreased by 1.08mmt (-16%) in May as US exports to Europe saw a significant decline of 0.50mmt (-26%) in line with an overall reduction in US LNG shipments. On the other hand, inter-basin trade from the Atlantic to the Pacific and the Middle East still grew by 0.21mmt (5%) month-on-month in May as US plants directed five cargoes towards the Pacific and demand growth in India also led to an increase in African cargoes shipped, with Angola tripling its exports to the country.

Concurrently, trade from the Atlantic to the Middle East grew by 0.03mmt month-on-month from 0.33mmt in April to 0.36mmt in May increased offtake in Jordan and a cargo shipped to Israel compensated for a 0.12mmt demand reduction for Atlantic Basin LNG in Pakistan ◆

Regional Trade Flows in June (MMt)



Source: LNG Journal

Gas on the Water

Roughly 5.01mmt of LNG in transit at the time of writing

There were 5.01mmt of LNG in transit from the Atlantic Basin at the time of writing. Roughly 41% of that (2.06mmt) originated in the United States, with 32% (1.63mmt) currently seen on routes to destinations in the Pacific Basin led by China. There were four U.S. cargoes en route to Chinese destinations with a delivery horizon of 19 July. Two of the cargoes derived from Cove Point LNG whilst the remaining two sailed from Freeport LNG and Corpus Christi LNG. U.S. Exports to the Atlantic region are amounting to 0.28mmt, led by Spain and the Italy with one cargo of 0.07mmt each. We also currently see two U.S. cargoes en route to the Middle East with Israel and Dubai as their respective destinations. Atlantic LNG exports in transit at the time of writing also consisted of 1.05mmt (21%) that have sailed out of Nigeria's Bonny Island facility since 30 May. Roughly 0.46mmt (9%) of Nigerian LNG is currently travelling to the Atlantic, led by two cargoes totalling 0.13mmt we expect to arrive at the Sines terminal in Portugal by 26 June. The bulk of in-transit Atlantic LNG is completed with a further 12% (0.61mmt) coming from Russia's Yamal LNG and 6.5% (0.32mmt) from Trinidad & Tobago's Atlantic LNG.

Pacific cargoes

Meanwhile, Pacific exporters currently have 3.83mmt of LNG in transit, with destinations exclusively located within the Basin. These cargoes have an overall delivery horizon of 19 July determined by a Queensland Curtis LNG cargo aboard the Rias Baixas Knutsen currently headed to the Far East. Australia is leading the roster with 2.53mmt (66%), the bulk of which is headed to China (0.67mmt) and Japan (0.62mmt). Leading exporters of Australian in-transit LNG at the time of writing were NWS LNG followed by Queensland Curtis LNG, which accounted for a total of 0.94mmt of shipped Australian gas. Notably, Australia's Prelude FLNG still barge still had no cargo at sea at the time of writing. Another significant share of deliveries will materialise from Indonesia, Malaysia and Papua New Guinea, which had combined shipments of 0.90mmt (23%) of Pacific LNG at sea. Concurrently, Russia, Peru and Brunei had a total of 0.40mmt (10.5%) at sea, which are mainly headed for Japan, South Korea and likely China.

Middle Eastern cargoes

In the Middle East, Qatar is leading the roster of in-transit cargoes with 2.94mmt (90%) out of a total of 3.26mmt. Of those Qatari cargoes, roughly 1.22mmt (37%) are headed for the Atlantic Basin, led by Italy as prime confirmed destination with 0.20mmt. In addition, we currently anticipate Argentina and France to receive three cargoes in total by 1 July. Meanwhile, 1.71mmt of Qatari LNG are destined for the Pacific Basin and the Far East, led by India and Japan with 0.29mmt and 0.23mmt, respectively. Notably, we are not seeing Middle Eastern cargoes at sea remaining within the region, forming the current intra-basin picture. Concurrently, 1.12mmt of Qatari LNG currently en route to buyers have yet to show a firm destination, though we expect LNG broadly headed for the Atlantic Basin to arrive in Europe (0.63mm) and the cargoes headed for the Pacific, inter alia aboard the Umm Slal, the Al Mafyar and the Broog to travel to the Far East.

Concurrently, Oman and the UAE have shipments totalling 0.32mmt on the water, with the former having exported a total of 0.18mmt to Japan, India and Taiwan whilst the latter has two cargo totalling 0.14mmt en route to South Korea and the Far East. Notably, Egypt's Idku LNG has no shipment on the water, our data shows. Market visibility at the time of writing indicated a delivery horizon for in-transit Middle Eastern cargoes of 23 June ♦

Exports & Utilisation

Pacific Exports

Decline in South Korean and Japanese demand and maintenance in Australia weighed on overall performance

The Pacific Basin ended the month of May 0.46mmt (1.57%) down in exports compared to April, which decreased capacity utilisation by 2pp to 87%.

