NEW

# LNG Monthly Markets

LNG JOURNAL'S COMPREHENSIVE MONTHLY LNG DATA REPORT 20 AUGUST 2020

# Summary & Highlights

## Monthly trade increased marginally by 0.05mmt on Asian and European demand in July

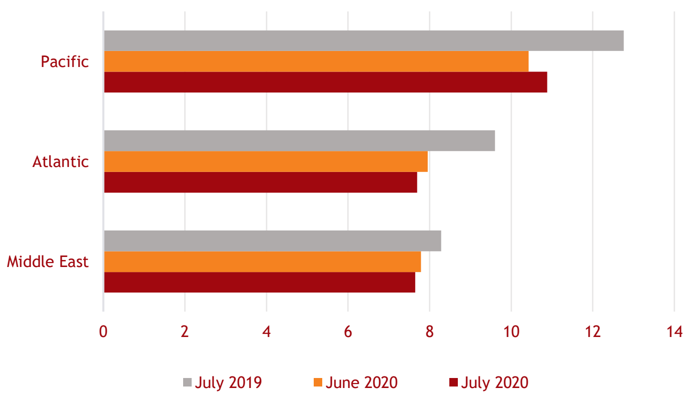
July LNG trade improved marginally on the back of higher Pacific exports to cover additional Asian demand. Meanwhile, US LNG's enduring market retreat weighed on Atlantic performance whilst lower Qatari output hampered Middle Eastern supply performance. The month-on-month performance in terms of July volumes was primarily determined by the Atlantic Basin, where trade was down 0.26mmt (-3.3 percent) to 7.69mmt from June's 7.95mmt. Coming in second by volume drop was the Middle East, where trade decreased by 0.14mmt (-1.8 percent) to 7.65mmt in July from 7.79mmt in June. Meanwhile, Pacific Basin trade returned to growth through an increase in shipments by 0.45mmt (4.3 percent) month-on-month to 10.88mmt, compared to June's 10.43mmt. The Basin thus discontinued a string of month-on-month trade decreases since May. Nevertheless, trade in all three Basins found year-on-year growth to be elusive, with Atlantic trade down by 1.91mmt (-19.9 percent) year-on-year, followed by the Pacific with 1.88mmt (-14.7 percent) and the Middle East with 0.63mmt (-7.6 percent).

Following the protracted decline in global LNG trade between March and June, July trade stabilised at 26.22mmt whilst seeing only marginal month-on-month growth of 0.05mmt (0.2 percent). Whilst rising temperatures contributed to elevated demand, the widespread lifting of many public health measures previously targeted at stalling the spread of COVID-19 had the most significant impact in halting the month-on-month decline of previous months. This effect was particularly observable in the Far East, where Japan led a resurgence in demand. Accordingly, Pacific Basin exports grew relatively robustly by 0.45mmt (4.3 percent) in July. However, Atlantic Basin exports still did not manage to escape their downward spiral caused by the market retreat of US LNG, which was helped along by fewer exports to South Korean in July. At the same time, Middle Eastern shipments struggled to move past a significant export reduction by Qatar. Notably, the Middle Eastern LNG powerhouse pivoted from its focus on Argentina in June to capture market share in South Korea in July. As such, despite the first month of growth since March, overall trade performance in July 2020 still represented a decrease of 4.42mmt compared to 2019, equating to 14.4 percent of negative growth year-on-year.

Importantly, US LNG exports continued to suffer considerable net export decline of 0.28mmt (-13 percent) in July. As such, exports in the western part of the Atlantic decreased by a total of 0.39mmt (-12 percent) from 3.14mmt in June to 2.75mmt in July. On the bright side, this decrease was considerably slower than that seen in June. In our view, US LNG continued to be squashed between the coincidence of disappearing demand growth in Northeast Asia as well as Europe stepping out of its role as convenient sink for excess LNG and a protracted low-price environment. Meanwhile, demand growth elsewhere, such as in India, was supplied by competitive volumes out of Africa and the Middle East, large-scale producers such as Nigeria and Qatar remain keen to capitalise on opportunities to capture market share. Russian LNG similarly expanded in Asia, helped by warmer summer temperatures that allowed Yamal LNG to ship gas to Northeast Asia through the Northern Sea Route.

In this regard, Japan constituted the beacon of Asian LNG demand growth in July as the easing of lockdown measures in the country promises a sustained return to accelerated demand growth. Japan's LNG demand had already returned to growth in June. However, the country's LNG offtake jumped by 0.70mmt (14.5 percent) to 5.58mmt in July from 4.87mmt in June, showing demand growth acceleration by almost 10pp month-on-month ♦

LNG Trade in July (MMt)




Source: LNG Journal

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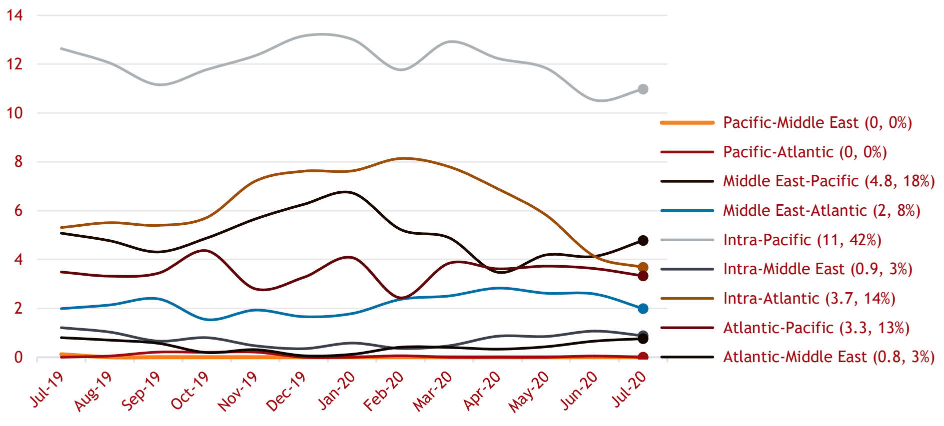
# Inter- & intra-regional Trade

## Trade volumes were determined by slowdown in both intra- and inter-regional trade in July

Overall, the shape of LNG trade was equally determined by a slowdown in intra-regional and inter-regional trade in July. Intra-regional trade saw a month-on-month reduction of 0.19mmt (-1.2 percent) to 15.74mmt whilst inter-regional trade decreased by 0.20mmt (-1.81 percent). The intra-basin reduction was led by the Atlantic Basin, where volumes decreased by 0.45mmt (-12 percent), followed by the Middle East with 0.19mmt (-22 percent). Pacific intra-basin trade, however, improved by 0.45mmt (4%). The net demand reduction in Europe continued to have a severe impact on US LNG exports within the Basin. In the Middle East, lack of demand growth in Pakistan coincided with a decrease in offtakes in Kuwait.

