Global & Regional Market Analysis

2020 June

06/07/2020

Stories of the recent weeks

Rebounding prices on CEEGEX, 3 EUR/MWh increase from May to June
Similar trend in CEGH and TTF

Expected maintenance on the AT-HU interconnector (21/09-26/09, 50% capacity)
Ongoing discussion between Ukraine and Slovakia for planned SK-UA (Budince) maintenance (11/08-01/10, 100% capacity) and substitution with Velke Kapusany

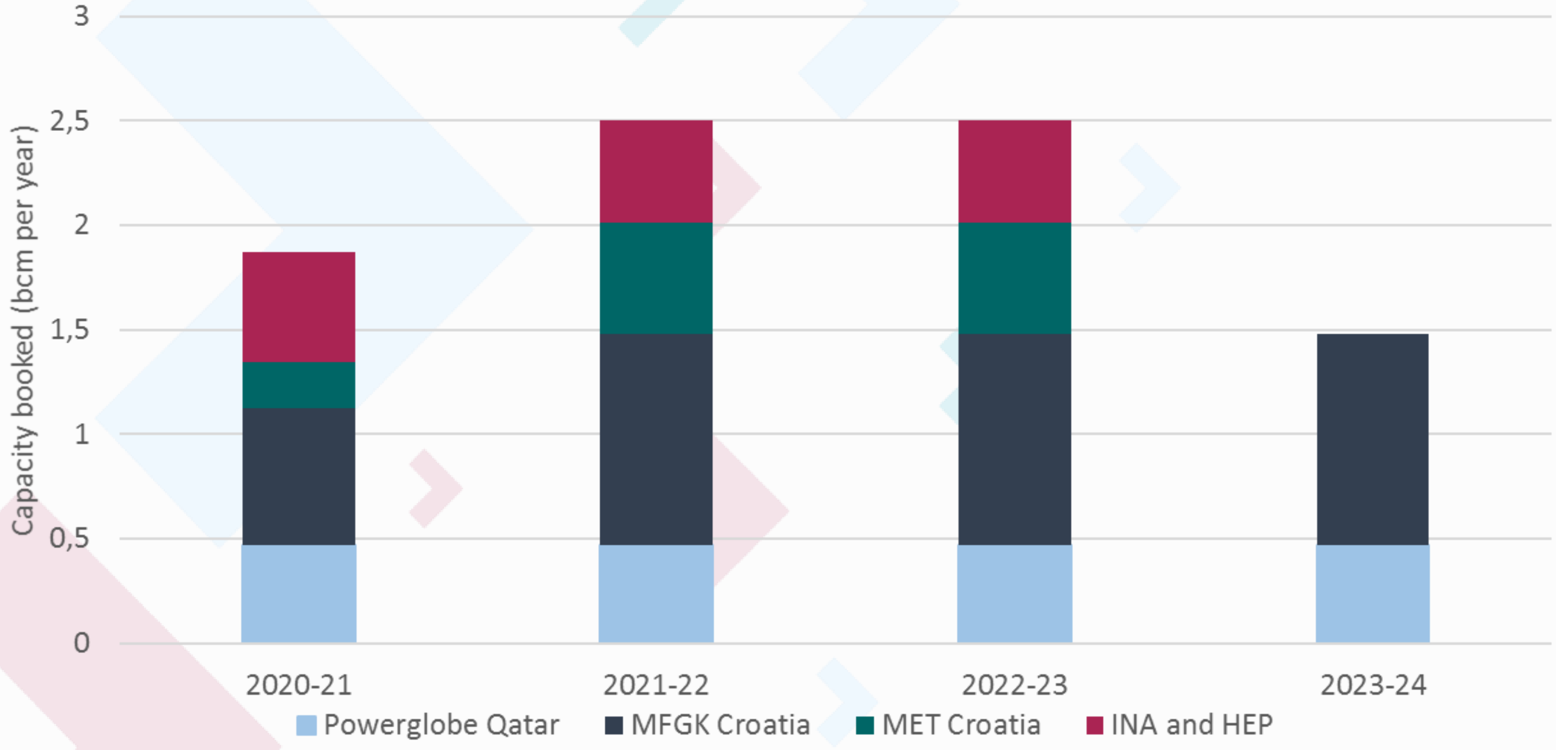
All Croatian LNG capacity booked until 2023,
High interest from Powerglobe Qatar until 2035

Hungarian Minister of Foreign Affairs and Trade has confirmed that Hungary will purchase 4.2 bcm gas from Gazprom for the gas year 2020/21