Australia

The Basin's biggest exporter – Australia – shipped 0.41mmt (-6%) less month-on-month, at least partially due to maintenance. Although Chinese demand continued to grow in May, South Korea and Japan curtailed offtakes with negative knock-on effects for Australian exports. Tempering the month-on-month reduction was Wheatstone LNG, which managed to grow shipments by 0.30mmt (56%) in May, thus rebounding from the significant reduction of 0.22mmt (-28.6%) in April. Elsewhere in the Pilbara region, however, NWS LNG decreased exports by 0.27mmt (-18%) to 1.23mmt, which overshadowed relatively robust export growth of almost 26% (0.09mmt) at Pluto LNG. Gorgon LNG also saw exports decrease by 0.08mmt (-6%) to 1.35mmt. In Australia's Northern Territories, Ichthys LNG took a turn from modest export growth in April to a drastic reduction in shipments in May, curtailing exports by 0.29mmt (-47%) to 0.33mmt. Meanwhile, neighbouring Darwin LNG saw May output remain broadly flat at 0.18mmt, growing slightly by 0.02mmt (12%). In Queensland, Australia Pacific LNG slashed exports by 0.25mmt (-30%) to 0.58mmt and thereby outweighed Gladstone LNG's increase of 0.08mmt (16%) to 0.59mmt in May. The remaining Queensland plant – neighbouring Queensland Curtis LNG – saw shipments decrease slightly by 0.01mmt (-2%) month-on-month to 0.63mmt. Meanwhile, Shell's offshore Prelude FLNG barge did not export a cargo in May.

Southeast Asia

North of Australia, Papua New Guinea saw shipments increased by only 0.03mmt (4.2%) to 0.75mmt despite demand growth in China as the plant is already operating at peak capacity. However, plants in neighbouring Indonesia saw cargo loadings decline by 0.02mmt overall. The COVID pandemic impacted domestic demand considerably, and thus weighed on Bontang exports, whilst Tangguh and Donggi-Senoro were operating at above nameplate capacity already. Accordingly, the Tangguh plant was only able to raise exports by 0.01mmt (1.4%) whilst Donggi-Senoro LNG grew month-on-month exports by 0.05mmt (29%) to 0.22mmt →

Table: Monthly Pacific Basin Exports Compared

Country	Plant	Import Basin			May	April	% Change m/m
		Atlantic	Middle East	Pacific			
Australia	Australia Pacific LNG	-	-	0.58	0.58	0.83	-30.1%
	Darwin LNG	-	-	0.18	0.18	0.16	12.5%
	Gladstone LNG	-	-	0.59	0.59	0.51	15.7%
	Gorgon LNG	-	-	1.35	1.35	1.43	-5.6%
	Ichthys LNG	-	-	0.33	0.33	0.62	-46.8%
	NWS LNG	-	-	1.23	1.23	1.50	-18.0%
	Pluto LNG	-	-	0.44	0.44	0.35	25.7%
	Queensland Curtis LNG	-	-	0.63	0.63	0.64	-1.6%
	Wheatstone LNG	-	-	0.84	0.84	0.54	55.6%
	Prelude FLNG	-	-	-	0.00	-	-
Brunei	Brunei LNG	-	-	0.61	0.61	0.54	13.0%
Indonesia	Bontang	-	-	0.31	0.31	0.39	-20.5%
	Donggi-Senoro LNG	-	-	0.22	0.22	0.17	29.4%
	Tangguh	-	-	0.70	0.70	0.69	1.4%
Malaysia	Malaysia LNG	-	-	1.54	1.54	1.71	-9.9%
	PFLNG 1	-	-	0.07	0.07	-	-
P. N. Guinea	PNG LNG	-	-	0.75	0.75	0.72	4.2%
Peru	Pampa Melchorita LNG	-	-	0.36	0.36	0.26	38.5%
Russia	Sakhalin-2 LNG	-	-	0.94	0.94	0.96	-2.1%
	Total	0.00	0.00	11.67	11.67	12.02	-2.9%

Source: LNG Journal

→ in May. Like Indonesia, Malaysia also saw export fall month-on-month in May, though more significantly than its neighbour. Petronas' giant Malaysia LNG complex curtailed exports by 0.17mmt (-10%) to 1.54mmt in May. Exports to South Korea fell particularly fast, retreating by 44% month-on-month as Korean demand plummeted. Although Japanese imports of Malaysian gas grew by 0.14mmt, this could not compensate as Malaysian exports to China also decreased by 0.05mmt. Meanwhile, Malaysia also shipped one cargo of 0.07mmt less to Thailand. Petronas' FLNG barge PFLNG 1 only exported one cargo in May, our data shows.

Russia and Peru

Elsewhere in the Pacific, Russia's Sakhalin-2 LNG saw exports remain broadly steady at 0.94mmt in May compared to 0.96mmt in April (-2.1%). The plant tried to offset a demand reduction for its gas in Taiwan with higher exports to China, South Korea and Japan, but these increments did not exceed the equivalent of one cargo each. However, monthly trade with Japan thereby did not continue the decline seen in April, remaining broadly stable at 0.37mmt in May. Concurrently, Sakhalin-2's shipments to China grew by 46% to 0.19mmt, having already doubled in April ♦

Atlantic Exports

US LNG slashes exports, led by Sabine Pass and Corpus Christi LNG

Africa & Russia

The amount of LNG exported within the eastern part of the Atlantic Basin – comprising Africa, Europe and Russia – saw a slight reduction of 0.04mmt (-8%) month-on-month in May. Although Algeria saw significant growth that month by increasing exports by 0.12mmt to 0.96mmt (14%), followed by a 0.06mmt (15%) increase in Angola and broadly steady exports from Cameroon, Nigeria and Equatorial Guinea, Norway's Snøhvit LNG weighed on overall exports as the plant went into scheduled maintenance. Russia's Yamal LNG, meanwhile, also saw shipments fall by 0.09mmt (-6%) in May.