Fewer Middle Eastern shipments also weighed on inter-basin trade performance as shipments by LNG producers in the Persian Gulf to the Atlantic region decreased by 0.60mmt (-30 percent) in July. Notably, Qatar shifted its focus from Argentina to South Korea in July. As such, inter-basin trade between the Middle East and the Pacific Basin saw month-on-month growth by way of a 0.65mmt (14 percent) increase.

Regional Trade Flows in July (MMt)




Source: LNG Journal

Concurrently, Atlantic Basin trade was negatively impacted by a decrease in trade with the Pacific Basin. Accordingly, shipped volumes fell by 0.30mmt (-9 percent) to 3.33mmt month-on-month in July. Meanwhile, trade between the Atlantic Basin and the Middle East increased by 0.10mmt (13 percent) to 0.76mmt as Nigeria increased the number of cargoes sent to the region by one and Arzew shipped a cargo to Kuwait via the Seri Balqis.

Unlike in June, no LNG that originated in the Pacific found its way to the Atlantic Basin or the Middle East in keeping with the usual trade pattern of the Basin ♦

# Gas on the Water

## Roughly 14.12mmt of LNG in transit at the time of writing

There were 6.29mmt of LNG in transit from the Atlantic Basin at the time of writing. Roughly 36 percent of that (2.27mmt) originated in the United States, with 71 percent (1.62mmt) currently seen on routes to destinations in the Pacific Basin. There were two US cargoes en route to Chinese destinations with a delivery horizon of 30 September. One of the cargoes derived from Sabine Pass LNG whilst the remaining one sailed from Cameron LNG. Other US exports to the Basin are scheduled to arrive in Japan, India and South Korea. US exports to the Atlantic region are amounting to 0.50mmt, led by Italy and Greece with one cargo of 0.07mmt each. We also currently see two US cargoes en route to the Middle East with Kuwait looking to receive 0.16mmt by 31 August. Atlantic Basin exports in transit at the time of writing also consisted of 1.16mmt (19 percent) that have sailed out of Nigeria's Bonny Island facility since 27 July. Roughly 0.30mmt (25 percent) of Nigerian LNG is currently travelling to the Atlantic Basin, led by two cargoes totalling 0.12mmt we expect to arrive in Spain by 4 September. However, the majority of Nigerian exports are currently directed towards the Pacific, led by India with 0.20mmt. The bulk of in-transit Atlantic LNG is completed with a further 13 percent (0.84mmt) coming from Russia's Yamal LNG and 10 percent (0.64mmt) from Trinidad & Tobago's Atlantic LNG.

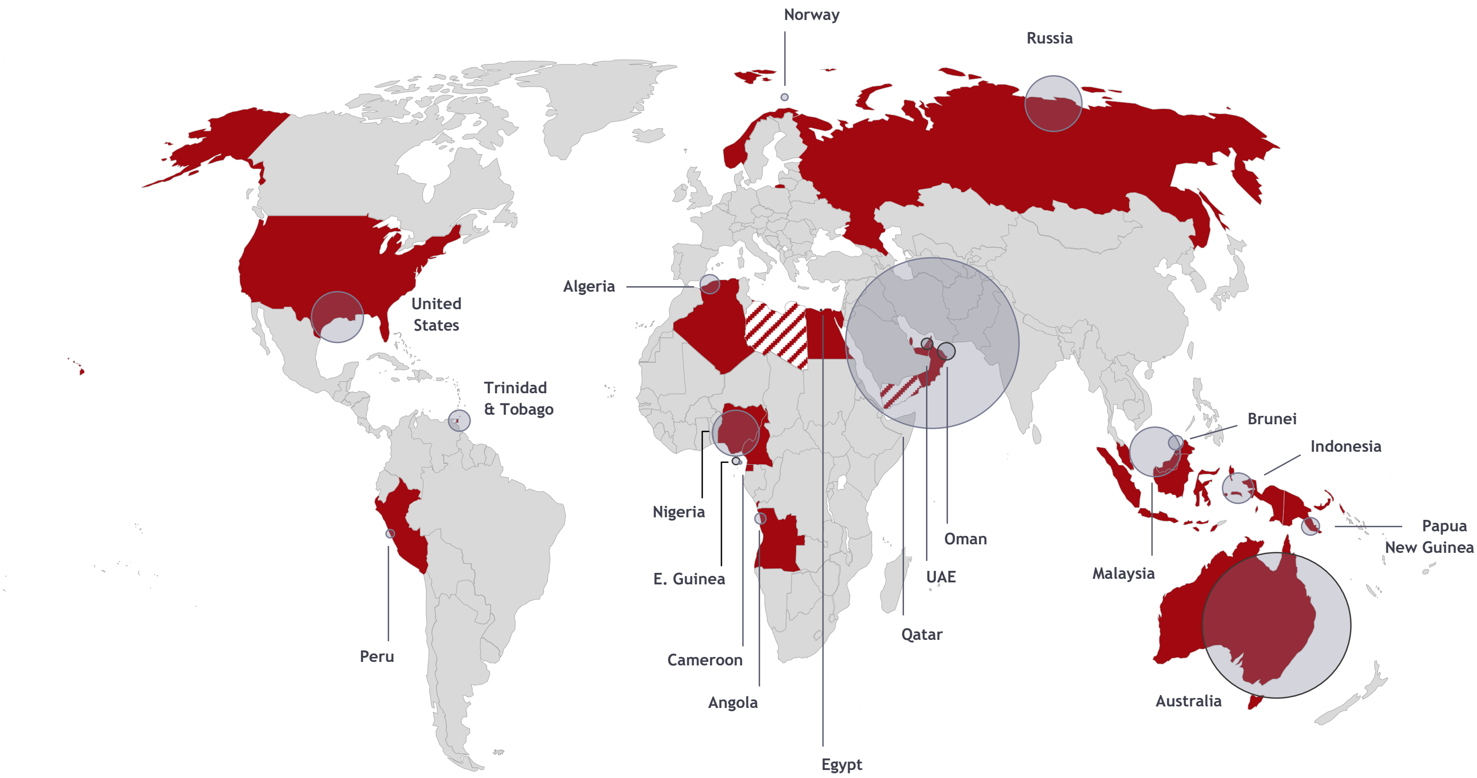
### Pacific cargoes

Meanwhile, Pacific exporters currently have 4.30mmt of LNG in transit, with destinations exclusively located within the Basin. The Pacific-bound cargoes have an overall delivery horizon of 12 September, determined by two Peruvian cargoes aboard the Gaslog Genoa currently headed for Boryeong in South Korea and the Methane Nile Eagle en route to a yet to be determined location. In terms of volumes at sea, Australia is leading the roster with 2.66mmt (62 percent), the bulk of which is headed to Japan (1.05mmt) and China (0.85mmt). Leading exporters of Australian in-transit LNG at the time of writing were NWS LNG followed by Wheatstone LNG, which accounted for a total of 1.07mmt (40 percent) of shipped Australian gas. Notably, Australia's Prelude FLNG 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 (21 percent) of Pacific LNG at sea. Concurrently, Russia, Peru and Brunei had a total of 0.68mmt (16 percent) at sea, which are mainly headed for Japan, China and Taiwan. The roster of Pacific shipments is completed with one re-export out of Singapore, which is both destined for Japan.