FGSZ confirmed the construction of the Serbian-Hungarian interconnector with the capacity of 6 bcm per year (2021.10.01)

Krk LNG capacity bookings

Source: Argus, LNG.hr, SEENews

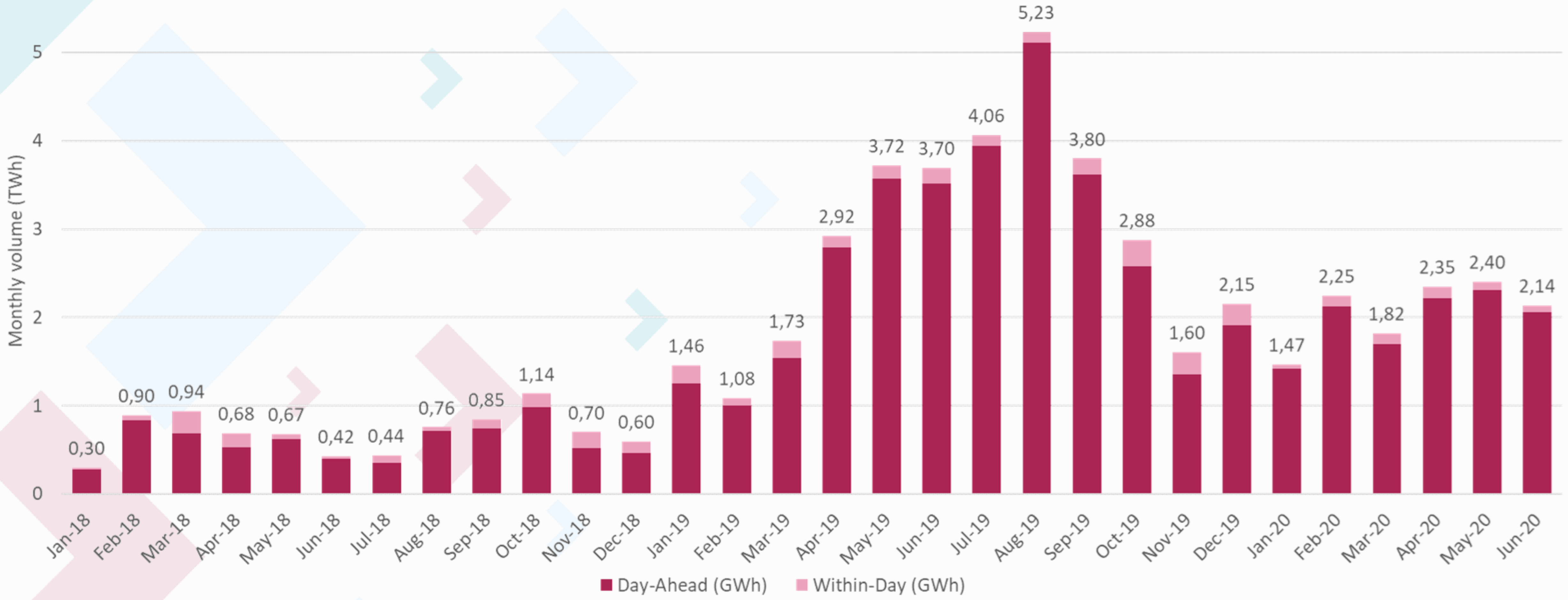


	Booked Capacity (bcm)	Total Capacity (bcm)
2020-21*	1,9	1,9
2021-22	2,5	2,5
2022-23	2,5	2,5
2023-24	2	2,5

High interest for the Croatian LNG capacity, not only from Europe, but from the GCC countries as well. In the recent weeks MGFK booked 6.75 bcm regasified LNG until 2026-27, while Powerglobe from Qatar has booked 10.14 bcm until 2034-35

