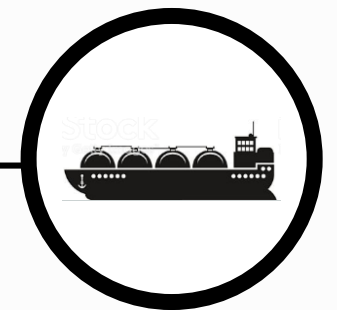# Global & Regional Market Analysis

Natural Gas

January 2022

07/02/2022

Stories of the recent weeks

German utility Uniper announced it had secured €10bn of credit facilities from Finnish majority shareholder Fortum and the German national development bank KfW in order to comply margin calls due to the recent surge in gas market prices and high volatility.

LNG deliveries to Europe climbed to their highest level since last Apr, the Asian benchmark JKM Feb contract settled at a 2-month low (~91 EUR/MWh).
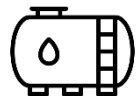
The Dutch government wants to nearly double output from the Groningen gas field from 3,9bcm to 7,6bcm in current gas year due to a delay in alternative low-calorific gas supplies and higher demand from Germany.

The European Union's anti-trust chief on Thursday (13 January) said she had asked gas companies including Gazprom about tight supplies after accusations the Russian giant was holding back extra production that could be released to lower soaring prices.
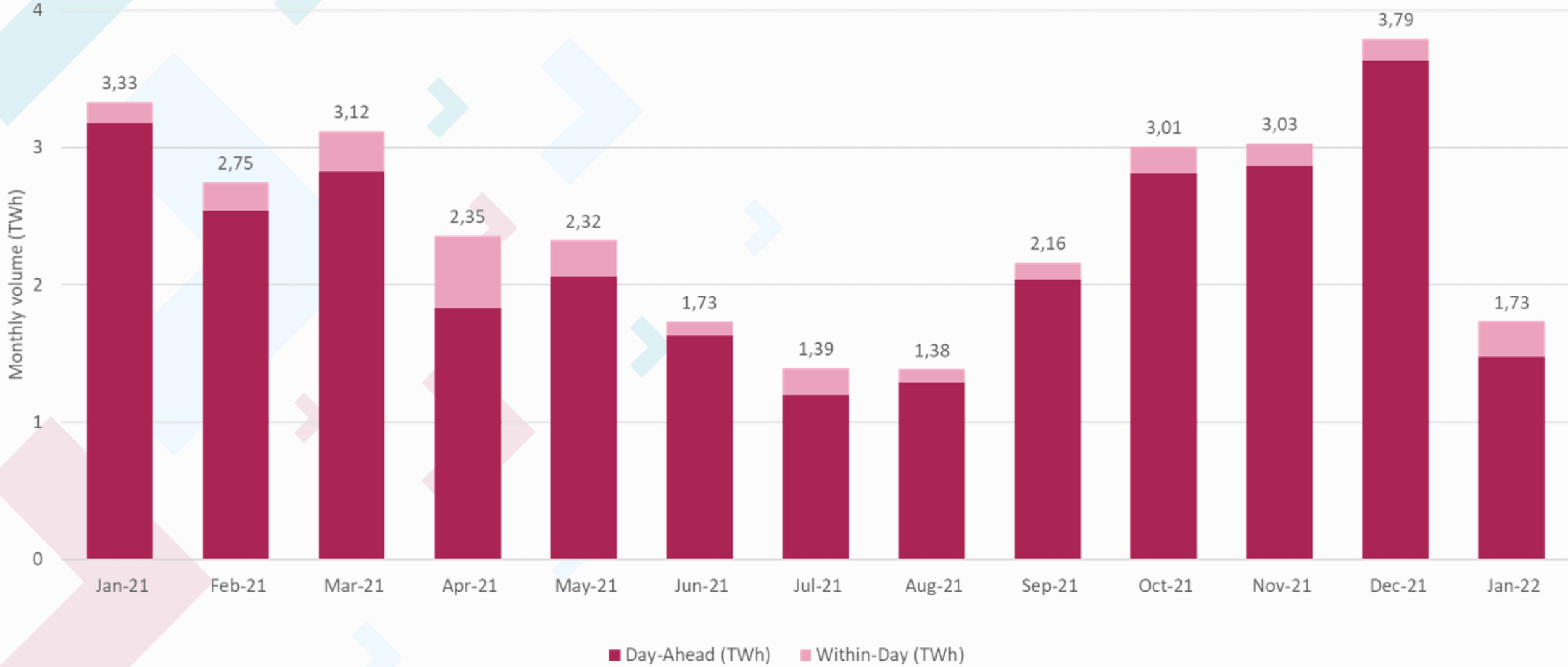
European storage sites may end the winter just 10% full, which would continue to support summer-delivery contracts at key hubs.
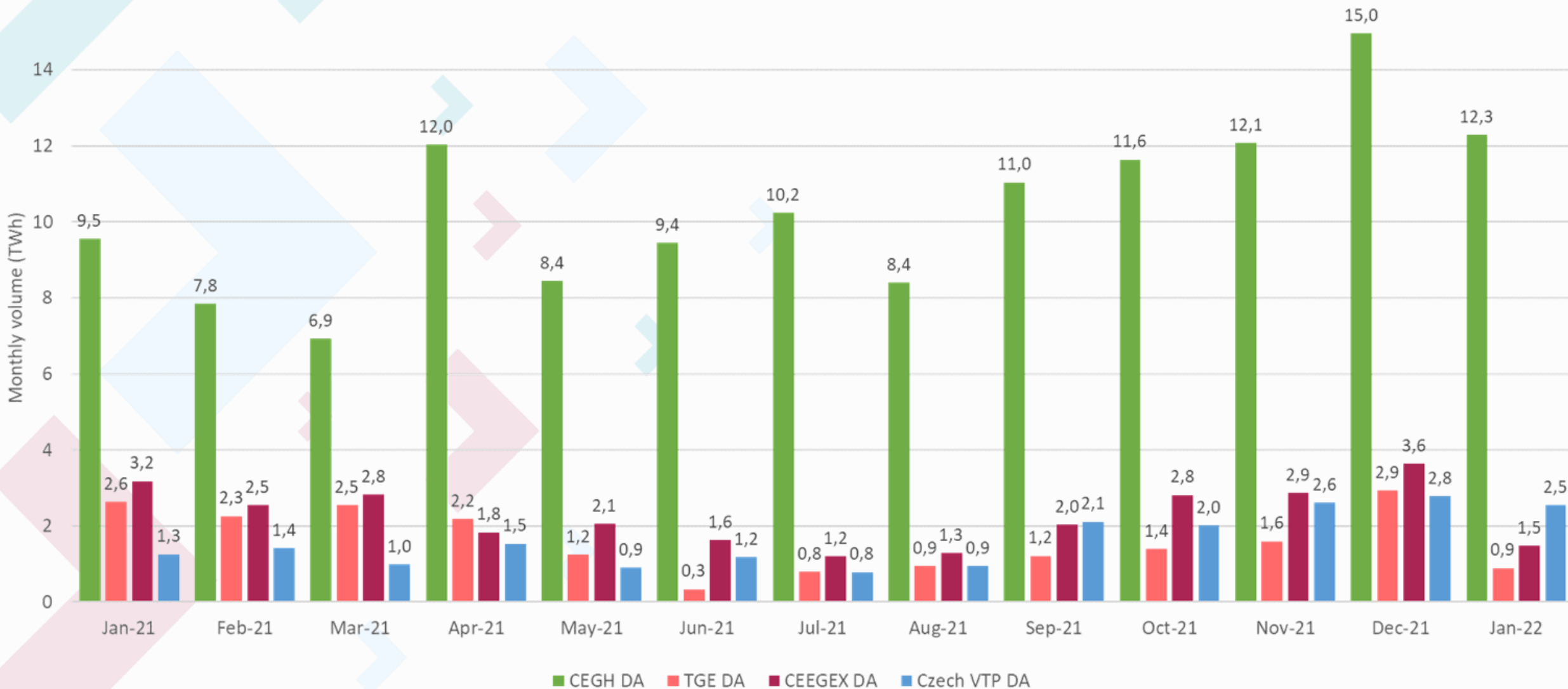
CEEGEX monthly traded volumes

