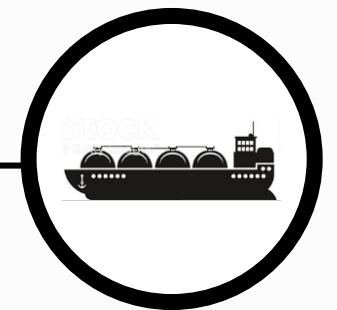


Global & Regional Market Analysis

Natural Gas

April 2021

28/04/2021



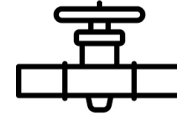


Stories of the recent weeks

The White House is in talks to appoint a special envoy to lead negotiations on halting the construction of Nord Stream 2.



Romanian TSO started to offer cross-border capacity with Ukraine on the RBP platform from the 1st of April.



Hungarian regulator (MEKH) proposes Croatian entry border tariff cut from ~€2.4/kWh/h/y to ~€0.73/kWh/h/y



Suez Canal blocked due to accidental grounding of Ever Given causing traffic and delays in shipping for 6 days between 23-29 March.



Rising prices in Europe are in favour of increasing LNG volumes. Second LNG cargo of MFGK arrived to KRK in March and first cargo of MET in April.



Suez Canal blockage

Source: ICIS

Ever Given container ship (400m long) was caught in a sandstorm and blocked the Suez Canal

- Around one million barrels of oil and roughly 10% of LNG pass through the canal each day
 - More than 8 TWh in 6 days
 - ~ 10 % of total Hungarian gas consumption
 - ~ 30 % of CEEGEX traded volumes in 2020
- About 450 vessels were in line to cross the canal
- Around 14 LNG vessels to cross southbound to Asia and the Middle East and around 6 to cross northbound heading to Belgium UK and Italy
- Some Qatari LNG cargoes shifted to head around the south of Africa
- High increase in charter rates during and after the blockage
- Due to delays, vessels missed the delivery slots resulting in additional delays and expenditure

Risks:

- Possibility to happen again
- Piracy risk if diverted around Africa
- Longer delays can affect prices
- Additional delays due to missing slots at terminals

Key takeaways

- Possible infrastructure developments at Suez and Panama canal (potential expansion)
- Vessel size considerations
- Increase in the number of LNG vessels

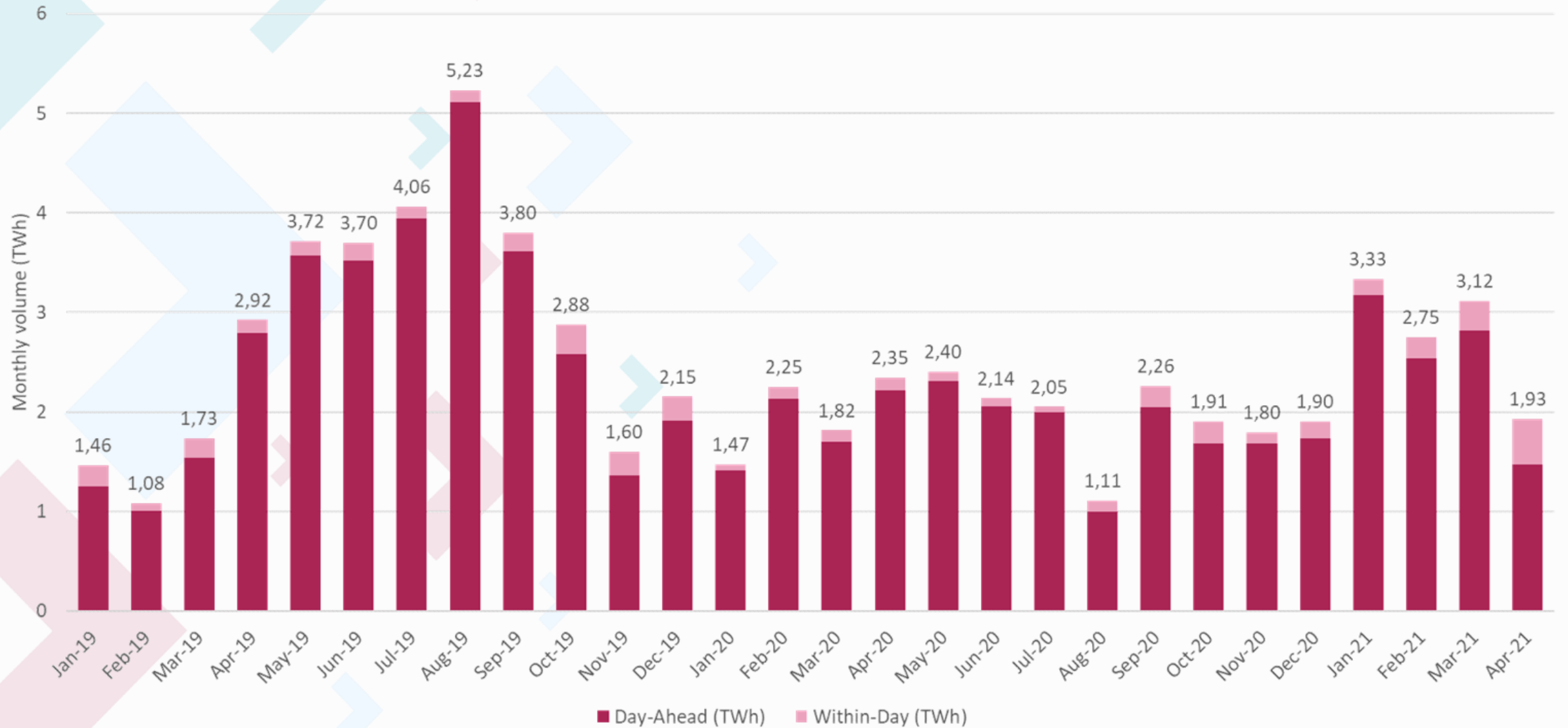
Start 23.03.2021 → End 29.03.2021



Qatari cargo travelling around South Africa to the UK would take around 27 days, compared with around 17 days for a route using the Suez Canal.