United States

In the western half of the Basin, exports were slashed by a total of 0.76mmt (-14%) to 5.34mmt, which was mainly due to a production decrease in the United States where monthly exports fell by 0.73mmt (-17%) in May. The monthly reduction in US shipments was led by Sabine Pass LNG, where exports retreated by 0.59mmt (-30%) to 1.41mmt. Following suit in similarly dramatic fashion, Corpus Christi LNG curtailed output by 0.21mmt (-28%) to 0.55mmt. Accordingly, modest export growth at Cove Point LNG, which increased send-outs by 0.05mmt (15%) to 0.39mmt, and at Freeport LNG, which raised exports by 0.02mmt (4%) to 0.56mmt, could tip the balance. Meanwhile, Cameron LNG and Elba Island LNG remained on their paths – the former by hold exports steady at 0.72mmt and the latter by not shipping a cargo in May.

South America

In South America, Atlantic LNG in Trinidad & Tobago also saw exports decrease by 0.03mmt (-3%) month-on-month in May as shipments to Brazil, Canada, the United States, Brazil and Europe saw a net decline of 0.09mmt (-12%). Trinidad's shipments to the Middle East, however, remained steady whilst and its shipments to the Pacific Basin increased by 0.06mmt (42%) month-on-month. Argentina's Tango FLNG barge, meanwhile, did not load a cargo. Consequently, as the Atlantic Basin's overall shipped LNG decreased by 0.74mmt (-7%) month-on-month in May, export utilisation also fell by 6pp to 76% whilst still showing significant year-on-year growth of 6pp ♦

Table: Monthly Atlantic Basin Exports Compared

Country	Plant	Import Basin			May	April	% Change m/m
		Atlantic	Middle East	Pacific			
Algeria	Arzew	0.89	-	0.07	0.96	0.84	14%
	Skikda	-	-	-	-	-	-
Angola	Angola LNG	0.20	0.07	0.20	0.47	0.41	15%
Argentina	Tango FLNG	0.06	-	-	0.06	-	-
Cameroon	Cameroon FLNG	-	-	0.07	0.07	0.07	0%
E. Guinea	EG LNG	-	-	0.27	0.27	0.23	17%
Nigeria	Bonny Island	0.77	-	0.89	1.66	1.65	1%
Norway	Snohvit LNG	0.15	-	-	0.15	0.33	-55%
Russia	Yamal LNG	1.33	0.07	0.14	1.54	1.63	-6%
T. & Tobago	Atlantic LNG	0.68	0.07	0.20	0.95	0.98	-3%
United States	Cove Point LNG	0.28	-	0.11	0.39	0.34	15%
	Sabine Pass LNG	0.63	0.07	0.71	1.41	2.00	-30%
	Corpus Christi LNG	0.27	-	0.28	0.55	0.76	-28%
	Cameron LNG	0.43	-	0.29	0.72	0.72	0%
	Elba Island LNG	-	-	-	-	-	-
	Freeport LNG	0.13	-	0.43	0.56	0.54	4%
Total		5.82	0.28	3.66	9.76	10.50	-7%

Source: LNG Journal

Middle Eastern Exports

Middle Eastern exporters increased activity considerably in May as Qatar claims market share

Middle Eastern LNG exporters increased activity considerably in May, increasing monthly shipments by 0.49mmt (7%) to 7.66mmt. The performance was underpinned by a strong increase in Qatari shipments following a relatively low performance interlude after the high activity season of winter. As such, the Basin's operational export utilisation capacity (i.e. excluding Yemen) rose robustly to 99% in May.