### Middle Eastern cargoes

In the Middle East, Qatar is leading the roster of In the Middle East, Qatar is leading the roster of in-transit cargoes with 3.09mmt (88 percent) out of a total of 3.53mmt. Of those Qatari cargoes, roughly 1.67mmt (54 percent) are headed for the Pacific Basin, led by South Korea as prime confirmed destination with 0.48mmt and closely followed by Japan with 0.40mmt. Meanwhile, 1.23mmt of Qatari LNG are destined for the Atlantic Basin and Europe, led by two cargoes currently headed for Italy by 24 August. Additionally, both France and the United Kingdom are expecting 0.12mmt each by 25 August. Our data also indicate 0.96mmt of Qatari LNG are currently en route to buyers that have yet to show a firm destination, though we expect LNG broadly headed for the Atlantic Basin to arrive in Europe (0.74mm) and the cargoes headed for the Pacific (0.22mmt), inter alia aboard the Maran Gas Asclepius, the Golar Maria and the Q-Flex Duhail to travel to the Far East. Meanwhile, Oman and the UAE have shipments totalling 0.44mmt on the water, with the former having exported a total of 0.31mmt to Japan, South Korea and the Pacific whilst the latter has two cargoes totalling 0.12mmt en route to India. Notably, Egypt's Idku LNG once more had no shipment on the water, our data shows, but did export a rare cargo in July. Market visibility at the time of writing indicated a delivery horizon for in-transit Middle Eastern cargoes of 7 September ♦

# Exports & Utilisation




## Pacific Exports

**Growth in Far Eastern demand lifted overall performance**

The Pacific Basin ended the month of July 0.45mmt (4.3 percent) up in exports compared to June, which increased capacity utilisation by 3pp to 81 percent.

### Australia

The Basin's biggest exporter – Australia – shipped 0.07mmt (-1.2 percent) less month-on-month, and thereby saw a significantly slower month-on-month decrease than in June when shipments had dropped by 0.55mmt due to maintenance and lower South Korean demand. Australia's improved performance – in relative terms – was supported by Gorgon LNG recovering production levels following extensive maintenance and a considerably better demand picture in Japan. However, Australian plants heavily exposed to South Korean and Chinese demand continued to suffer. Notably, South Korea continued to slash offtakes whilst Chinese demand was only treading water in July. Accordingly, exports out of Queensland were down by 0.20mmt net as Gladstone LNG – primarily supplying South Korea – and Queensland Curtis LNG – focussed on China – had to curtail exports by 0.25mmt in July. These reductions outweighed even robust month-on-month export growth of 0.22mmt (34.9 percent) at Gorgon LNG together with broadly stable exports of at Australia Pacific LNG, both supplying China on firm contracts. Meanwhile, Shell's offshore Prelude FLNG barge did not export a cargo in July.

### Southeast Asia

North of Australia, the effect of lower South Korean demand could be observed in Papua New Guinea, where PNG LNG saw shipments grow only marginally by 0.01mmt (1.5 percent) to 0.67mmt as its market share in that country fell away in July. A similar effect could be observed in neighbouring Indonesia. The country also barely held on to June level production as only a strong resurgence of Japanese demand in particular prevented overall month-on-month decline after offtakes from China and South Korea decreased by 0.23mmt overall. Although Malaysia saw more substantial month-on-month export growth of 0.08mmt (4.6 percent) in July, it equally suffered from significant South Korean demand decline, cushioned only by stronger demand growth in Japan and Taiwan. In contrast, Brunei LNG managed to increase shipments in July by 0.10mmt (22.2 percent) to 0.55mmt not through higher exports to Northeast Asia's demand centres, but instead trough two shipments amounting to 0.13mmt supplying Malaysian demand.

### Russia and Peru

Elsewhere in the Pacific, Russia's Sakhalin-2 LNG saw exports increase by 0.12mmt (19.4percent) to 0.74mmt in July compared to 0.62mmt in June. Notably, the bulk of that growth derived from an increase in exports to China by 0.43mmt, which, however, was tempered by lower demand in India, South Korea and Taiwan. Concurrently, Peru's Pampa Melchorita plant also increased exports by 0.13mmt (68.4 percent), helped by higher Japanese demand. However, 0.20mmt of Peruvian LNG were still at sea without confirmed destinations at the time of writing, making an ultimate categorisation of demand for all shipped Peruvian gas in July difficult ♦

Table: Monthly Pacific Basin Exports Compared

| Country | Plant | Import Basin | | | July | June | % Change m/m |
|---|---|---|---|---|---|---|---|
| | | Atlantic | Middle East | Pacific | | | |
| Australia | Australia Pacific LNG | - | - | 0.65 | 0.65 | 0.60 | 8.3% |
| | Darwin LNG | - | - | 0.20 | 0.20 | 0.17 | 17.6% |
| | Gladstone LNG | - | - | 0.33 | 0.33 | 0.41 | -19.5% |
| | Gorgon LNG | - | - | 0.85 | 0.85 | 0.63 | 34.9% |
| | Ichthys LNG | - | - | 0.53 | 0.53 | 0.62 | -14.5% |
| | NWS LNG | - | - | 1.18 | 1.18 | 1.21 | -2.5% |
| | Pluto LNG | - | - | 0.49 | 0.49 | 0.52 | -5.8% |
| | Queensland Curtis LNG | - | - | 0.57 | 0.57 | 0.74 | -23.0% |
| | Wheatstone LNG | - | - | 0.75 | 0.75 | 0.72 | 4.2% |
| | Prelude FLNG | - | - | - | 0.00 | - | - |
| Brunei | Brunei LNG | - | - | 0.55 | 0.55 | 0.45 | 22.2% |
| Indonesia | Bontang | - | - | 0.24 | 0.24 | 0.41 | -41.5% |
| | Donggi-Senoro LNG | - | - | 0.16 | 0.16 | 0.12 | 33.3% |
| | Tangguh | - | - | 0.76 | 0.76 | 0.62 | 22.6% |
| Malaysia | Malaysia LNG | - | - | 1.82 | 1.82 | 1.74 | 4.6% |
| | PFLNG 1 | - | - | 0.07 | 0.07 | - | - |
| P. N. Guinea | PNG LNG | - | - | 0.67 | 0.67 | 0.66 | 1.5% |
| Peru | Pampa Melchorita LNG | - | - | 0.32 | 0.32 | 0.19 | 68.4% |
| Russia | Sakhalin-2 LNG | - | - | 0.74 | 0.74 | 0.62 | 19.4% |
| Singapore | Singapore LNG | - | - | - | 0.00 | - | - |
| | Total | 0.00 | 0.00 | 10.88 | 10.88 | 10.43 | 4.3% |