CEEGEX monthly traded volumes

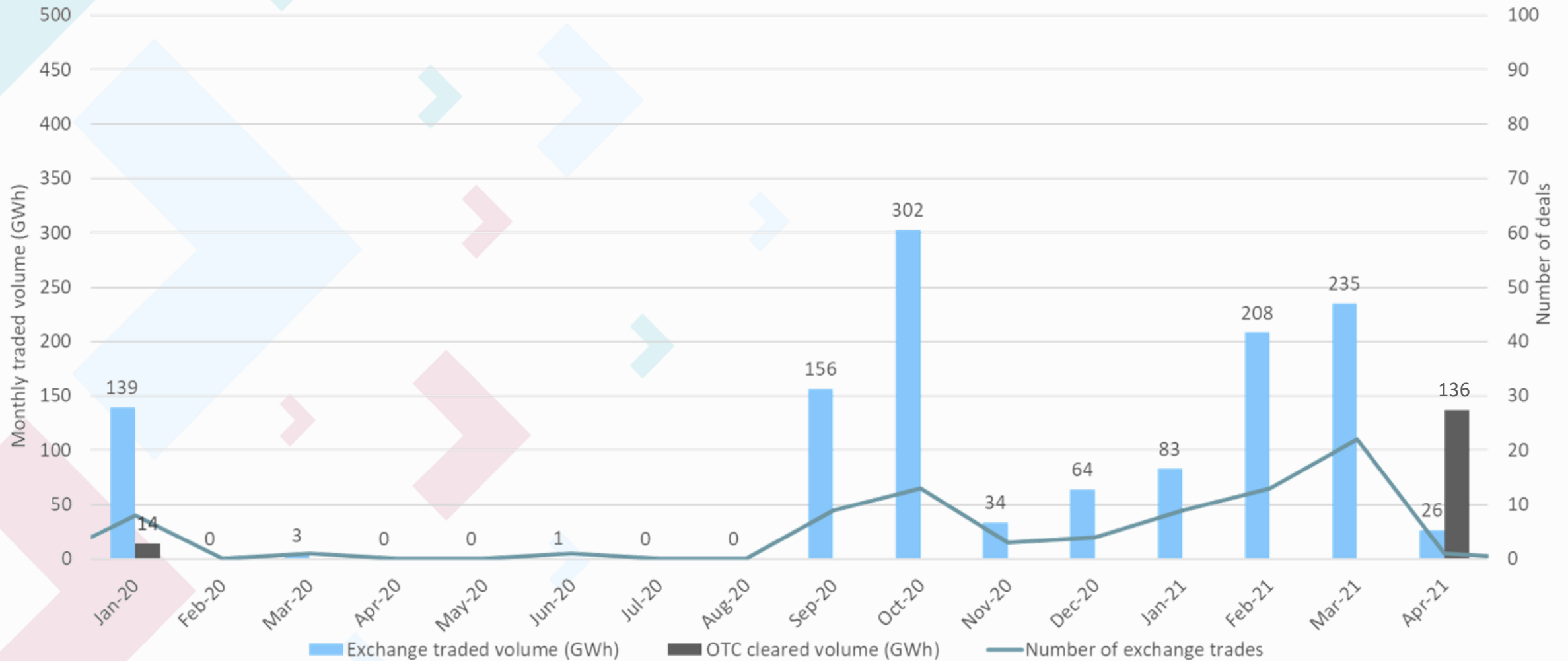
Source: CEEGEX



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