Qatar

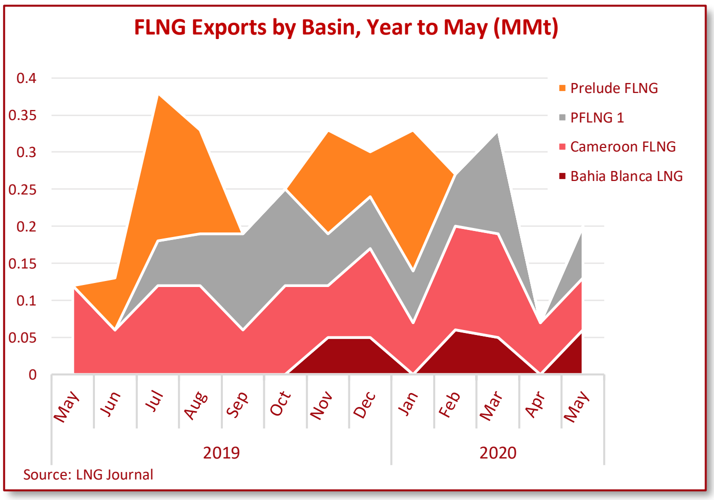
As per usual, Middle Eastern supply was driven by a change in Qatar's exports. The country accounted for most of the Basin's monthly export increase in May as its shipments increased by 0.42mmt (7%) month-on-month. However, that growth did not encapsulate exports from the Ras Laffan LNG complex to the Atlantic Basin. Notably, shipments to the United Kingdom were down by 0.43mmt (32%). Although increased exports to other European destinations – Spain, Greece and France – were able to compensate for the decline in exports to the UK, other European buyers such as Belgium and Italy also cut offtakes, sealing net month-on-month decline for Qatari LNG going to Europe. Qatar's shipments within the Middle East, meanwhile, also saw a reduction of 0.18mmt as Pakistan's monthly LNG demand only grew very slowly in May. In addition, Kuwait reduced its Qatari offtakes by one cargo to 0.30mmt. Overall, intra-Middle Eastern shipments from Ras Laffan saw negative growth of 0.18mmt (-22%). Qatar's shipments to the Pacific, meanwhile, grew rapidly by 0.81mmt (34%). This was due to a significant growth in offtakes by two of its most significant buyers – Japan and South Korea – with Taiwan also growing imports of Qatari LNG by 0.26mmt in May. Whilst South Korea grew its Qatari supply by 0.27mmt to 0.80mmt (51%) month-on-month, Japan boosted its monthly imports even more significantly by 0.38mmt (131%) to 0.67mmt. China, meanwhile, reduced imports from Qatar by 0.07mmt (-17%). As a result, Ras Laffan's overall plant utilisation remained robust at full capacity in May.

Oman and UAE

The two other producers in the Persian Gulf – Oman and the UAE – saw exports increase slightly by 0.03mmt (4%) and 0.04mmt (10%), respectively. Consequently, both saw export capacity utilisation increase month-on-month, with Oman's to 92% and the UAE's to 102%. Egypt's Idku LNG, meanwhile, did not export a cargo in May as the protracted low-price environment makes these shipments increasingly unattractive ◆

FLNG

Despite Prelude absence, FLNG exports up significantly month-on-month



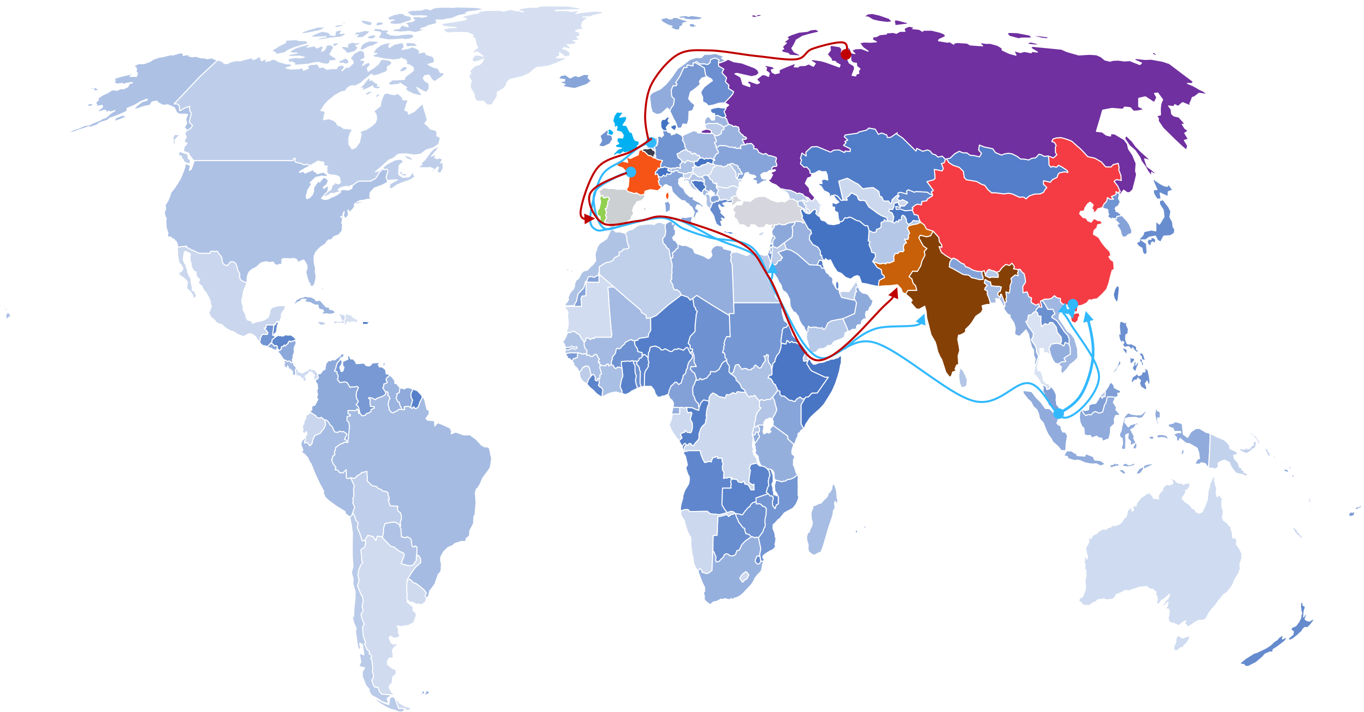
Global exports from FLNG plants increased to 0.20mmt in May from just 0.07mmt seen in April, representing significant growth in FLNG exports by 0.13mmt (186%) month-on-month. Consequently, global FLNG capacity utilisation also increased from 10.4% in April to 30% in May. Notably, apart from the Hilli Episeyo stationed offshore Kribi in Cameroon, which maintained exports at 0.07mmt in May, Argentina's Bahia Blanca FLNG barge and Malaysia's PFLNG facility exported one cargo of 0.06mmt and 0.07mmt, respectively. Meanwhile, Shell's Australian Prelude barge continued its market absence ◆