Spot market monthly volumes of CEEGEX

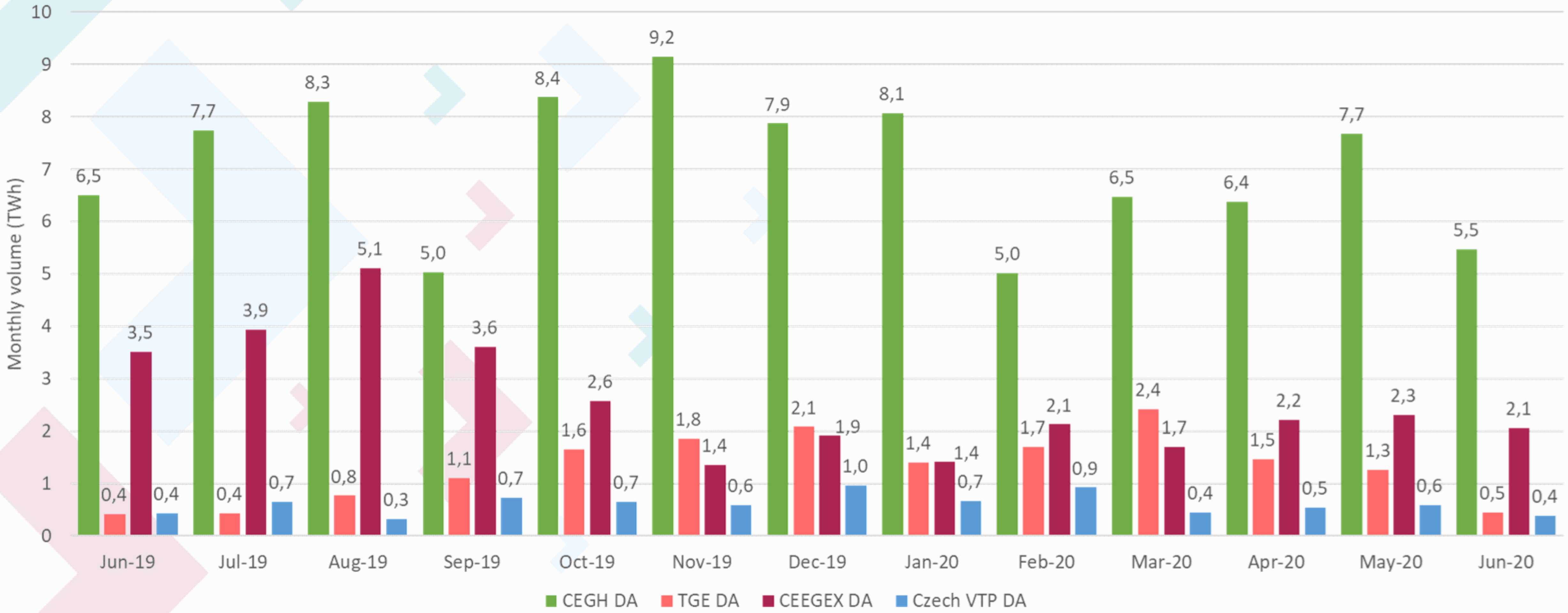
Source: CEEGEX



CEEGEX monthly volumes stayed above 2 TWh in June reaching 2.14 TWh mostly driven by Day-Ahead trades, meanwhile the volatility of monthly traded volume decreased and the amount of traded volumes stabilized averagely above 2 TWh since the start of the gas year