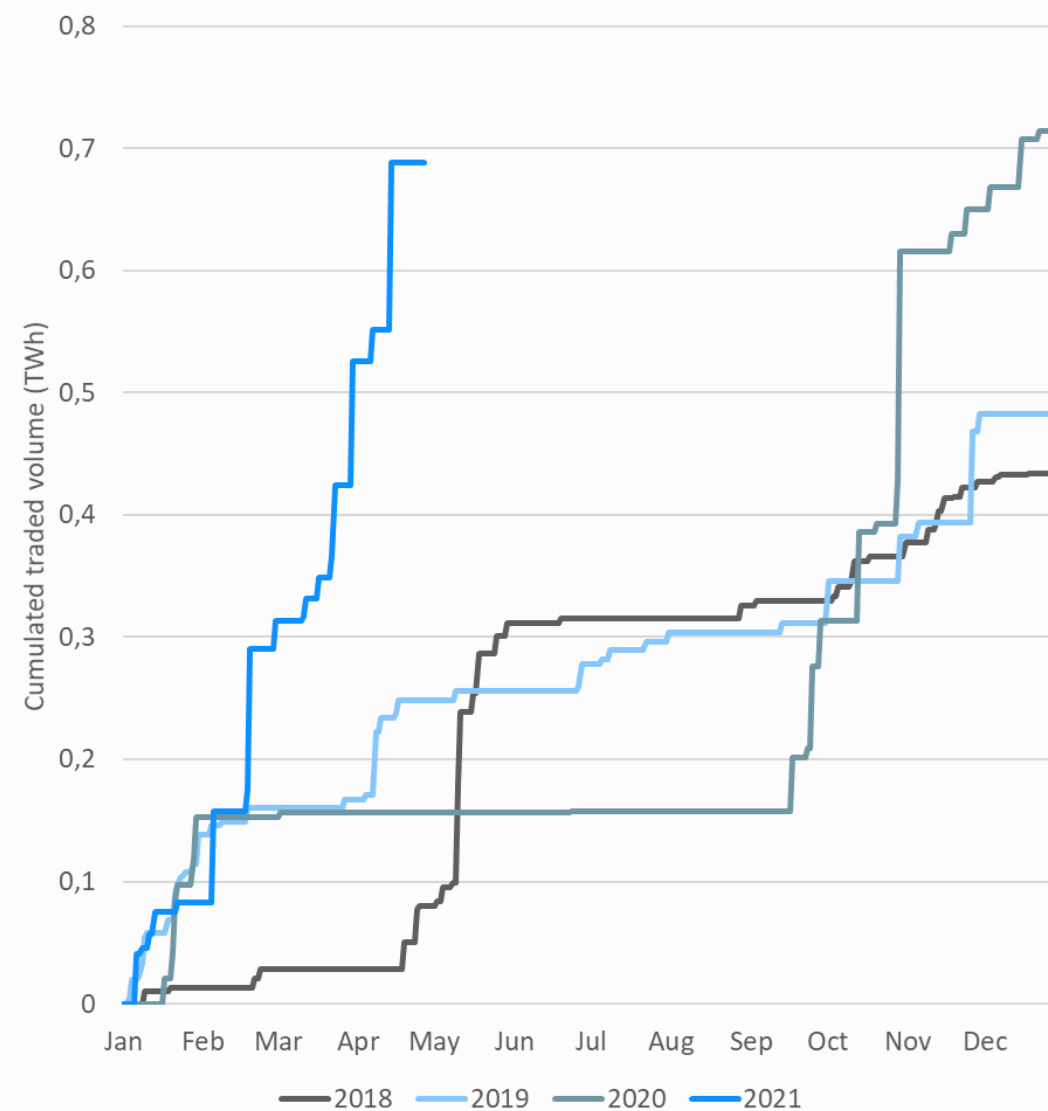
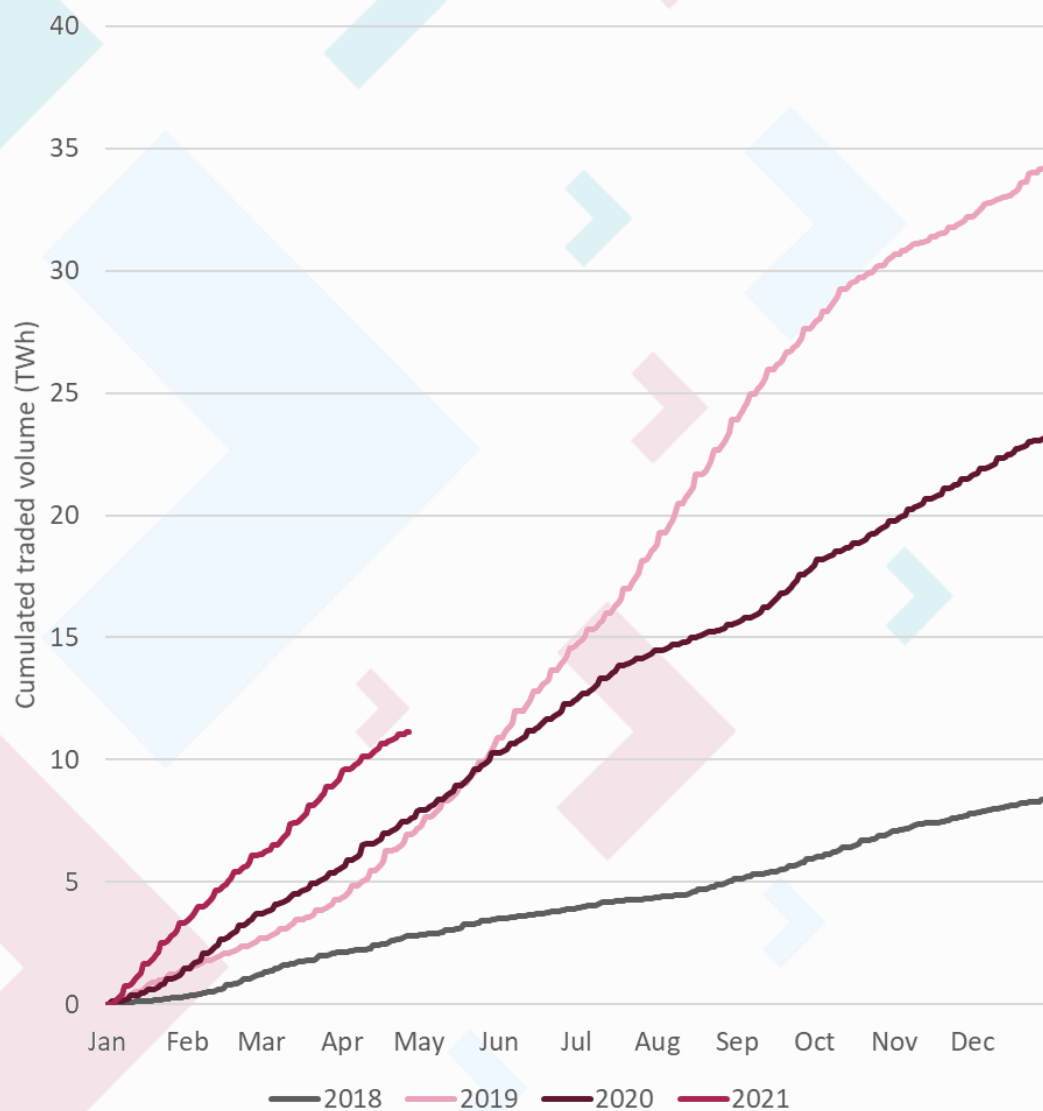
HUDEX Natural Gas Segment