Re-exports & re-loads

Global re-export activity down by 50% month-on-month in May

Global re-export activity continued to decrease significantly by 0.27mmt (-50%) to 0.27mmt in May from 0.54mmt in April, with cumulative monthly re-exports also decelerating. The origins of May re-exports were almost evenly split between the Atlantic and Pacific Basins, comprising 0.14mmt and 0.13mmt, respectively. However, apart from a single Zeebrugge cargo destined for Dahej, they were all destined for the Far East, with 0.20mmt going to China. As such, Rotterdam and China's Beihai LNG re-exported one cargo each whilst Singapore completed the list of re-exporters with three shipments. Notably, the shipments out of Singapore and Beihai LNG belong to the regular roster of re-exports, with the LNG Lerici delivering two Singaporean cargoes to Dongguan LNG whilst the Saga Dawn made an appearance by transporting Singapore's third shipment. In terms of the Beihai shipment, the Hai Yang Shi You 301 delivered three cargoes to Hainan LNG. Yamal LNG, meanwhile, executed two reloads in May, our data shows. The Rudolf Samoylovich reloaded a cargo onto the LNG Jurojin at Montoir de Bretagne on 2 May for delivery to Fos-sur-Mer whilst the Vladimir Voronin reloaded a Sines-bound cargo onto the LNG Dubhe at Zeebrugge on 16 May ◆

Map of re-exports (light blue) and re-load (red) routes in May



Source: LNG Journal

Imports & Domestic Trade

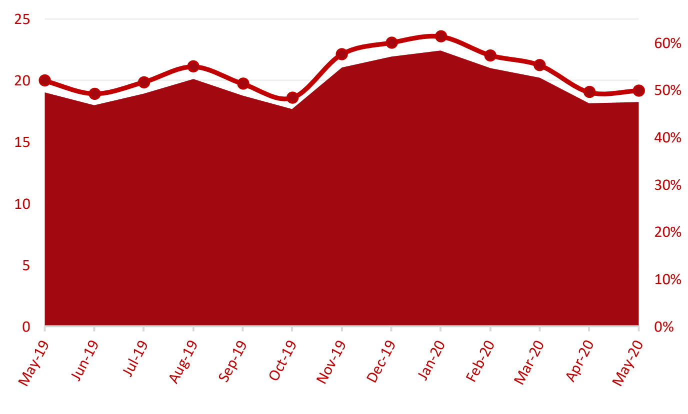
Monthly Pacific imports increased moderately in May helped by China and India

Pacific Imports

The Pacific Basin's imports increased relatively moderately by 0.13mmt (1%) in May whilst import capacity utilisation increased by 1pp to 50%. As in April, Chinese monthly demand growth of 0.35mmt (7%) constituted the major bright spot for the Basin, closely followed by India with 0.34mmt (25%). Concurrently, Taiwan increased offtakes by 0.23mmt (18%) in May after having kept imports steady in April. Meanwhile, Japan and South Korea continued to curtail monthly LNG imports by 0.28mmt (-5.7%) and 0.33mmt (-10%), respectively.

Also significant for overall Basin demand were a roster of typically price-conscious buyers led by India. Whilst some benefitted from historically low prices, induced by both low Brent and demand, others formed part of the low demand picture and continued to curtail imports. India in particular saw monthly growth of 0.34mmt (25%) as demand continued on a path to recovery from previous reductions following an almost complete lockdown of the national economy in response to the coronavirus. However, despite month-on-month growth, demand still showed a year-on-year reduction of 0.17mmt (-9%), pointing to the continued effect the lockdown measures have had on the country's economy. Thailand also increase month-on-month offtakes, but only by a relatively modest 0.03mmt (6%). Chile also saw elevated demand buy a relatively robust 0.05mmt (23%). In contrast, Bangladesh and Mexico both saw lower month-on-month imports in May. Whilst Bangladesh decreased imports by 0.11mmt (-27%) to 0.30mmt, Mexico curtailed offtakes even more significantly (relative terms), slashing offtakes by 0.08mmt (-38%) to 0.13mmt in May.