Regional Day-Ahead traded volumes

Legend: CEGH DA, TGE DA, CEEGEX DA, Czech VTP DA

Regional Within-Day traded volumes

Monthly volume (GWh)

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
CEGH WD	845	744	727	920	844	635	893	843	769	748	860	993	907
TGE WD	743	863	625	621	411	269	298	308	513	687	602	829	569
OTE WD	392	382	321	640	299	210	239	145	299	399	302	372	457
CEEGEX WD	155	207	299	524	266	98	196	96	121	195	163	164	254

■ CEGH WD   ■ TGE WD   ■ OTE WD   ■ CEEGEX WD
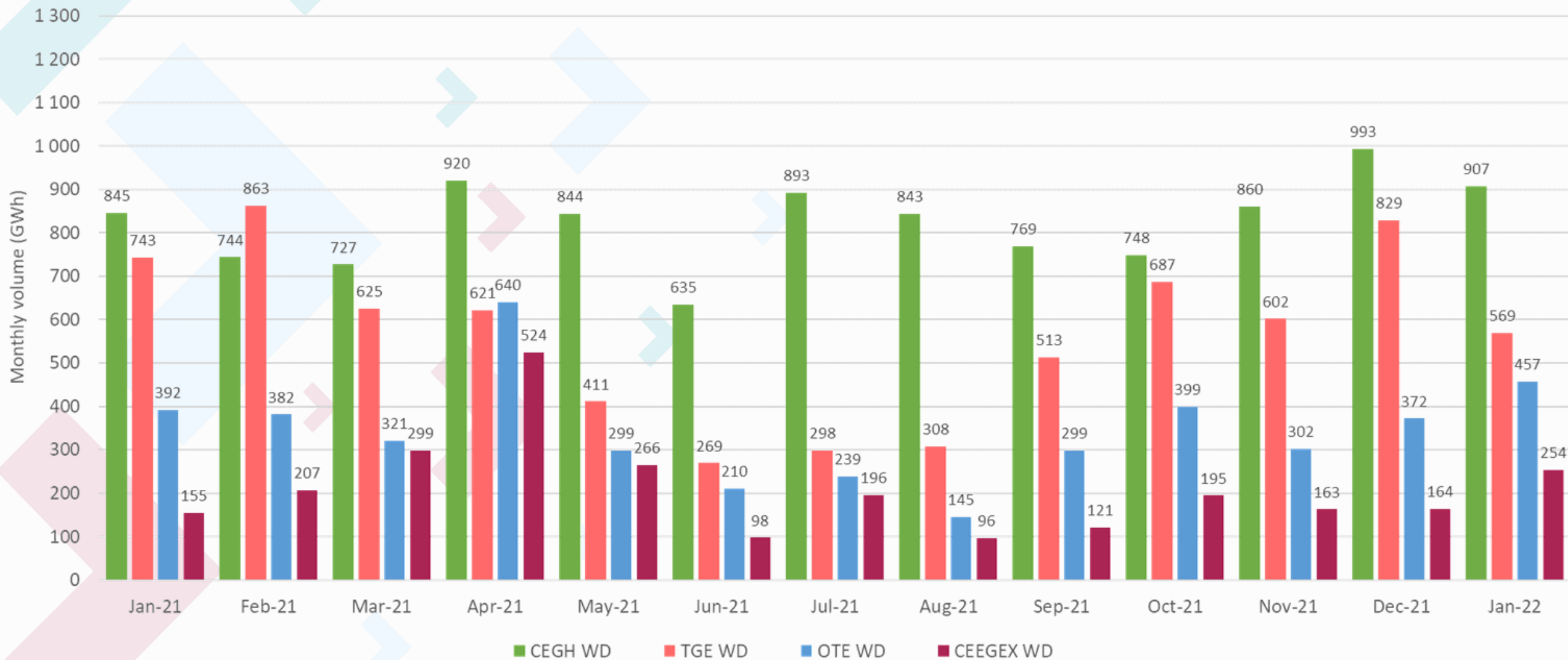
Emerging gas hubs & CEEGEX spot traded volumes
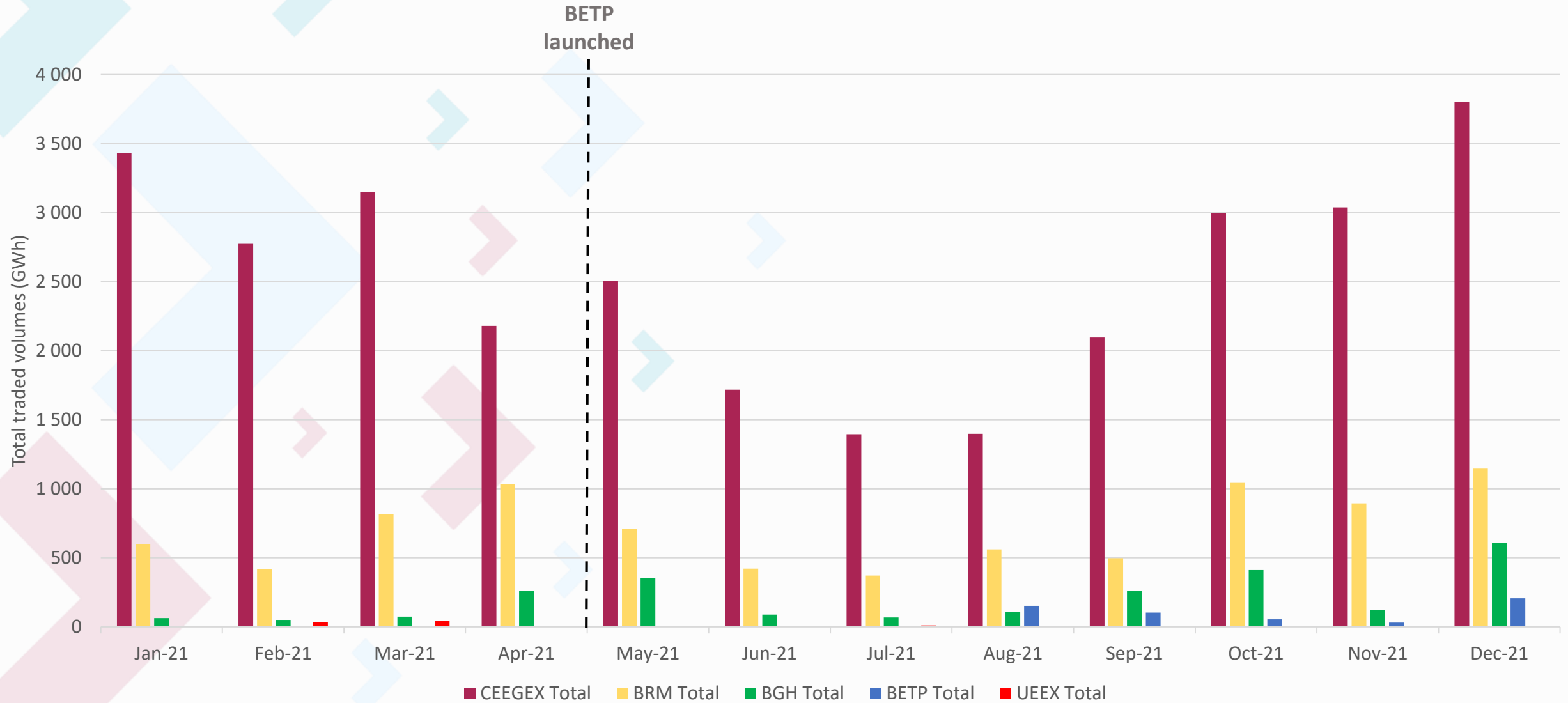
HUDEX Natural Gas Segment