Source: HUDEX



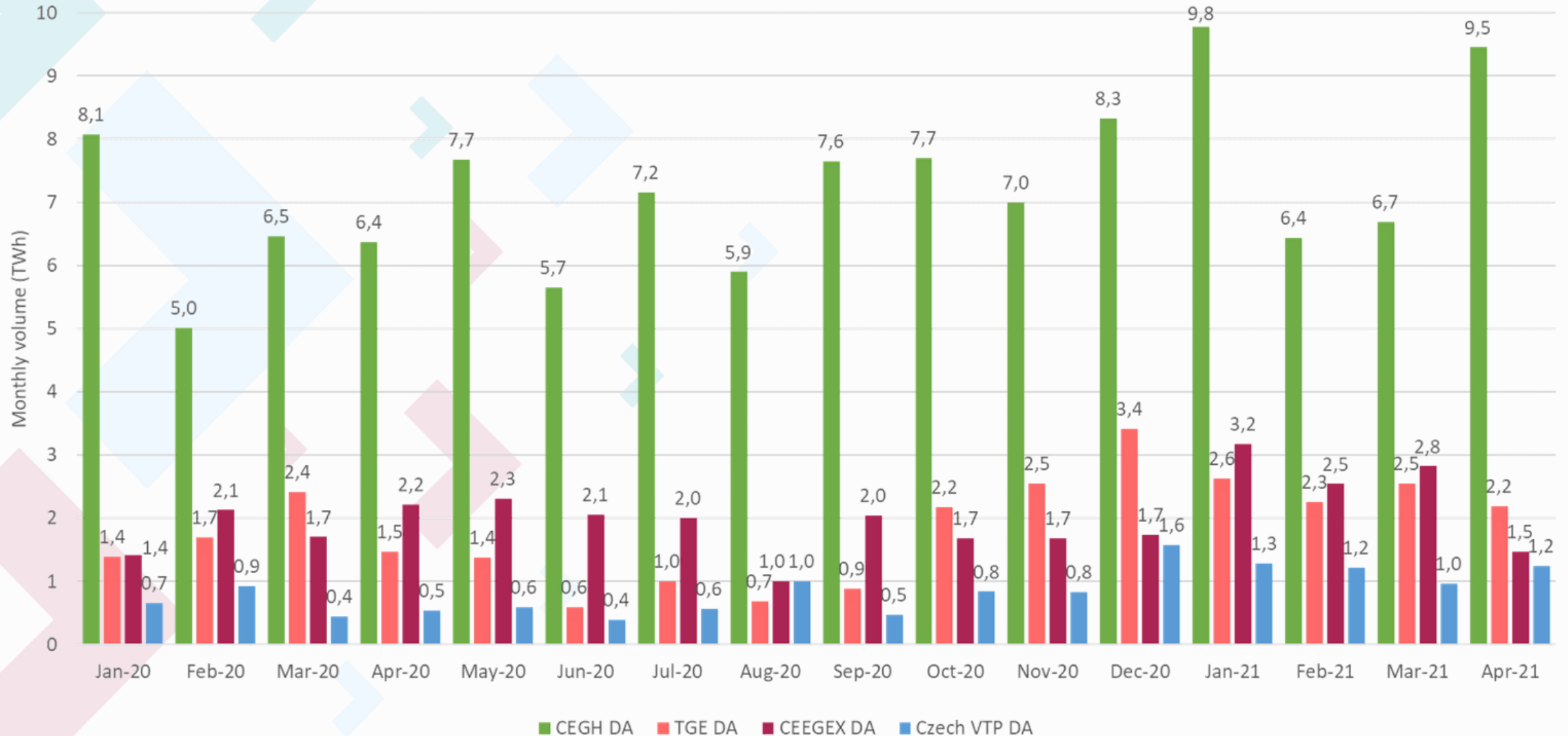
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CEEGEX and HUDEX Natural Gas cumulative annual volumes