Pacific Imports & Capacity Utilisation in May (MMt)



Source: LNG Journal

Indonesia, one of the few LNG producing countries shipping LNG within its own borders, meanwhile also significantly reduced domestic trade by 0.28mmt to just 0.07mmt in May. In total only one cargo each left the Tangguh and Bontang plants to supply Jakarta and the mini FSU off Bali. Neighbouring Malaysia, however, saw domestic trade of 0.25mmt, which constituted a month-on-month increase of 0.06mmt (32%). The majority of Malaysian LNG demand was covered by four Australian shipments via Gladstone LNG – two to Pengerang's petrochemical plants (0.10mmt, 40%) and two to the Sungai Udang FSRU. The remaining cargo of 0.06mmt was supplied by Brunei and also went to Pengerang ♦

Table: Monthly Pacific Basin Imports Compared

Country	Plant	Export Basin			May	April	% Change m/m
		Atlantic	Middle East	Pacific			
Bangladesh	Maheshkhali FSRU	0.12	0.18	-	0.30	0.41	-27%
Chile	Mejillones LNG	0.07	-	-	0.07	0.08	-13%
	Quintero	0.20	-	-	0.20	0.14	43%
China	Beihai LNG	0.07	-	0.21	0.28	0.33	-15%
	Caofeidian LNG	0.13	-	0.07	0.20	0.25	-20%
	Dalian LNG	-	0.11	0.07	0.18	0.20	-10%
	Dongguan LNG	-	-	-	-	-	-
	Fujian LNG	0.07	-	0.29	0.36	0.18	100%
	Guangdong Dapeng LNG	-	0.06	0.68	0.74	0.68	9%
	Hainan LNG	0.07	0.05	-	0.12	0.07	71%
	Hainan Transfer Station	-	-	0.02	0.02	0.02	50%
	Jiangsu LNG	0.07	0.11	0.21	0.39	0.31	26%
	Jieyang LNG	0.07	-	-	0.07	0.14	-50%
	Qidong LNG	0.07	-	0.21	0.28	0.19	47%
	Qingdao LNG	-	-	0.58	0.58	0.54	7%
	Shanghai (Yangshan) LNG	-	-	0.22	0.22	0.26	-15%
	Shanghai Peak-Shaving	-	-	0.12	0.12	0.08	50%
	Tianjin LNG	0.07	0.06	0.23	0.36	0.28	29%
	Zhejiang LNG	-	-	0.49	0.49	0.53	-8%
	Zhuhai LNG	0.07	-	0.11	0.18	0.20	-10%
	Zhoushan LNG	-	0.09	0.14	0.23	0.21	0.10
	Shenzhen Peak-Shaving	-	-	0.05	0.05	0.03	0.67
	Tianjin - Nangang LNG	0.22	-	0.34	0.56	0.66	-0.15
	Shenzhen Diefu LNG	0.07	-	-	0.07	-	-
India	Cochin	-	-	0.07	0.07	0.05	40%
	Dabhol	-	0.06	-	0.06	0.15	-60%
	Dahej	0.24	0.63	0.13	1.00	0.69	44%
	Ennore LNG	0.07	-	-	0.07	0.06	17%
	Hazira	0.24	0.20	-	0.44	0.23	91%
	Mundra LNG	0.08	-	-	0.08	0.20	-58%
Indonesia	Arun Conversion	-	-	-	-	0.11	-
	Benoa LNG	-	-	0.01	0.01	0.02	-50%
	Lampung LNG	-	-	-	-	0.06	-
	West Java FSRU	-	-	0.06	0.06	0.16	-63%
Japan	Chita	0.07	0.11	0.42	0.60	0.38	58%
	Fukuoka	-	-	-	-	-	-
	Futtsu	-	0.09	0.23	0.32	0.56	-43%
	Hachinohe	-	-	-	-	-	-
	Hatsukaichi	-	-	0.01	0.01	0.01	-30%
	Hibiki LNG	-	-	0.06	0.06	0.06	0%
	Higashi-Ogishima	0.04	0.07	0.29	0.40	0.49	-18%
	Himeji	-	0.11	0.30	0.41	0.48	-15%
	Hitachi LNG	-	-	0.06	0.06	0.05	20%
	Ishikari LNG	-	-	-	-	0.12	-
	Joetsu LNG	-	-	0.19	0.19	0.25	-24%
	Kagoshima	-	-	0.01	0.01	-	-
	Kawagoe	-	-	0.07	0.07	0.18	-61%
	Matsuyama LNG	-	-	-	-	-	-
	Mizushima	-	-	0.05	0.05	0.06	-17%
	Nakagusuku LNG	-	-	-	-	0.07	-
	Nagasaki LNG	-	-	-	-	-	-
	Negishi	-	0.06	0.18	0.24	0.29	-17%
	Niigata	0.06	-	0.13	0.19	0.16	19%
	Ogishima	0.07	-	0.08	0.15	0.32	-53%
	Oita	-	-	0.06	0.06	0.06	0%
	Sakai	0.14	-	0.07	0.21	0.13	62%
	Sakaide	-	-	0.06	0.06	-	-