Regional Day-Ahead monthly volumes

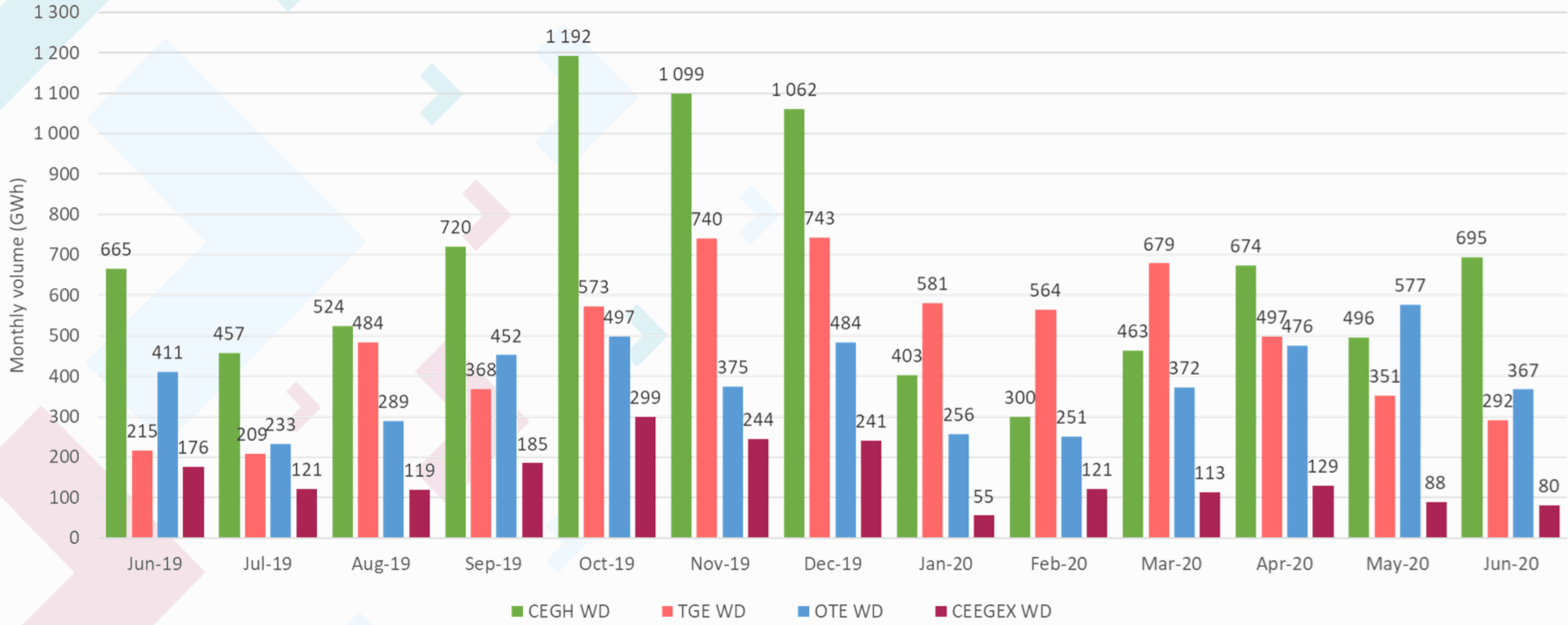
Source: CEGH, TGE, CEEGEX



CEEGEX DA kept its second position in the region with the most stable volumes, meanwhile the Austrian, Czech and Polish exchange traded DA volumes decreased more after May

Regional Within-Day monthly volumes

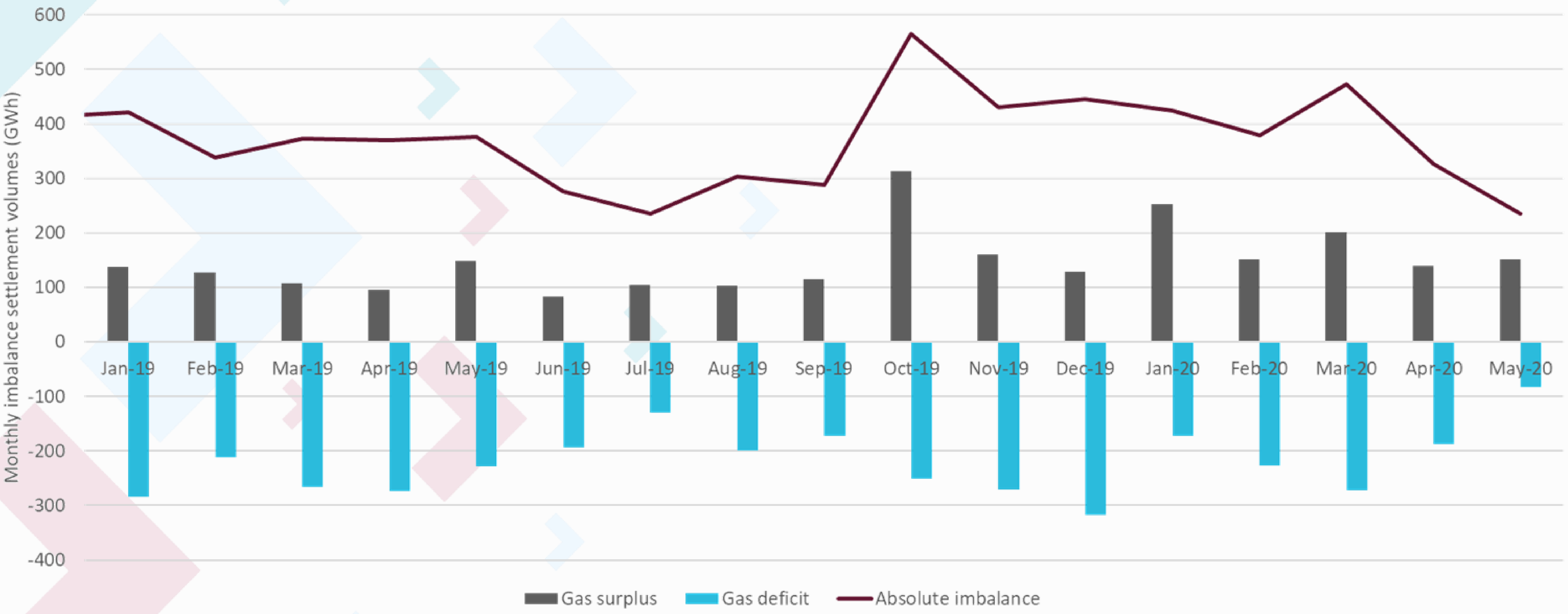
Source: CEGH, OTE, TGE, CEEGEX



In June Within-Day activity remained low at CEEGEX, while other exchanges seen higher liquidity with high volatility of volume depending of the positions of shippers