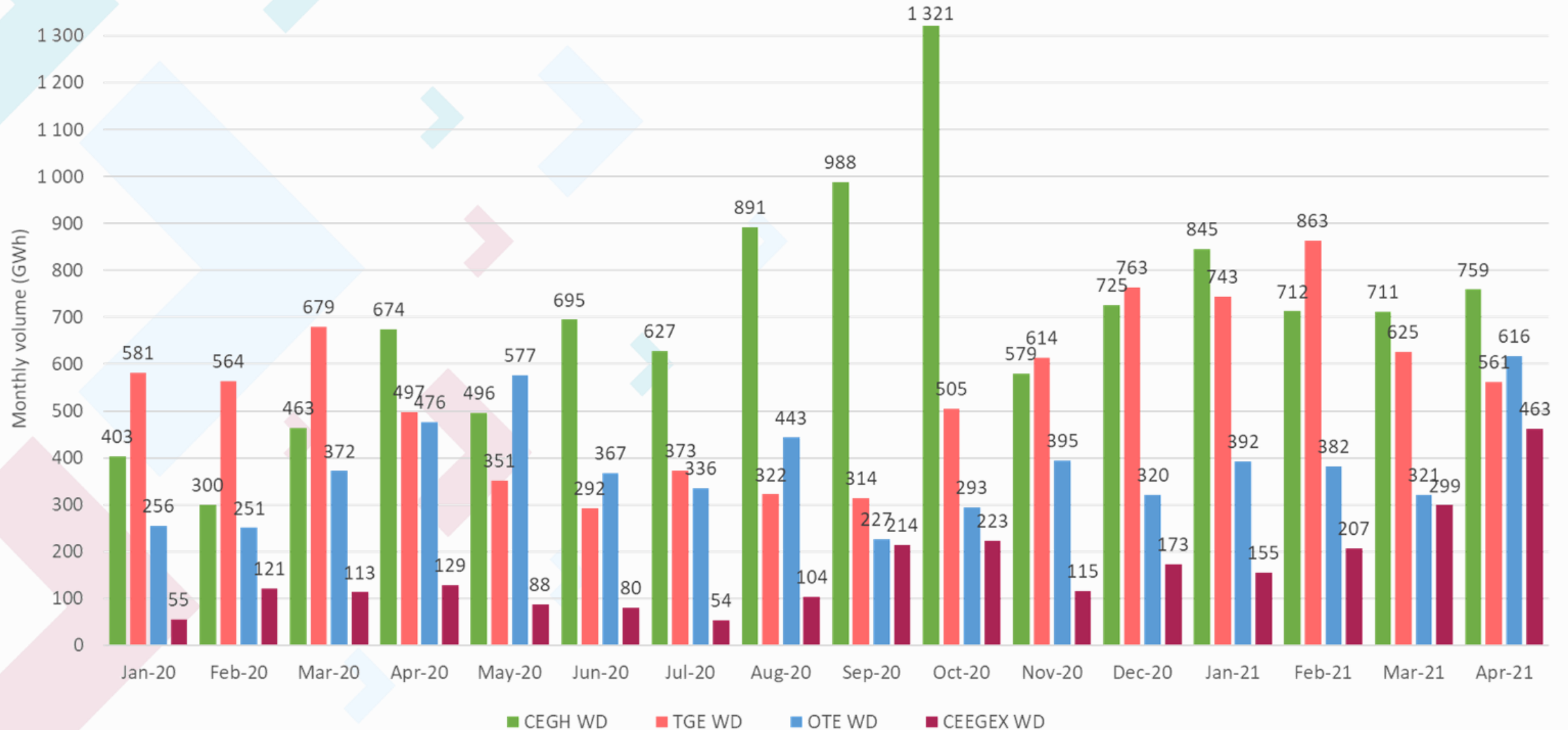
Regional Day-Ahead monthly volumes

Source: EEX, TGE, CEEGEX



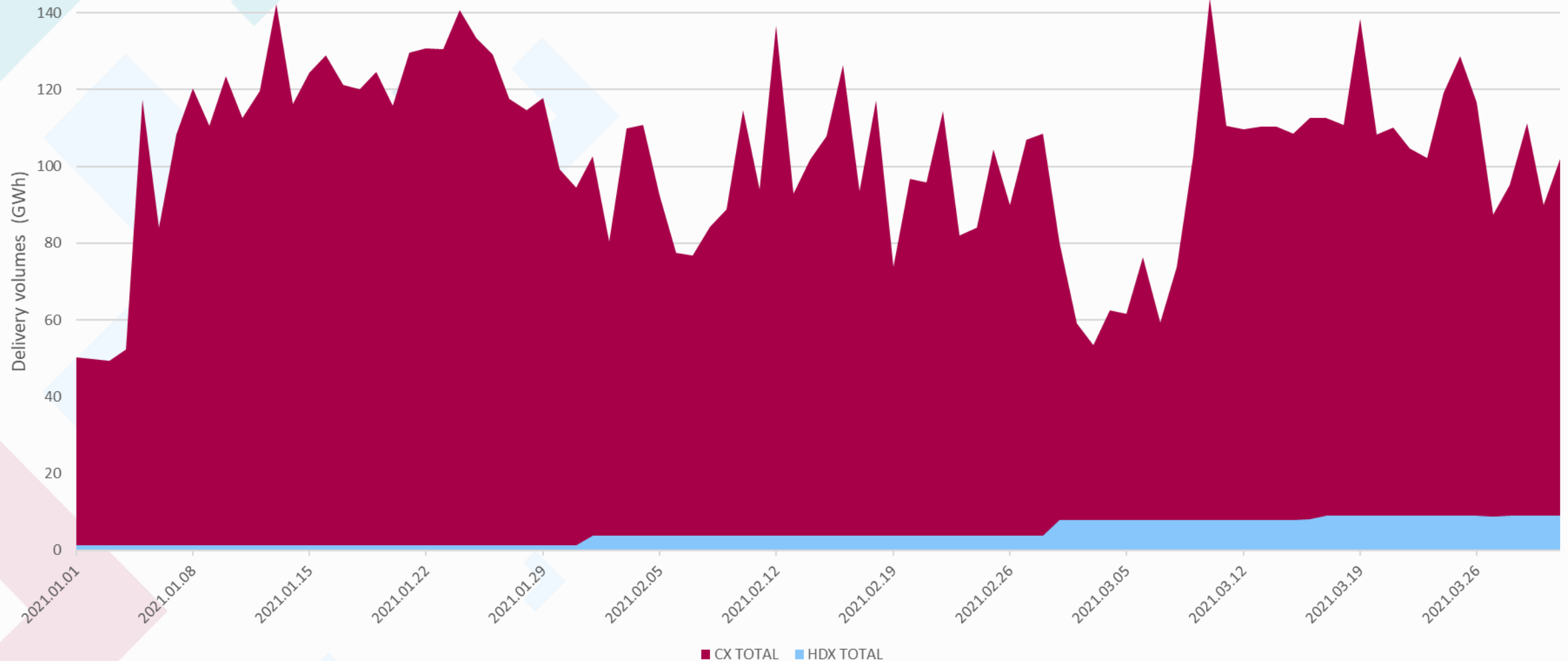
Regional Within-Day monthly volumes

Source: CEGH, TGE, OTE, CEEGEX



CEEGEX DA vs. HUDEX Natural Gas delivery volumes

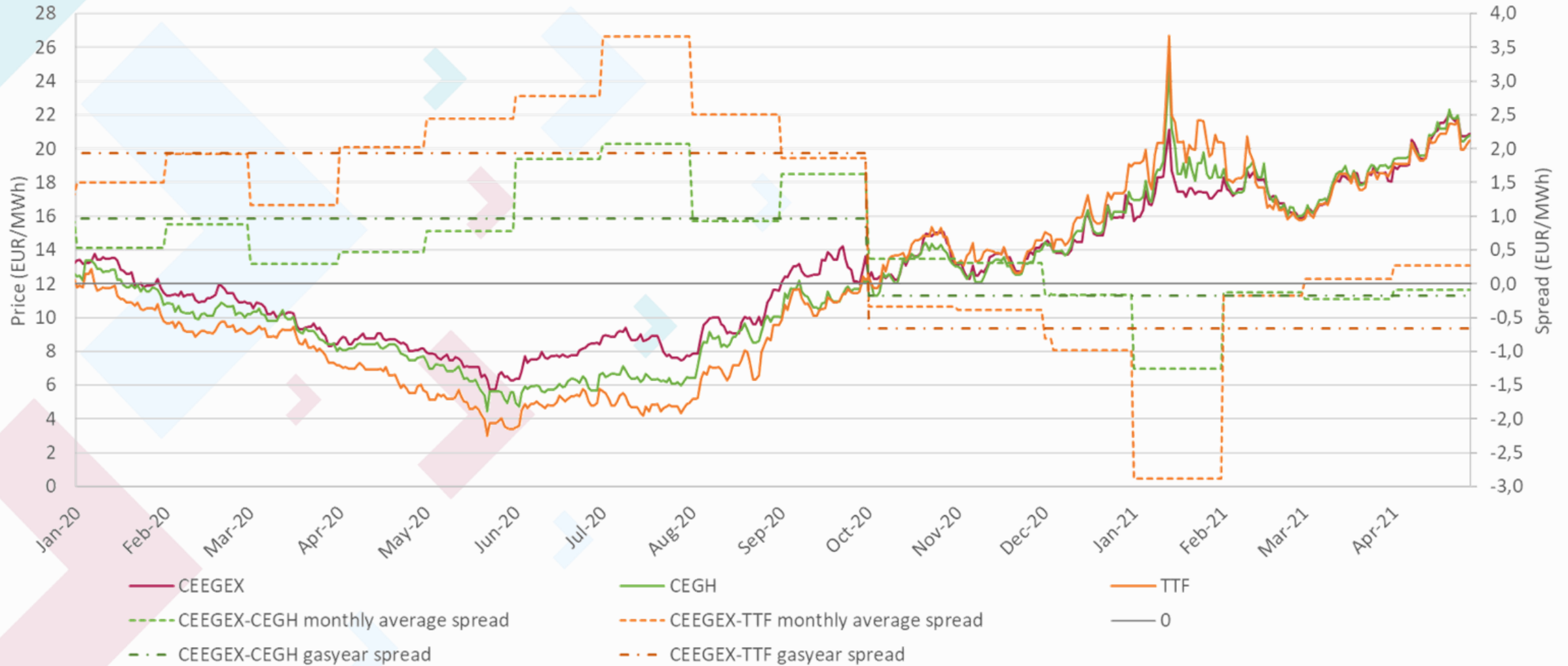
Source: CEEGEX, HUDEX



In the first quarter of 2021, both CEEGEX spot market and HUDEX Natural Gas segment showed increasing and stable liquidity. Based on the current deals, HUDEX doesn't affect CEEGEX volume, however we see the increasing trend on both market.