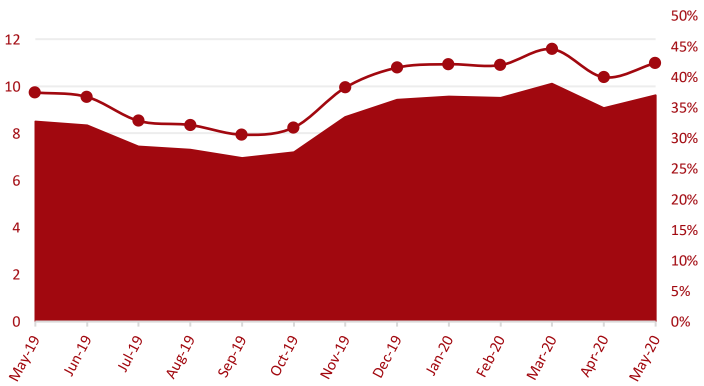
	Senboku	0.08	0.07	0.12	0.27	0.35	-23%
	Shin Sendai	-	-	0.13	0.13	0.08	68%
	Sodegaura	-	0.20	0.44	0.64	0.46	39%
	Sodeshi Shimizu	0.07	-	0.07	0.14	0.07	100%
	Soma LNG	-	-	-	-	-	-
	Takamatsu LNG	-	-	-	-	-	-
	Tobata Ward	-	-	0.07	0.07	-	-
	Toyama LNG	-	-	0.06	0.06	-	-
	Yanai	-	0.06	0.06	0.12	0.18	-33%
	Yokkaichi	-	-	0.13	0.13	0.06	117%
	Shinsendai Power Plant	-	-	-	-	-	-
Malaysia	Japan	-	-	-	-	0.06	-
	Pengerang LNG	-	-	0.15	0.15	0.13	15%
	Sungai Udang FSRU	-	-	0.10	0.10	0.06	67%
Mexico	Energia Costa Azul	-	-	-	-	0.06	-
	Manzanillo	0.06	-	0.07	0.13	0.15	-13%
Singapore	Singapore LNG	0.15	0.06	0.21	0.42	0.27	56%
South Korea	Boryeong	0.15	-	0.26	0.41	0.24	71%
	Gwangyang	0.06	-	0.20	0.26	0.27	-4%
	Incheon	0.22	0.22	0.22	0.66	0.85	-22%
	Pyeongtaek	0.07	0.24	0.42	0.73	0.76	-4%
	Samcheok	-	0.06	0.20	0.26	0.42	-38%
	Tongyeong	-	0.39	0.17	0.56	0.67	-16%
Taiwan	Taichung	0.06	0.44	0.18	0.68	0.56	21%
	Yung-An	0.08	-	0.78	0.86	0.75	15%
Thailand	Map Ta Phut LNG	0.14	0.18	0.19	0.51	0.48	6%
	Total	3.52	3.91	10.81	18.25	18.12	1%

Source: LNG Journal

Atlantic Imports

European demand bolstered by key European buyers such as Spain, the Netherlands and France

Atlantic Imports & Capacity Utilisation in May (MMt)



Source: LNG Journal

Atlantic imports increased by 0.58mmt (6%) month-on-month in May as key European buyers such as Spain, the Netherlands and France increased monthly offtakes by 0.68mmt overall. Accordingly, the Basin's overall capacity utilisation increased by 2pp to 42%. Spain saw the most significant monthly import increase at 0.40mmt (40%) to 1.40mmt. The Netherlands, meanwhile, increased offtakes by 0.17mmt (25%) to 0.85mmt whilst France, increased imports by 0.11mmt (5.7%) to 2.03mmt.

Elsewhere in Europe, Belgium also saw significant import growth, increasing offtakes by 0.10 (13%) in May concurrent to a 0.08mmt (160%) increase seen in Lithuania. The United Kingdom, Italy, Portugal and Greece, however, saw significant month-on-month decreases in demand and imported 0.40mmt less compared to April. The UK saw the steepest month-on-month demand reduction of 0.19mmt (-12%) to 1.39mmt whilst Italy decreased offtakes by 0.11mmt (-14%) to 0.68mmt, Portugal by 0.07mmt (-22%) to 0.25mmt and Greece by 0.03mmt (-16%) to 0.16mmt.

In the western half of the Atlantic, the Caribbean and South America – including Jamaica, Puerto Rico, the Dominican Republic, Panama and Colombia – saw month-on-month LNG demand grow by 0.11mmt overall, whereby only Colombia's SPEC LNG increased offtakes by 0.03mmt (43%) whilst Panama, Puerto Rico and Argentina imported their first cargoes since the beginning of April. The increase in South American demand was only tempered by a slight increase in Jamaican imports, which decreased by 0.01mmt (-8%) in May, and the market absence by the Dominican Republic. In North America, Canada and the United States maintained broadly steady month-on-month imports. Whilst Canada did not import LNG, the United States took in 0.04mmt, which constituted a month-on-month reduction of 0.01mmt (10%) ♦