Source: LNG Journal

# Atlantic Exports

## US LNG further decreases exports, market share snapped up by Qatar and African exporters

### Europe, Africa & Russia

The amount of LNG exported within the eastern part of the Atlantic Basin - comprising Northern Europe, Russia and Africa - saw a considerable net increase of 0.21mmt (4.4 percent) month-on-month in July. The bulk of that growth was facilitated by an increase of 0.15mmt both at Norway's Snøhvit LNG and Russia's Yamal LNG. Whereas Norway benefitted

Table: Monthly Atlantic Basin Exports Compare

| Country | Plant | Import Basin | | | July | June | % Change m/m |
|---|---|---|---|---|---|---|---|
| | | Atlantic | Middle East | Pacific | | | |
| Algeria | Arzew | 0.55 | 0.07 | 0.07 | 0.69 | 0.92 | -25% |
| | Skikda | 0.04 | - | - | 0.04 | - | - |
| Angola | Angola LNG | 0.07 | 0.07 | 0.28 | 0.42 | 0.41 | 2% |
| Argentina | Tango FLNG | - | - | - | - | - | - |
| Cameroon | Cameroon FLNG | - | - | 0.12 | 0.12 | 0.13 | -8% |
| E. Guinea | EG LNG | 0.15 | 0.06 | 0.07 | 0.28 | 0.20 | 40% |
| Nigeria | Bonny Island | 0.52 | 0.26 | 0.97 | 1.75 | 1.73 | 1% |
| Norway | Snohvit LNG | 0.26 | - | - | 0.26 | 0.11 | 136% |
| Russia | Yamal LNG | 0.88 | 0.07 | 0.43 | 1.38 | 1.23 | 12% |
| T. & Tobago | Atlantic LNG | 0.45 | 0.11 | 0.25 | 0.81 | 0.92 | -12% |
| United States | Cove Point LNG | 0.28 | - | 0.15 | 0.43 | 0.42 | 2% |
| | Sabine Pass LNG | 0.26 | - | 0.35 | 0.61 | 0.64 | -5% |
| | Corpus Christi LNG | - | 0.05 | 0.14 | 0.19 | 0.32 | -41% |
| | Cameron LNG | 0.22 | 0.07 | 0.35 | 0.64 | 0.62 | 3% |
| | Elba Island LNG | - | - | - | - | - | - |
| | Freeport LNG | - | - | 0.07 | 0.07 | 0.22 | -68% |
| | Total | 3.68 | 0.76 | 3.25 | 7.69 | 7.87 | -2% |

Source: LNG Journal

from European demand in France, Greece, Lithuania and Portugal, Yamal LNG's export growth was primarily due to Chinese demand. Taking advantage of warmer summer climate, the plant made use of the Northeast Passage in the Arctic to ship gas to the Beijing and Shanghai areas. Concurrently, Yamal also conducted three transshipments are Montoir in July, with cargoes going to Izmir in Turkey, Dubai and Aqaba in Jordan. However, 0.30mmt of Yamal gas also went into the Maasvlakte Gate Terminal in Rotterdam, much of which we suspect was bunkered, ready to be re-exported at a later date. Notably, re-exports were slashed globally in July, tumbling from 0.62mmt in June to just 0.18mmt in July (-44 percent), thus pointing to very little scope for arbitrage.

Net African LNG exports were down by 0.13mmt (-3.8 percent) month-on-month in July, led by a drastic reduction of 0.23mmt (-25 percent) at Algeria's Arzew plant. The FLNG vessel Hilli Episeyo stationed offshore Kribi in Cameroon also struggled to maintain monthly output, reducing shipments by 0.01mmt (-8 percent). Meanwhile, however, these decreases were tempered by robust month-on-month export growth at the EG LNG plant in Equatorial Guinea, which increased shipments by 0.08mmt (40%) in July. Angola and Nigeria also increased monthly shipments by 0.01mmt and 0.02mmt, respectively

### United States

In the western half of the Basin, exports continued to tumble by a total of 0.39mmt (-12 percent) from 3.14mmt in June to 2.75mmt in July. Although the rate of monthly decline thereby more than halved compared to June, US LNG exports continued suffered heavy net export reductions of 0.28mmt (-12.6 percent). Although Cove Point LNG once again manged to slightly increase its month-on-month exports by shipping 0.11mmt more to Greece and Turkey, alongside a small 0.02mmt (3 percent) increase at Cameron LNG, the remaining active U.S. LNG plants – led by Freeport LNG – saw shipments plummet. Accordingly, Freeport LNG loadings were down 0.15mmt (-68 percent) followed by Corpus Christi LNG with 0.13mmt (-41 percent). Notably, Sabine Pass LNG, which had led the decline in US LNG loadings with 0.77mmt (-55 percent) in June, managed to drastically slow that decline to just 0.03mmt (-5 percent) in July. The plant could even have achieved month-on-month export growth but for a significant demand reduction of 0.17mmt (-45.9 percent). Elba Island LNG continued its market absence. Market visibility at the time of writing indicated these volumetric declines were hastened by a loss in Japanese and South Korean market share in particular, which some sporadic demand growth for US LNG in Europe (e.g. Spain) could not compensate for. However, we highlight that roughly 0.21mmt were still en route to the Pacific without confirmed destinations so that the eventual composition for US LNG demand – but not overall volumes – had yet to transpire.

### South America

In South America, Atlantic LNG in Trinidad & Tobago continued to see exports decrease, with the month-on-month decline accelerating from 0.03mmt (-3 percent) in June to 0.11mmt (-12 percent) in July as Caribbean demand mostly disappeared. Argentina's Tango FLNG barge, meanwhile, did not load a cargo. Consequently, as the Atlantic Basin's overall shipped LNG decreased by 0.18mmt (-2 percent) month-on-month in July, export utilisation also fell by 2pp to 60 percent ♦

## Middle Eastern Exports

**Middle Eastern exporters kept activity broadly steady overall**

Middle Eastern LNG exporters once more kept activity broadly steady in July, decreasing monthly shipments by 0.14mmt (2 percent) to 7.65mmt. The performance was underpinned by a strong decrease in Qatari shipments, but which was tempered by an increase out of the UAE and a rare Egyptian cargo. As such, the Basin's utilisation of operational export capacity (i.e. excluding Yemen) decreased only slightly to just below nameplate (99 percent) in July.