Hungarian and benchmark spot gas prices

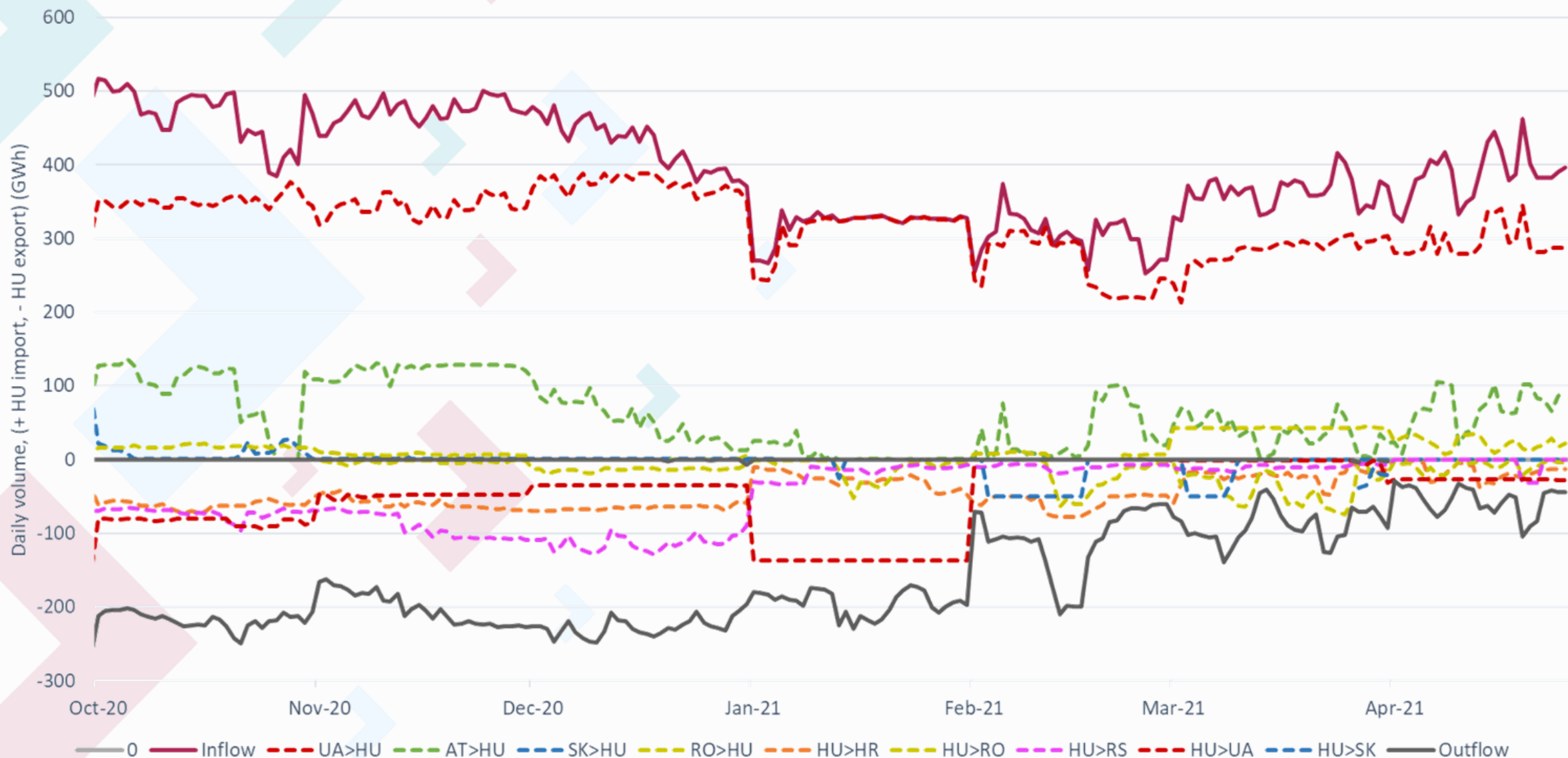
Source: EEX, CEEGEX



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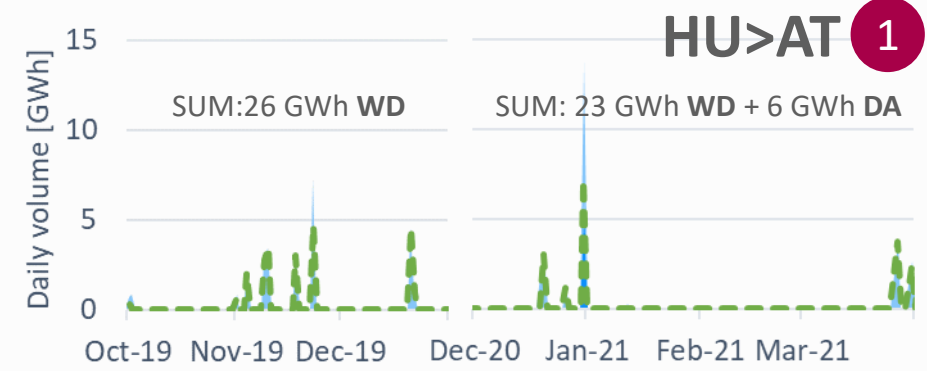
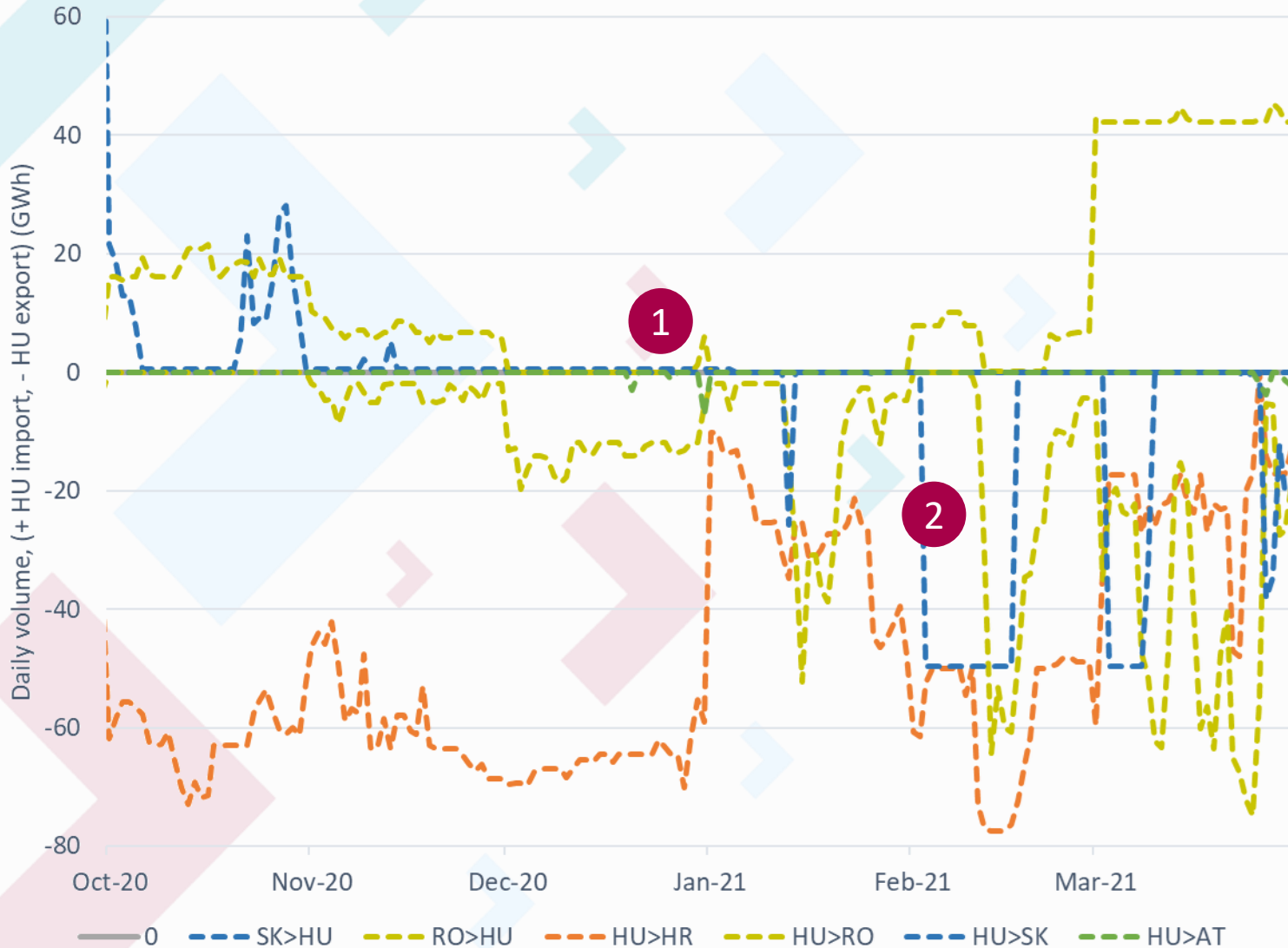
Gas flows on Hungarian cross-border points