Imbalance of Hungarian transmission system

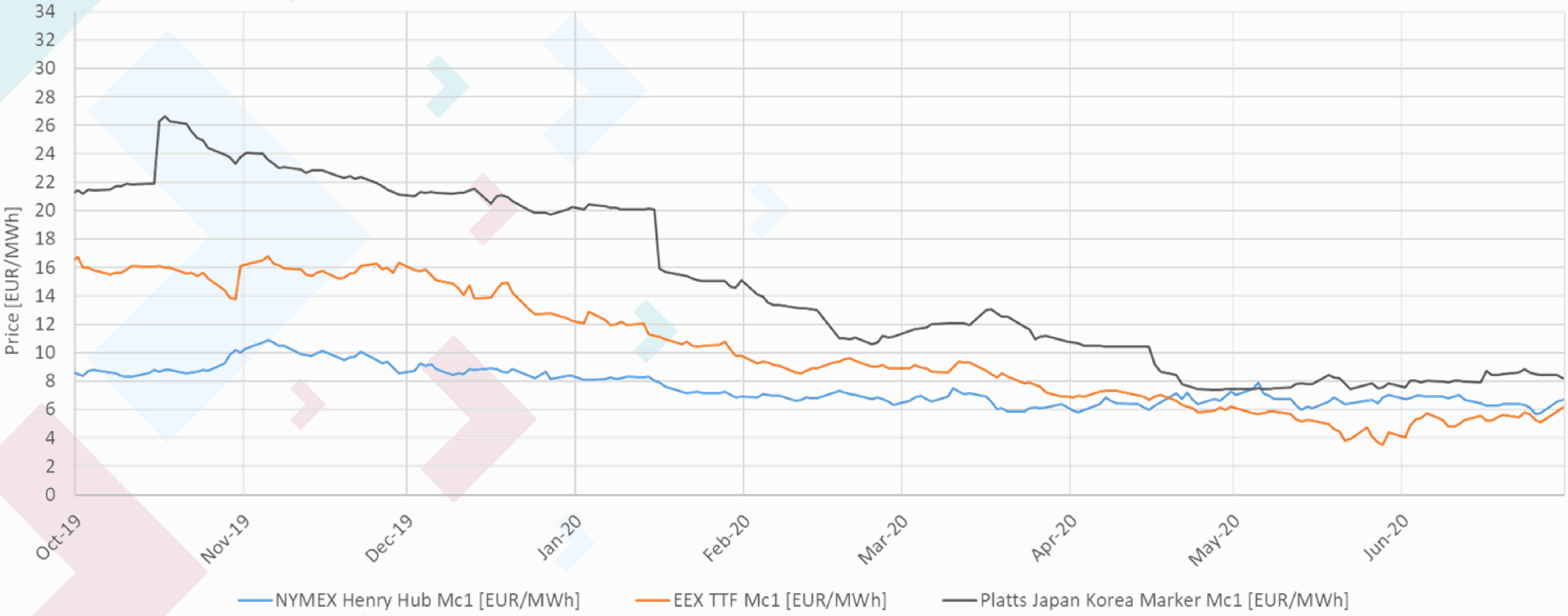
Source: FGSZ IP



With the stricter balancing rules and higher small adjustment gas imbalance decreased this year, especially the volume of deficit decreased significantly, however these could be also due to the mild weather