### Qatar

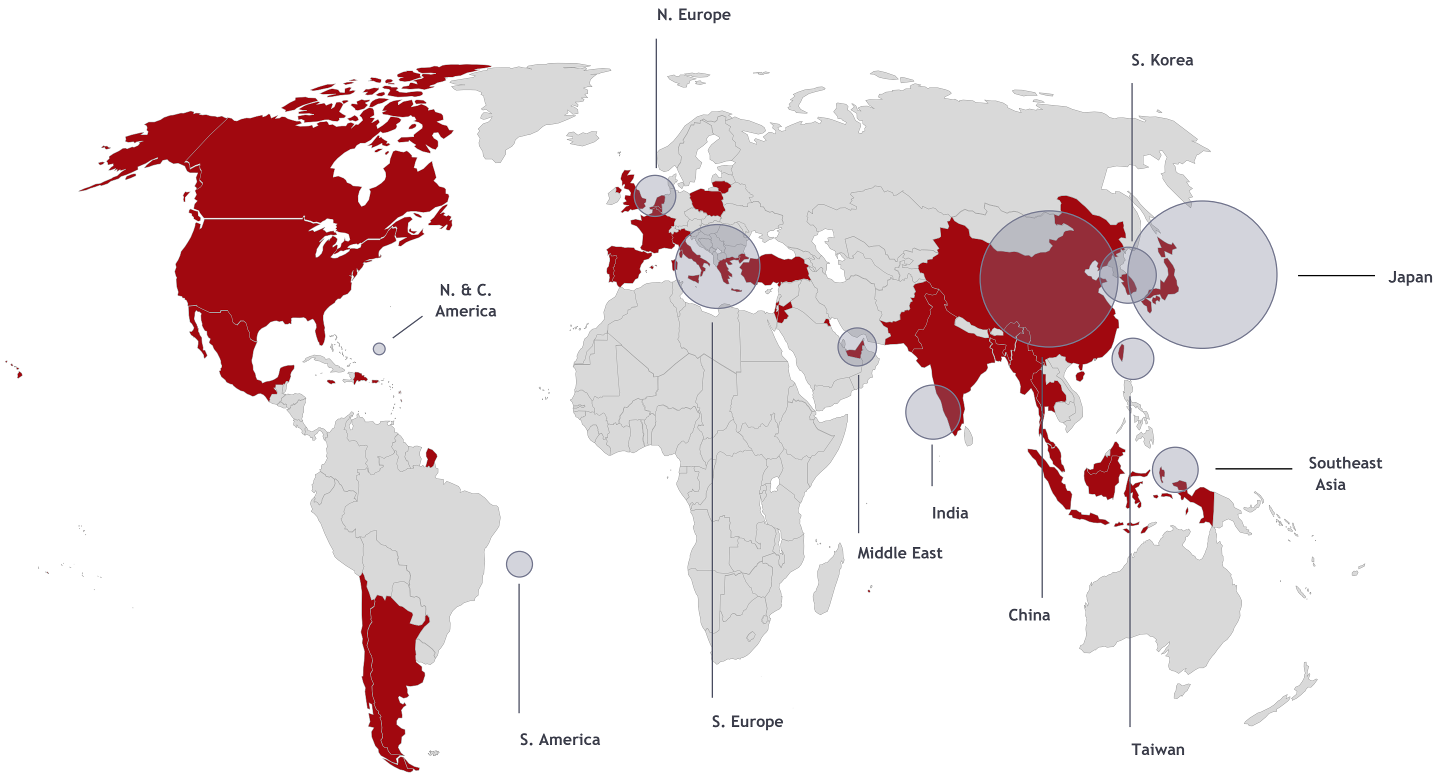
Owed to the massive size of the Ras Laffan LNG complex, LNG supply from Middle East was determined by changes to Qatar's exports. The country accounted for most of the Basin's monthly export reduction in July as its shipments decreased by 0.21mmt (3 percent) month-on-month. However, that growth did not extend to exports to the Pacific Basin, to which Qatari shipments increased by 0.49mmt (14.9 percent), led by destinations in South Korea and Bangladesh. Notably, the leading LNG exporter hoovered up 0.30mmt (13%) of available South Korean demand as the exact equivalent disappeared in Argentina. Other Atlantic Basin destinations in the Atlantic, with the exception of Spain and the United Kingdom, also saw LNG flows from Qatar decrease by 0.42mmt (-16 percent) overall.

### Oman and UAE

The two other active producers in the Persian Gulf – Oman and the UAE – saw a net export increase slightly by 0.02mmt (2 percent), however, as a 0.03mmt increase at Das Island compensated for a 0.01mmt decrease at Qalhat in Oman. Egypt's Idku LNG, meanwhile, briefly ended its market absence by exporting a rare cargo in July. The shipment marked Egypt's first LNG export since March this year. However, our data suggests this export was a one-off with no follow up planned as market fundamentals – bother international and domestic – remain unfavourable for the foreseeable future ♦

# Imports & Domestic Trade

**Monthly Pacific imports increased in July on higher Japanese demand**




## Pacific Imports

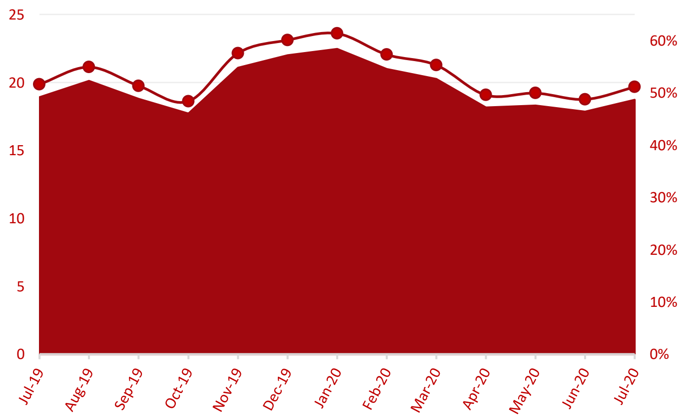
Pacific Basin imports returned to growth in July, increasing by 0.87mmt (5%) to 18.71mmt from the 17.85mmt seen in June. The commensurate import capacity utilisation thereby also increased by 2pp to 51 percent. Overall Pacific demand continued to be buoyed by Japanese demand growth of 0.70mmt (14.5%) whilst leading the demand curtailment within the Basin was South Korea, which cut back on LNG demand by 0.30mmt (-12.5 percent). Meanwhile, Taiwan increased offtakes by 0.27mmt (20.9 percent) to 1.56mmt.