Source: FGSZ IP

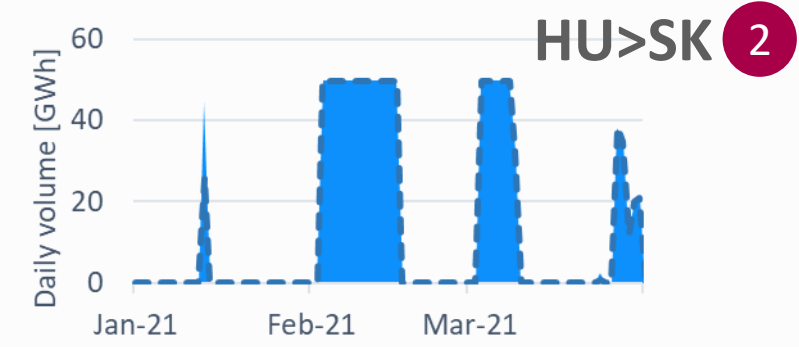


Cross-border capacity allocations - lower magnitudes

Source: FGSZ IP, RBP



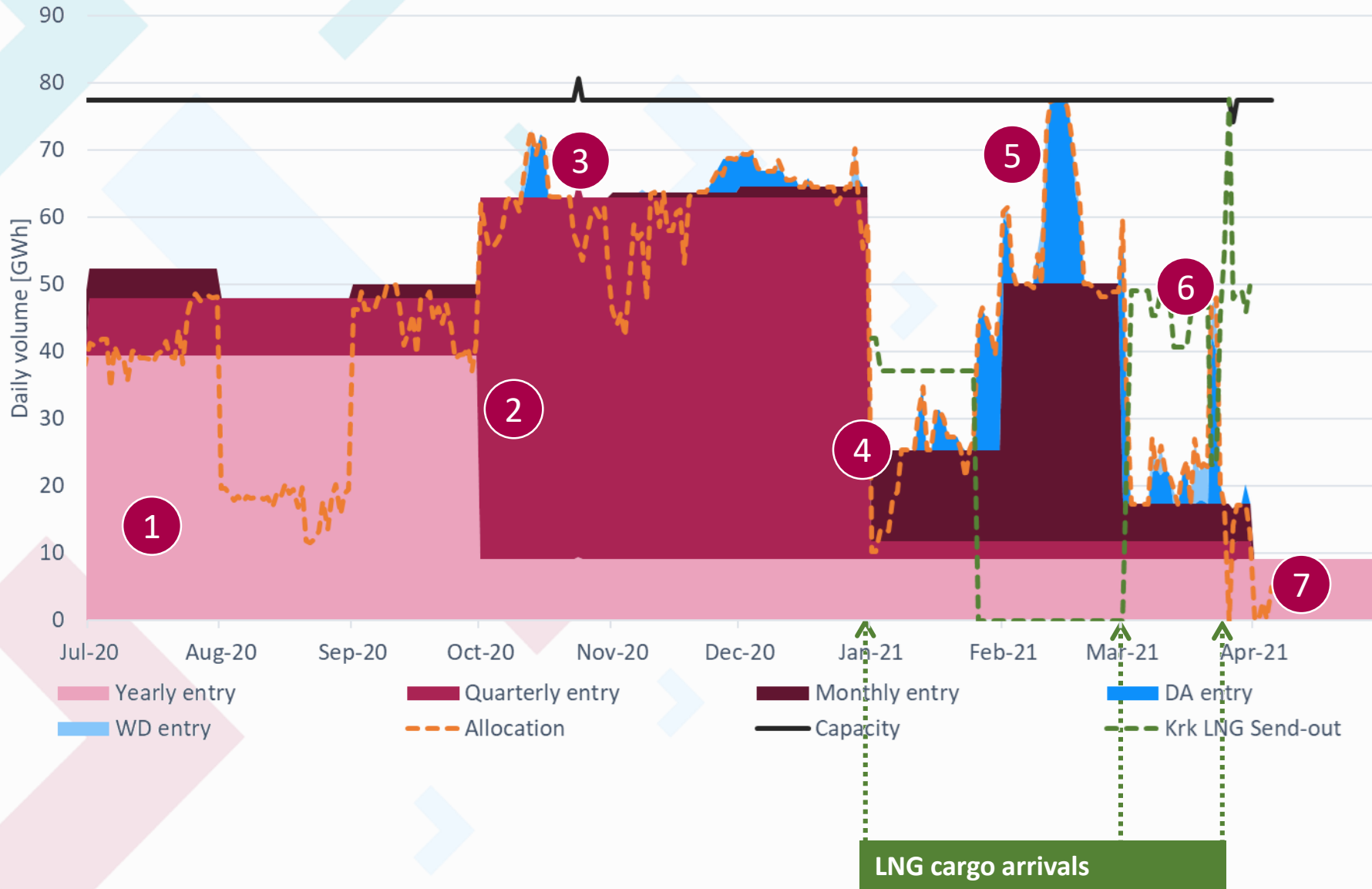
- Yearly entry
- Quarterly entry
- Monthly entry
- DA entry
- WD entry
- Allocation



- Yearly entry
- Quarterly entry
- Monthly entry
- DA entry
- WD entry
- Allocation