Global natural gas prices

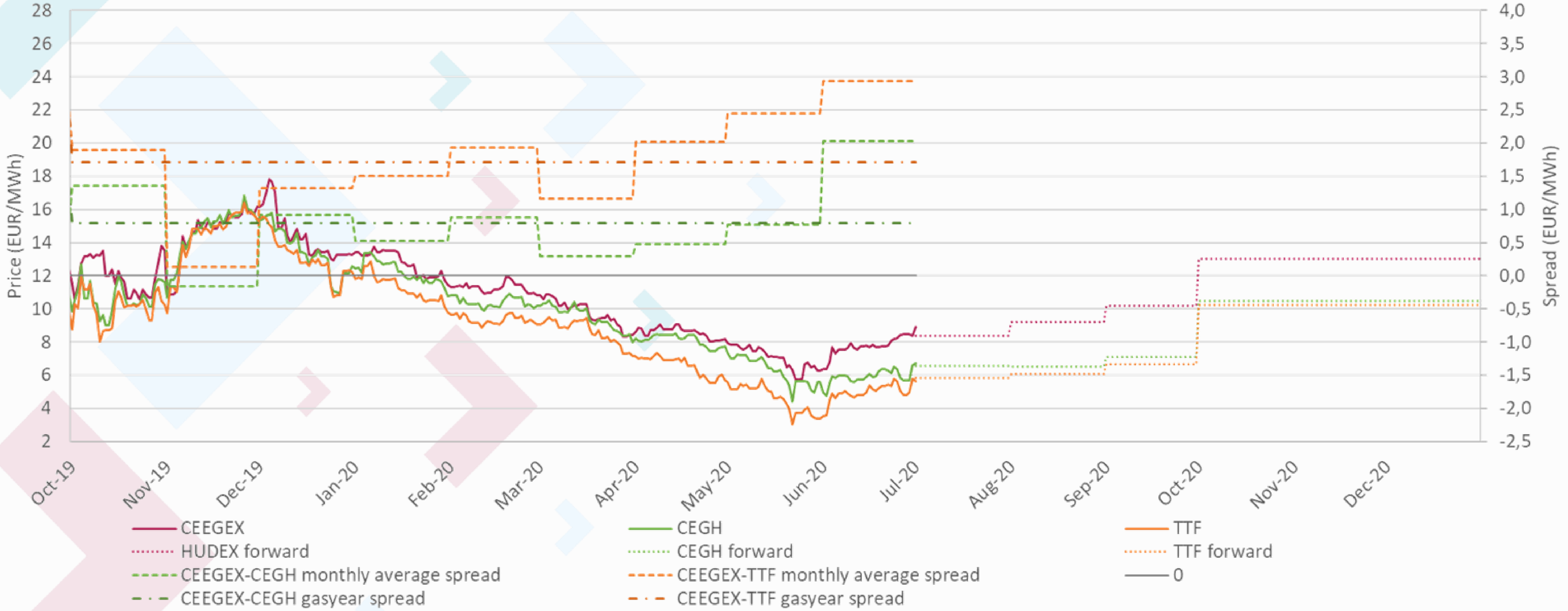
Source: Refinitiv



Major European hubs still remained cheaper than US Henry Hub and front month prices indicate it will be the same situation in July, however longer contracts already switched spreads