As a prominent emerging LNG demand centre in the Pacific Basin, India's demand stood out by showing only slight month-on-month growth of 0.04mmt (2 percent). This flattish demand profile in July stood in stark contrast to the robust growth seen in May and Jul, when demand rebounded quickly after a brief interim in April. However, our data point to a possible return to more robust Indian demand growth in August, with deliveries on 11 August ahead by two cargoes compared to the same period in July.

In Southeast Asia, Indonesian demand retreated by 0.17mmt (-54.8 percent) in July after an interim peak in June. Indonesian legislators extended their Large-Scale Social Restrictions measures until end-July as infection rates threatened to accelerate. Neighbouring Malaysia also saw domestic demand decrease by 0.02mmt (-10.5 percent) to 0.17mmt. Malaysian LNG demand was covered by one Australian shipments via Gladstone LNG delivered to Pengerang's petrochemical plants as well as two Brunei LNG shipments totalling 0.12mmt to the Sungai Udang FSRU.

The protracted low-price environment in July enticed the roster of typically price-conscious buyers – including Bangladesh, Thailand, Chile, Mexico, Singapore and Myanmar – to collectively grow imports by 0.33mmt. This was primarily due to Bangladesh, which increased its monthly LNG intake by 60 percent from 0.25mmt to 0.40mmt. Thailand and Chile also boosted imports by 0.10mmt (19.2%) and 0.08mmt (28.6 percent), respectively. Although the Pacific's latest demand-side addition, Myanmar, saw July imports curtailed by 0.01mmt (-58.4%), we highlight that this was due to the additional commissioning cargo in June instead of a drop in structural demand. Finally, an increase of

**Pacific Imports & Capacity Utilisation in July (MMt)**




Source: LNG Journal

0.04mmt (12.1 percent) in Singapore compensated for a decrease of 0.03mmt (14.3%) in Mexico.

The roster's demand growth - specifically that of Bangladesh - also had a positive impact on FSRU utilisation in the Pacific by importing 0.10mmt more month-on-month through these floating terminals. This pushed FSRU utilisation within the Basin to 43 percent, up 7pp from June. Nevertheless, as highlighted in the Atlantic and Middle East sections below, overall FSRU utilisation across all three basins still decreased by 3 percent in July due to demand decreases in the Atlantic and Middle East ♦

Table: Monthly Pacific Basin Imports Compared

| Country | Plant | Export Basin | | | July | June | % Change m/m |
|---|---|---|---|---|---|---|---|
| | | Atlantic | Middle East | Pacific | | | |
| Bangladesh | Maheshkhali FSRU | 0.14 | 0.26 | - | 0.40 | 0.25 | 60% |
| Chile | Mejillones LNG | 0.12 | - | - | 0.12 | 0.08 | 50% |
| | Quintero | 0.24 | - | - | 0.24 | 0.20 | 20% |
| China | Beihai LNG | - | - | 0.20 | 0.20 | 0.13 | 54% |
| | Caofeidian LNG | - | 0.11 | 0.13 | 0.24 | 0.22 | 9% |
| | Dalian LNG | - | 0.11 | 0.07 | 0.18 | 0.16 | 13% |
| | Dongguan LNG | - | 0.01 | 0.01 | 0.01 | - | - |
| | Fujian LNG | - | - | 0.18 | 0.18 | 0.24 | -25% |
| | Guangdong Dapeng LNG | 0.21 | 0.08 | 0.37 | 0.66 | 0.70 | -6% |
| | Hainan LNG | - | - | 0.06 | 0.06 | 0.07 | -14% |
| | Hainan Transfer Station | - | - | 0.01 | 0.01 | 0.01 | 0% |
| | Jiangsu LNG | 0.21 | - | 0.19 | 0.40 | 0.25 | 60% |
| | Jieyang LNG | - | - | 0.07 | 0.07 | 0.07 | 0% |
| | Qidong LNG | - | - | 0.26 | 0.26 | 0.20 | 30% |
| | Qingdao LNG | - | - | 0.56 | 0.56 | 0.57 | -2% |
| | Shanghai (Yangshan) LNG | - | - | 0.25 | 0.25 | 0.28 | -12% |
| | Shanghai Peak-Shaving | - | - | 0.10 | 0.10 | 0.12 | -19% |
| | Tianjin LNG | 0.07 | - | 0.25 | 0.32 | 0.18 | 78% |
| | Zhejiang LNG | 0.07 | 0.08 | 0.21 | 0.36 | 0.51 | -29% |
| | Zhuhai LNG | 0.07 | 0.05 | 0.20 | 0.32 | 0.42 | -24% |
| | Zhoushan LNG | - | 0.09 | 0.07 | 0.16 | 0.08 | 1.00 |
| | Shenzhen Peak-Shaving | - | - | 0.09 | 0.09 | 0.05 | 0.80 |
| | Tianjin - Nangang LNG | 0.15 | - | 0.58 | 0.73 | 0.82 | -0.11 |
| | Shenzhen Diefu LNG | - | - | - | - | 0.06 | - |
| India | Cochin | 0.05 | - | 0.07 | 0.12 | - | - |
| | Dabhol | - | - | - | - | - | - |
| | Dahej | 0.43 | 0.95 | - | 1.38 | 1.40 | -1% |
| | Ennore LNG | 0.12 | - | - | 0.12 | - | - |
| | Hazira | 0.14 | 0.17 | - | 0.31 | 0.54 | -43% |
| | Mundra LNG | 0.12 | - | - | 0.12 | 0.07 | 71% |
| Indonesia | Arun Conversion | - | - | 0.06 | 0.06 | 0.12 | -50% |
| | Benoa LNG | - | - | 0.02 | 0.02 | 0.01 | 100% |
| | Lampung LNG | - | - | - | - | 0.06 | - |
| | West Java FSRU | - | - | 0.06 | 0.06 | 0.12 | -50% |
| Japan | Chita | - | 0.22 | 0.41 | 0.63 | 0.40 | 58% |
| | Fukuoka | - | - | - | - | - | - |
| | Futtsu | 0.11 | 0.19 | 0.34 | 0.64 | 0.48 | 33% |
| | Hachinohe | - | - | 0.07 | 0.07 | - | - |
| | Hatsukaichi | - | - | 0.03 | 0.03 | 0.04 | -26% |
| | Hibiki LNG | - | - | 0.06 | 0.06 | - | - |
| | Higashi-Ogishima | 0.05 | 0.06 | 0.37 | 0.48 | 0.49 | -2% |
| | Himeji | - | 0.11 | 0.33 | 0.44 | 0.29 | 52% |
| | Hitachi LNG | - | - | 0.06 | 0.06 | 0.12 | -50% |
| | Ishikari LNG | - | - | 0.10 | 0.10 | 0.11 | -9% |
| | Joetsu LNG | - | - | 0.19 | 0.19 | 0.17 | 12% |
| | Kagoshima | - | - | 0.05 | 0.05 | - | - |
| | Kawagoe | 0.05 | - | 0.23 | 0.28 | 0.35 | -20% |
| | Matsuyama LNG | - | - | - | - | - | - |
| | Mizushima | - | 0.05 | - | 0.05 | 0.06 | -17% |
| | Nakagusuku LNG | - | - | - | - | 0.06 | - |
| | Nagasaki LNG | - | - | - | - | - | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Negishi | - | 0.12 | 0.08 | 0.20 | 0.10 | 100% |
| | Niigata | 0.08 | - | 0.24 | 0.32 | 0.06 | 433% |
| | Ogishima | 0.14 | - | 0.16 | 0.30 | 0.37 | -19% |
| | Oita | - | - | 0.15 | 0.15 | 0.17 | -12% |
| | Sakai | 0.06 | - | 0.19 | 0.25 | 0.27 | -7% |
| | Sakaide | - | - | 0.06 | 0.06 | - | - |
| | Senboku | 0.08 | 0.06 | 0.10 | 0.24 | 0.44 | -45% |
| | Shin Sendai | - | 0.06 | 0.07 | 0.13 | 0.15 | -12% |
| | Sodegaura | - | - | 0.65 | 0.65 | 0.41 | 59% |
| | Sodeshi Shimizu | - | - | 0.06 | 0.06 | - | - |
| | Soma LNG | - | - | - | - | - | - |
| | Takamatsu LNG | - | - | - | - | - | - |
| | Tobata Ward | - | - | 0.01 | 0.01 | 0.06 | -78% |
| | Toyama LNG | - | - | - | - | 0.06 | - |
| | Yanai | - | 0.03 | 0.06 | 0.09 | 0.11 | -18% |
| | Yokkaichi | - | - | 0.04 | 0.04 | 0.11 | -64% |
| | Shinsendai Power Plant | - | - | - | - | - | - |
| Malaysia | Pengerang LNG | - | - | 0.05 | 0.05 | 0.07 | -29% |
| | Sungai Udang FSRU | - | - | 0.12 | 0.12 | 0.12 | 0% |
| Mexico | Energia Costa Azul | - | - | 0.06 | 0.06 | 0.07 | -14% |
| | Manzanillo | 0.12 | - | - | 0.12 | 0.14 | -14% |
| Myanmar | Thanlyin LNG | - | - | 0.01 | 0.01 | 0.02 | -58% |
| Singapore | Singapore LNG | - | 0.17 | 0.20 | 0.37 | 0.33 | 12% |
| South Korea | Boryeong | 0.08 | - | 0.13 | 0.21 | 0.33 | -36% |
| | Gwangyang | 0.10 | - | 0.33 | 0.43 | 0.32 | 33% |
| | Incheon | 0.12 | 0.28 | 0.15 | 0.55 | 0.62 | -11% |
| | Pyeongtaek | 0.08 | 0.22 | 0.28 | 0.58 | 0.54 | 7% |
| | Samcheok | 0.08 | - | - | 0.08 | 0.23 | -65% |
| | Tongyeong | - | 0.04 | 0.23 | 0.27 | 0.38 | -29% |
| Taiwan | Taichung | 0.06 | 0.37 | 0.24 | 0.67 | 0.54 | 24% |
| | Yung-An | 0.22 | 0.06 | 0.61 | 0.89 | 0.75 | 19% |
| Thailand | Map Ta Phut LNG | 0.06 | 0.35 | 0.21 | 0.62 | 0.52 | 19% |
| | **Total** | **3.63** | **4.30** | **10.79** | **18.71** | **17.85** | **5%** |