Table: Monthly Atlantic Basin Imports Compared

Country	Plant	Export Basin			May	April	% Change m/m
		Atlantic	Middle East	Pacific			
Argentina	GNL Escobar GasPort	0.06	-	-	0.06	-	-
Belgium	Zeebrugge	0.63	0.24	-	0.87	0.77	13%
Brazil	Bahia de Guanabara FSRU	-	-	-	-	-	-
	Bahia de Todos FSRU	-	-	-	-	-	-
	Port Pecem FSRU	-	-	-	-	-	-
	Porto de Sergipe FSRU	0.06	-	-	0.06	-	-
Canada	Canaport LNG	-	-	-	-	0.06	-
Colombia	SPEC LNG	0.10	-	-	0.10	0.07	43%
Dominican Republic	Andres LNG	0.12	-	-	0.12	0.08	50%
France	Dunkerque Le Clipton	0.61	0.09	-	0.70	0.59	19%
	Fos-sur-Mer	0.41	0.18	-	0.59	0.58	2%
	Montoir-de-Bretagne	0.74	-	-	0.74	0.75	-1%
Greece	Revithoussa	0.07	0.09	-	0.16	0.19	-16%
Italy	Panigaglia	0.17	-	-	0.17	0.17	0%
	Rovigo Adriatic LNG	0.06	0.27	-	0.33	0.41	-20%
	Toscana Terminal	0.18	-	-	0.18	0.21	-14%
	Montego Bay	-	-	-	-	-	-
Jamaica	Port Esquivel FSU	0.11	-	-	0.11	0.12	-8%
Lithuania	Klaipeda LNG	0.13	-	-	0.13	0.05	160%
Malta	Delimara LNG	-	-	-	-	0.06	-
Mexico	Altamira LNG	-	-	-	-	-	-
Netherlands	Maasvlakte Gate Terminal	0.85	-	-	0.85	0.68	25%
Panama	AES Costa Norte LNG	0.06	-	-	0.06	0.01	740%
Poland	Swinoujscie LNG	0.13	0.18	-	0.31	0.33	-6%
Portugal	Sines	0.25	-	-	0.25	0.32	-22%
Puerto Rico	Penuelas	0.04	-	-	0.04	0.02	100%
Spain	Bahia de Bizkaia LNG	0.35	-	-	0.35	0.30	17%
	Barcelona	0.25	0.06	-	0.31	0.19	63%
	Cartagena	0.20	-	-	0.20	0.11	82%
	Huelva	0.21	-	-	0.21	0.12	75%
	Mugardos	0.14	-	-	0.14	0.14	0%
	Sagunto	0.13	0.06	-	0.19	0.14	36%
Turkey	ETKI LNG	0.27	-	-	0.27	0.26	4%
	Izmir	0.13	0.09	-	0.22	0.18	22%
	Marmara Ereglisi	0.27	0.18	-	0.45	0.42	7%
	Iskenderun FSRU	-	-	-	-	0.06	-
United Kingdom	Dragon LNG	0.15	-	-	0.15	0.17	-12%
	Isle of Grain	0.10	-	-	0.10	0.37	-73%
	South Hook LNG	-	1.14	-	1.14	1.04	10%
United States	Everett Marine Terminal	0.04	-	-	0.04	-	-
	Total	7.02	2.58	0.00	9.60	8.97	7%

Source: LNG Journal

Middle Eastern Imports

Strong demand growth in May on increased offtakes in Kuwait

Middle Eastern LNG demand saw strong growth by 0.54mmt (64%) to 1.38mmt in May as regional temperatures began their seasonal climb. Whilst Pakistan kept offtakes broadly flat at 0.51mmt in May compared to 0.50mmt in April – up slightly by 0.01mmt (2%) month-on-month – we continued to observe significant additional demand in Kuwait, which imported 0.58mmt compared to 0.27mmt in April. Not only did Qatar's Ras Laffan double the number of shipments to its fellow Persian Gulf state, Oman LNG and Sabine Pass LNG in the United States bolstered Kuwait's May offtakes with one cargo each. Concurrently, Jordan also took in two cargoes amounting to 0.15mmt, thus doubling imports vis-à-vis April, whilst Israel did not import LNG in May. Consequently, Middle Eastern import capacity utilisation jumped from 28% in April to 52% in May. However, the Basin still showed slightly lower utilisation of 1pp on a year-on-year basis, as demand in Pakistan did not grow in line with seasonal trends for the region. In our view, this dynamic is owed to the impact of coronavirus measures ♦

FSRU/FSU

FSRU capacity utilisation reimbarked on recent growth trajectory

Overall LNG imports by FSRUs realigned on month-on-month growth as seen between January and March, increasing by 0.57mmt (25%) month-on-month. However, they were still trailing May last year by 0.34mmt. In contrast to global imports, Pacific imports via FSRUs were down by 0.18mmt (-34%), pegging regional FSRU capacity utilisation at 34% as the number of cargoes arriving at an FSRU decreased from 12 to 9shipments. Meanwhile, FSRU capacity utilisation in the Atlantic Basin amounted to 21%, up by 1pp month-on-month, on 0.80mmt in imports. This translated into a slight monthly increase of 0.04mmt (6%) in May as Lithuania in particular – which imports all of its LNG via its single FSRU at Klaipeda – doubled its offtakes in May, thereby compensating for reductions in Italy, Malta and Turkey. Middle Eastern FSRU utilisation soared on demand growth in Kuwait, Jordan, the UAE and Israel, which resulted in a jump in regional FSRU capacity utilisation from 28% to 52% in May. Significantly, this jump took place despite only a moderate demand increase in Pakistan of 0.01mmt (2%). Whilst thus maintaining broadly steady month-on-month demand, the region has traditionally looked to Pakistan for demand growth, a position that has been increasingly adopted by Kuwait. Consequently, we expect even faster demand growth for the Middle East once Pakistan's economy recovers from its coronavirus-induced lull ◆