Hungarian and benchmark spot gas prices

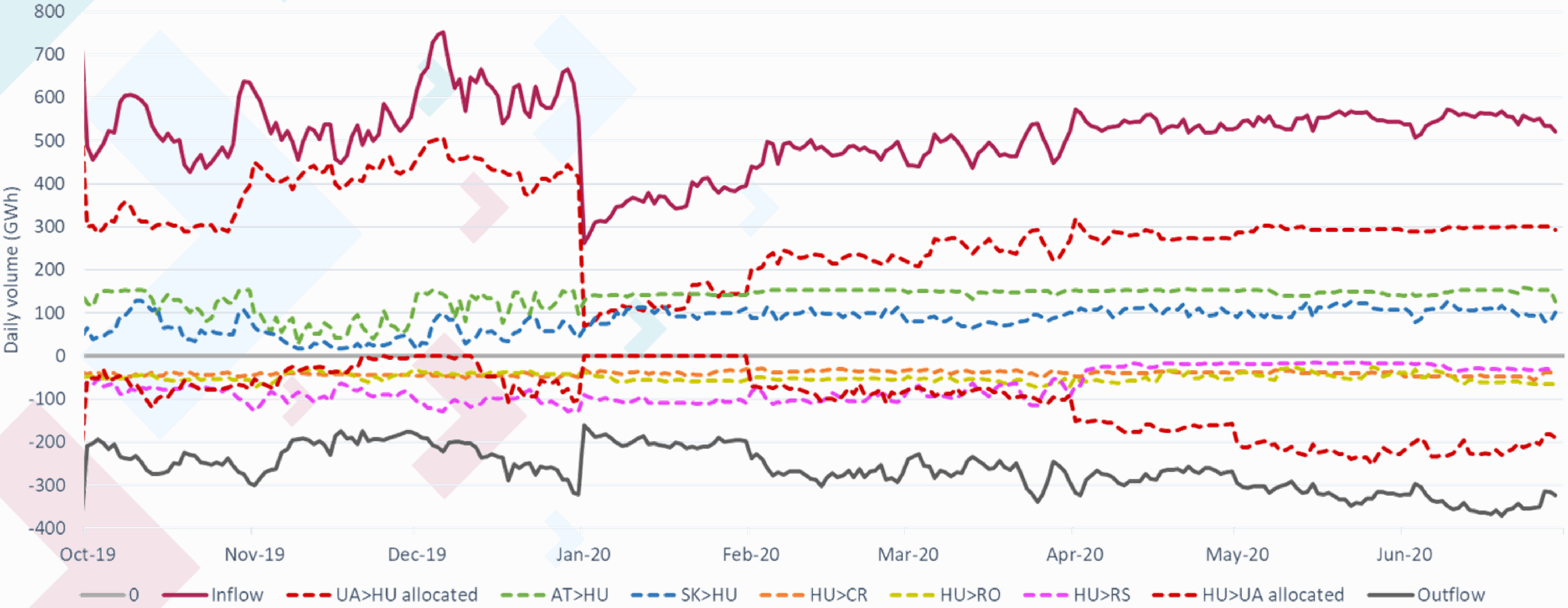
Source: EEX, Refinitiv, CEEGEX



In June spot prices started to rise after historic lows with CEEGEX DA reaching 8 EUR/MWh, which means the April levels for CEEGEX and TTF and May levels for CEGH. Future settlement prices indicate only a moderate price rebound in the upcoming months