HU>HR capacity bookings changing trends with LNG

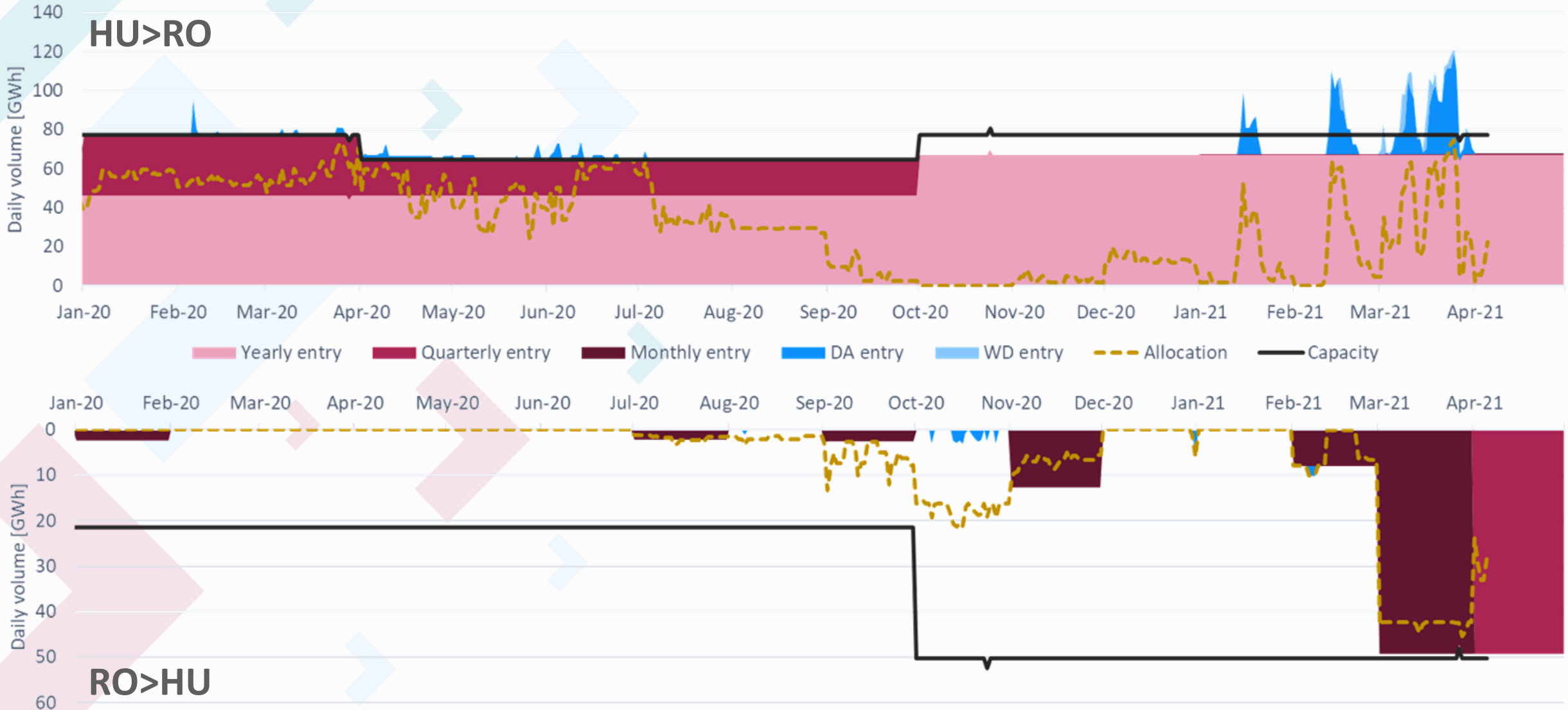
Source: RBP, FGSZ IP, ALSI, Meteoblue



- 1 Mainly yearly capacity bookings in the previous years
- 2 Huge quarterly capacity booked in Q4 2020
- 3 Significant DA capacity bookings compared to previous years
- 4 Start of Krk LNG terminal
- 5 Three-year high peak allocation during cold spell as Croatian temperatures dropped below 0 °C between 10-17th February
- 6 High LNG regasification and HU>HR allocation correlation
- 7 New quarter without booked monthly or quarterly capacity

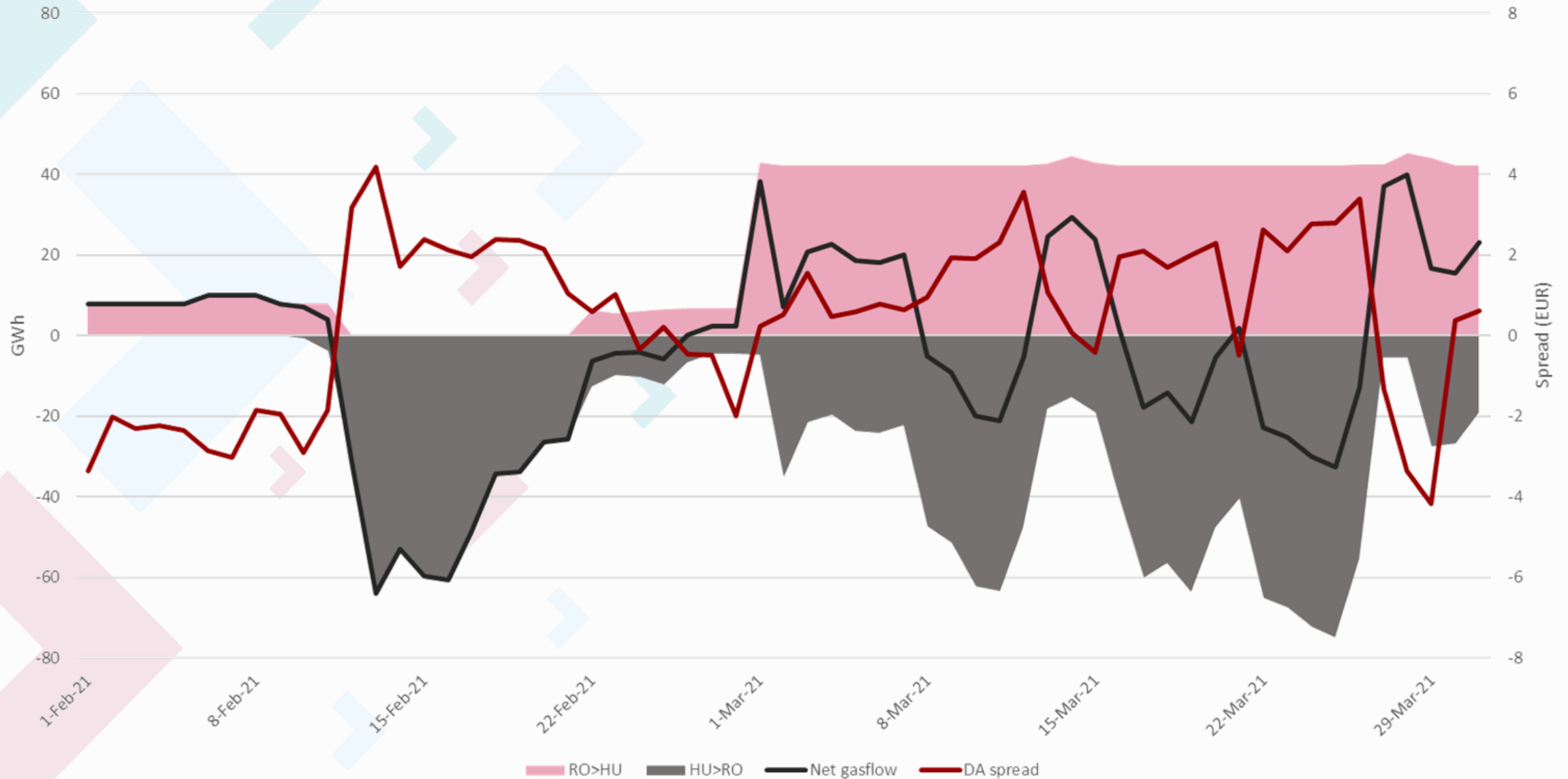
HURO bidirectional capacity bookings and allocations

Source: RBP, FGSZ IP



BRM prices and RO-HU gasflow

Source: BRM, CEEGEX, FGSZ



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