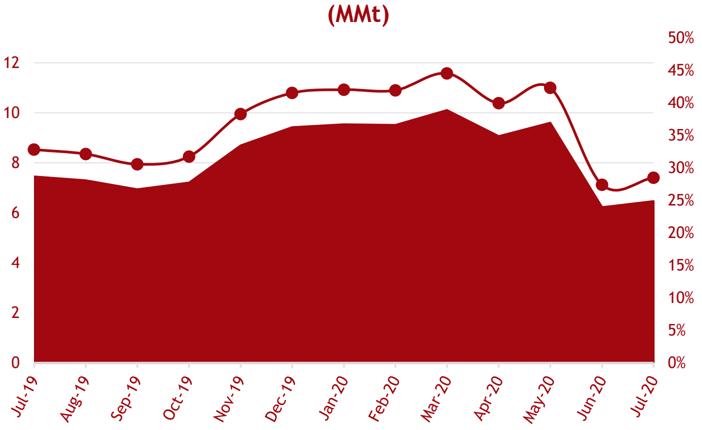
Source: LNG Journal

# Atlantic Imports

## European demand underpinned demand growth in July

In Atlantic Basin LNG imports also rebounded from a retreat in June as they increased by 0.24mmt (4 percent) to 6.46mmt. The increase was underpinned by strong Spanish and Dutch demand growth, which added to monthly offtakes with 0.75mmt overall. Although growing only relatively moderately in July, Argentina demand also remained strong at 0.61mmt, up 0.05mmt (8.9 percent) month-on-month. Accordingly, the Basin's overall capacity utilisation increased by slightly by 1pp to 28 percent.

**Atlantic Imports & Capacity Utilisation in July (MMt)**




Source: LNG Journal

Elsewhere in Europe, however, the United Kingdom and Turkey both curtailed offtakes by 0.37mmt overall, whilst Belgium and Poland cut back on LNG offtakes by 0.13mmt. This left a roster of smaller European buyers – Greece, Portugal, Lithuania and Malta – as well as France to supply relatively minor month-on-month growth of 0.18mmt in total.

In the western half of the Atlantic, the Caribbean and South America – including Argentina, Brazil, Jamaica, Puerto Rico, the Dominican Republic, Panama and Colombia – saw month-on-month LNG demand decrease slightly by 0.03mmt overall in July and thus did not continue with the strong showing the previous month. Most of that negative growth transpired in the Dominican Republic, which slashed offtakes by 0.09mmt (75 percent), and which could only partially be compensated for by relatively moderate monthly increments in volumetric terms in Argentina (0.05mmt) and Puerto Rico (0.02mmt). Accordingly, the use of FSRU capacity by volume throughout the basin decreased by 3pp to 31% as the absence of Turkey's Iskenderun facility as well as the lack of LNG demand weighed on overall utilisation.