Gas flows and allocations

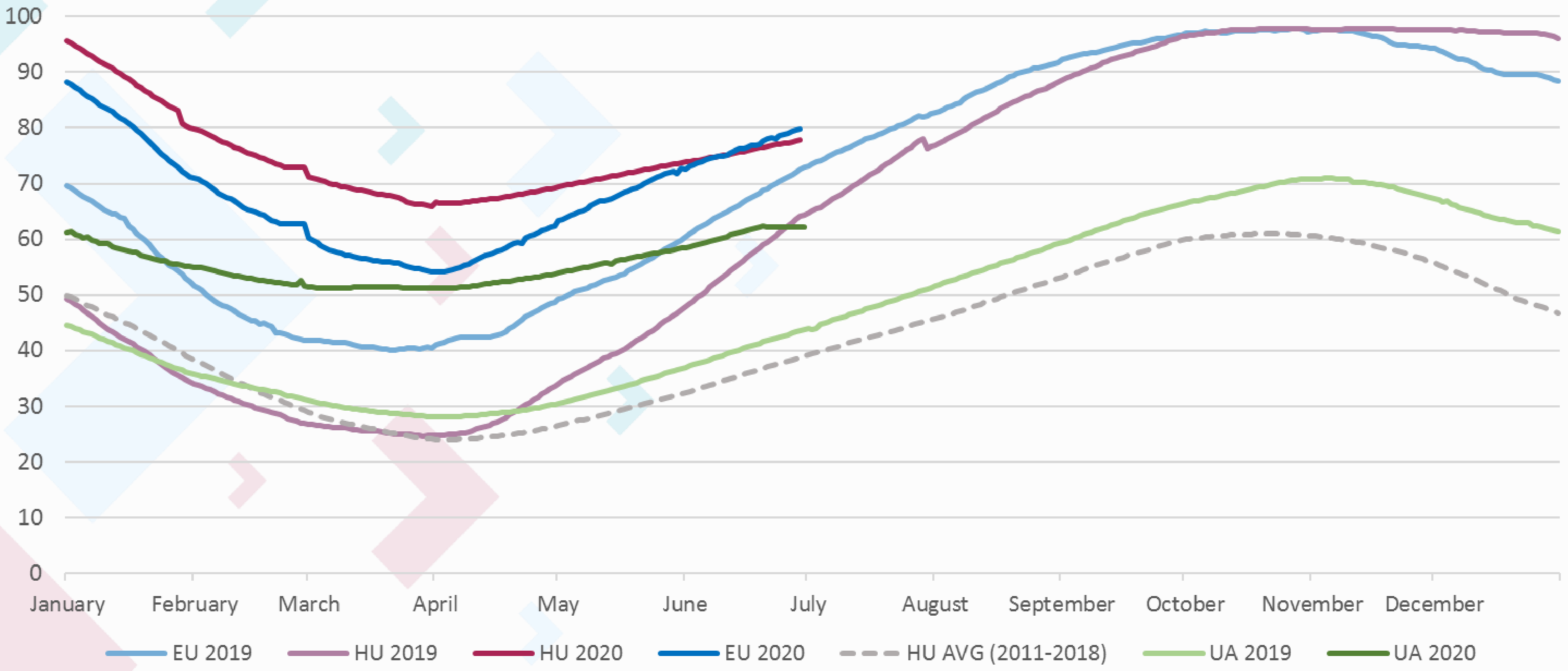
Source: FGSZ IP



Export towards Ukraine increased significantly in May and June after the introduction of the virtual interconnector point at Beregdaróc, thus Hungarian exports reached its highest levels in June in the current gas year

Hungarian, Ukrainian and European gas storage levels

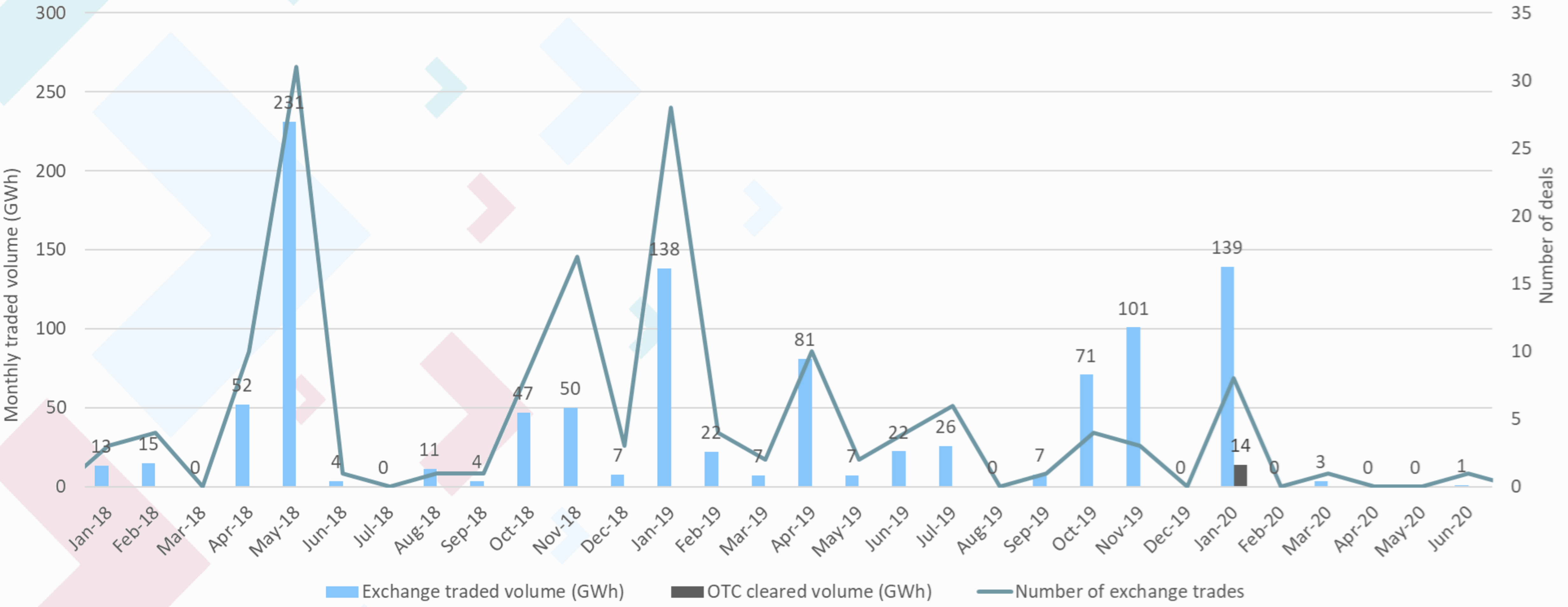
Source: AGSI



Injections started at storage level above 50% everywhere, and both Hungary and Ukraine continue to have a slow injection process, while the gradient of injection is higher in the EU. Each curve is still significantly above the previous years average. If this trend continues, the Hungarian and EU curves will converge to last year's fulfillment levels in the upcoming months

HUDEX Natural Gas Segment

Source: HUDEX



There was one trade on the HUDEX Natural Gas Segment in June for the front month contract