In North America, Canada imported a cargo of 0.05mmt and thus barely compensated for a demand reduction in the United States. US LNG imports decreased significantly by 0.06mmt (-43 percent) in July in line with bi-directional use of the Cove Point LNG facility ♦

Table: Monthly Atlantic Basin Imports Compared

| Country | Plant | Export Basin | | | July | June | % Change m/m |
|---|---|---|---|---|---|---|---|
| | | Atlantic | Middle East | Pacific | | | |
| Argentina | GNL Escobar GasPort | 0.09 | 0.52 | - | 0.61 | 0.56 | 9% |
| Belgium | Zeebrugge | - | 0.25 | - | 0.25 | 0.34 | -26% |
| Brazil | Bahia de Guanabara FSRU | - | - | - | - | - | - |
| | Bahia de Todos FSRU | - | - | - | - | - | - |
| | Port Pecem FSRU | - | - | - | - | - | - |
| | Porto de Sergipe FSRU | - | - | - | - | - | - |
| Canada | Canaport LNG | 0.05 | - | - | 0.05 | - | - |
| Colombia | SPEC LNG | - | - | - | - | 0.13 | - |
| Dominican Republic | Andres LNG | 0.03 | - | - | 0.03 | 0.12 | -75% |
| France | Dunkerque Le Clipton | 0.10 | - | - | 0.10 | 0.32 | -69% |
| | Fos-sur-Mer | 0.14 | 0.15 | - | 0.29 | 0.19 | 51% |
| | Montoir-de-Bretagne | 0.35 | - | - | 0.35 | 0.20 | 75% |
| Greece | Revithoussa | 0.12 | 0.12 | - | 0.24 | 0.19 | 26% |
| Italy | Panigaglia | 0.12 | - | - | 0.12 | 0.14 | -11% |
| | Rovigo Adriatic LNG | - | 0.45 | - | 0.45 | 0.51 | -12% |
| | Toscana Terminal | 0.26 | - | - | 0.26 | 0.20 | 30% |
| | Montego Bay | - | - | - | - | - | - |
| Jamaica | Port Esquivel FSU | 0.04 | - | - | 0.04 | 0.05 | -20% |
| Lithuania | Klaipeda LNG | 0.16 | - | - | 0.16 | 0.12 | 33% |
| Malta | Delimara LNG | 0.06 | - | - | 0.06 | 0.05 | 20% |
| Mexico | Altamira LNG | - | - | - | - | - | - |
| Netherlands | Maasvlakte Gate Terminal | 0.49 | - | - | 0.49 | 0.12 | 308% |
| Panama | AES Costa Norte LNG | - | - | - | - | - | - |
| Poland | Swinoujscie LNG | 0.05 | 0.09 | - | 0.14 | 0.18 | -22% |
| Portugal | Sines | 0.30 | - | - | 0.30 | 0.25 | 20% |
| Puerto Rico | Penuelas | 0.06 | - | - | 0.06 | 0.04 | 50% |
| Spain | Bahia de Bizkaia LNG | 0.21 | - | 0.05 | 0.26 | 0.25 | 4% |
| | Barcelona | 0.18 | 0.26 | - | 0.44 | 0.22 | 100% |
| | Cartagena | 0.11 | 0.12 | - | 0.23 | 0.15 | 53% |
| | Huelva | 0.23 | 0.08 | - | 0.31 | 0.19 | 64% |
| | Mugardos | - | - | - | - | 0.16 | - |
| | Sagunto | 0.07 | 0.09 | - | 0.16 | 0.05 | 220% |
| Turkey | ETKI LNG | 0.06 | - | - | 0.06 | 0.17 | -65% |
| | Izmir | 0.15 | - | - | 0.15 | 0.15 | 0% |
| | Marmara Ereglisi | 0.19 | - | - | 0.19 | 0.24 | -21% |
| | Iskenderun FSRU | - | - | - | - | - | - |
| United Kingdom | Dragon LNG | - | - | - | - | 0.09 | - |
| | Isle of Grain | 0.11 | - | - | 0.11 | 0.08 | 38% |
| | South Hook LNG | - | 0.47 | - | 0.47 | 0.62 | -24% |
| United States | Everett Marine Terminal | 0.08 | - | - | 0.08 | - | - |
| | Cove Point LNG | - | - | - | - | 0.08 | - |
| | Elba Island | - | - | - | - | 0.06 | - |
| | Total | 3.81 | 2.60 | 0.05 | 6.46 | 6.22 | 4% |

Source: LNG Journal

# Middle Eastern Imports

## July saw demand decrease

Among the three basins, the Middle East stood alone in showing an overall month-on-month demand decrease in July. High summer temperatures notwithstanding, Kuwait in particular reduced offtakes by 0.09mmt (-17 percent) whilst Pakistan's Port Qasim facility struggled to maintain monthly imports at around the 0.50mmt mark in July. Pakistan reduced offtakes by 0.02mmt (-4 percent). Similarly, Israel kept the number of imported shipments steady at one per month, but with a slightly lower volume of 0.06mmt in July compared to 0.07mmt in June, according to our data and calculations. Meanwhile, Dubai's DUSUP continued to seize opportunities in an oversupplied market and grew imports once more by growing offtakes by 0.02mmt (7 percent). In similar vein, Jordan increased its offtakes by 0.02mmt (15 percent) to 0.15mmt in July. Consequently, Middle Eastern import capacity utilisation saw a decrease of 2pp to 49 percent in July. This shift also translated into a commensurate reduction in FRSU capacity utilisation since the region imports all of its LNG through floating terminals ♦

## FSRU/FSU

### FSRU capacity utilisation discontinued recent growth trajectory

LNG imports via FSRUs did not continue on their growth trajectory seen in May and June, decreasing by 0.1mmt (-3 percent) month-on-month. Imports were thus also considerably behind their year-on-year equivalent, showing a significant reduction of 0.20mmt (-6 percent). Although, Pacific imports via FSRUs were up by 0.1mmt (20 percent), pegging regional FSRU capacity utilisation at 43 percent. Meanwhile, FSRU capacity utilisation in the Atlantic Basin amounted to 31percent, down by 3pp month-on-month, on 1.15mmt in imports. This performance was mainly based on decreasing Turkish LNG imports using FSRU capacity. Brazil, meanwhile, remained absent from the market, as was Colombia. As such, even offtake increases in Argentina (+0.05mmt),Italy (+0.02mmt) and Lithuania (+0.04mmt) could not tip the balance. At the same time, Middle Eastern FSRU utilisation, which had stalled in June, slid into a month-on-month decrease as it cut utilisation by 2pp to 49 percent on 1.44mmt in imports. The lack of growth remains a matter of absent demand growth in Pakistan and a decrease in LNG offtake at Kuwait's Mina al Ahmadi terminal. As such, Pakistan maintained LNG imports at a broadly steady 0.49mmt in July whilst Kuwait saw demand fall by 0.09mmt (-17 percent) ♦