Source: HUDEX
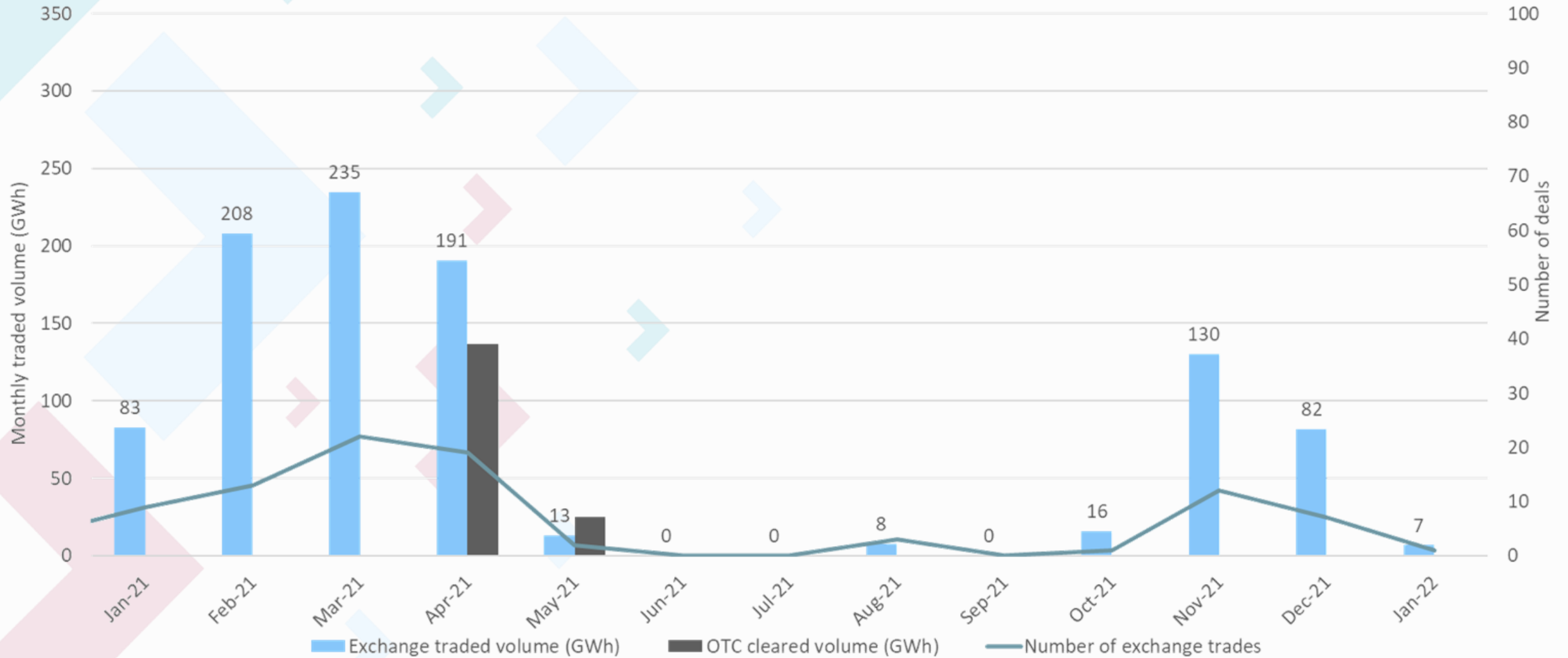
Spot prices and spreads

Legend:
- CEEGEX
- CEGH
- TTF
- CEEGEX-CEGH monthly average spread
- CEEGEX-TTF monthly average spread
- 0
- CEEGEX-CEGH gasyear spread
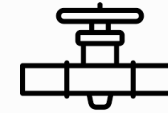- CEEGEX-TTF gasyear spread
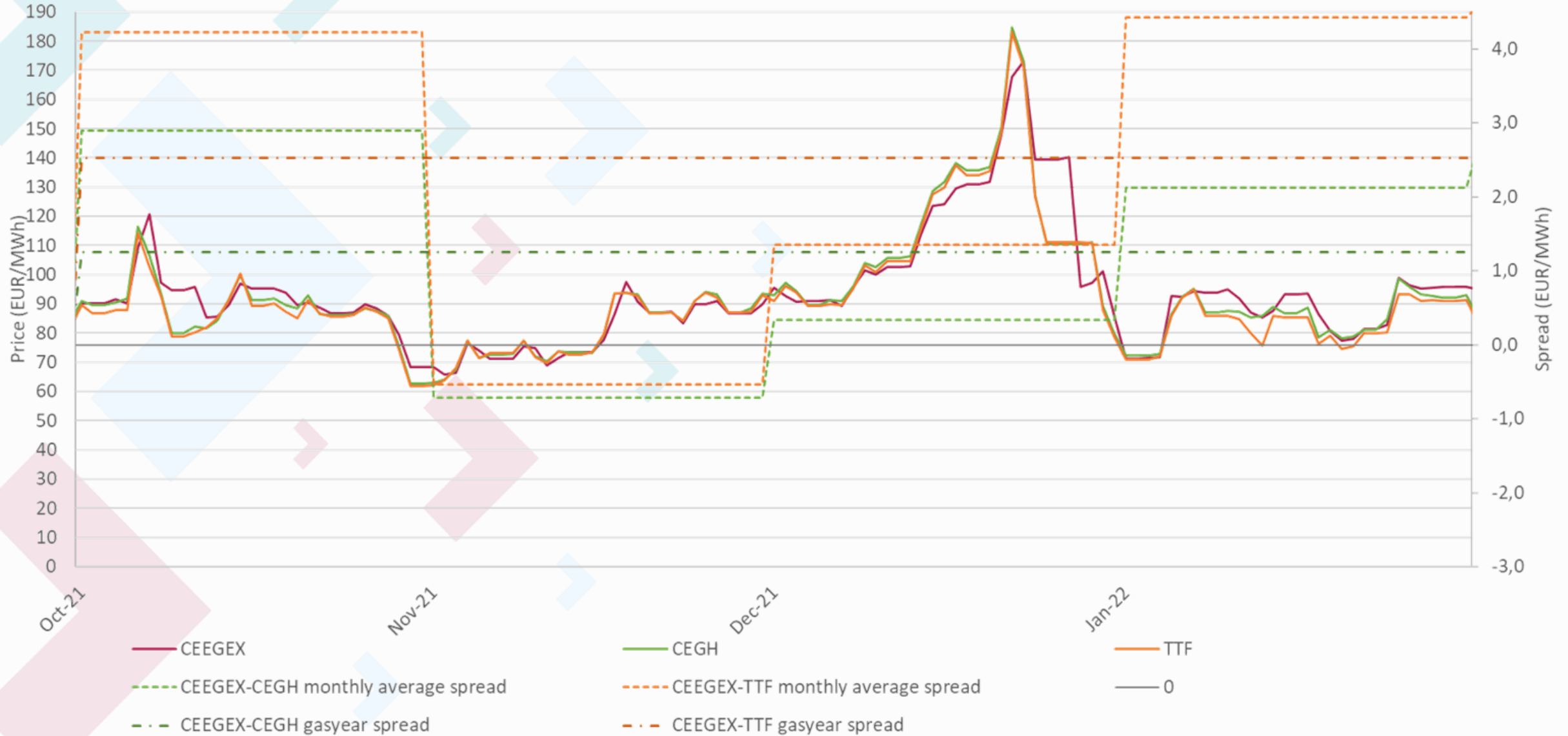
High average spread in January between TTF & CEGH
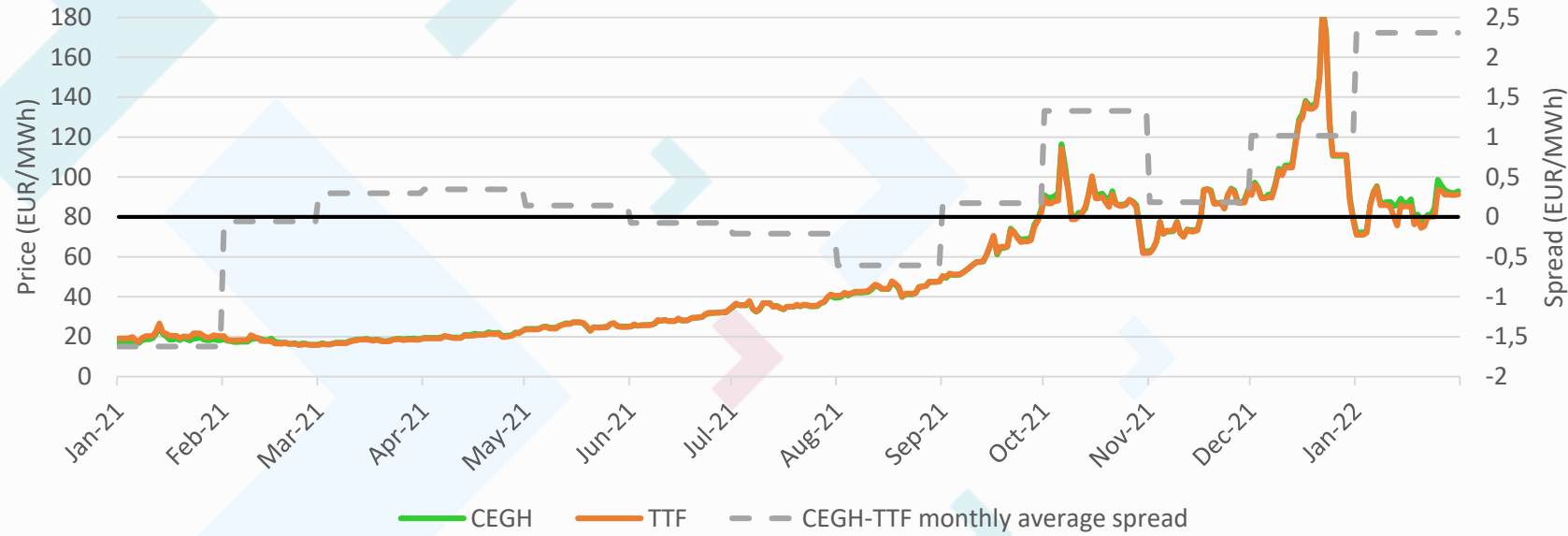
Key factors

Cold weather

Lack of Russian supply

LNG cargoes

The monthly average spread between TTF and CEGH has increased because of the highly volatile market. The reasons for the sudden price changes gathered around three key factors. In the first half of January, the price of natural gas rose due to colder-than-expected weather. This mitigated during the month leading to a slight decline in prices.

Yamal pipeline continued to be in reverse mode during the month. Some European Union lawmakers have accused Russia of intentionally withholding gas in order to apply pressure on German regulators in the case of Nord Stream 2. The flow of natural gas has also been affected by the political conflict between Russia and Europe over military mobilization near the Ukrainian border.
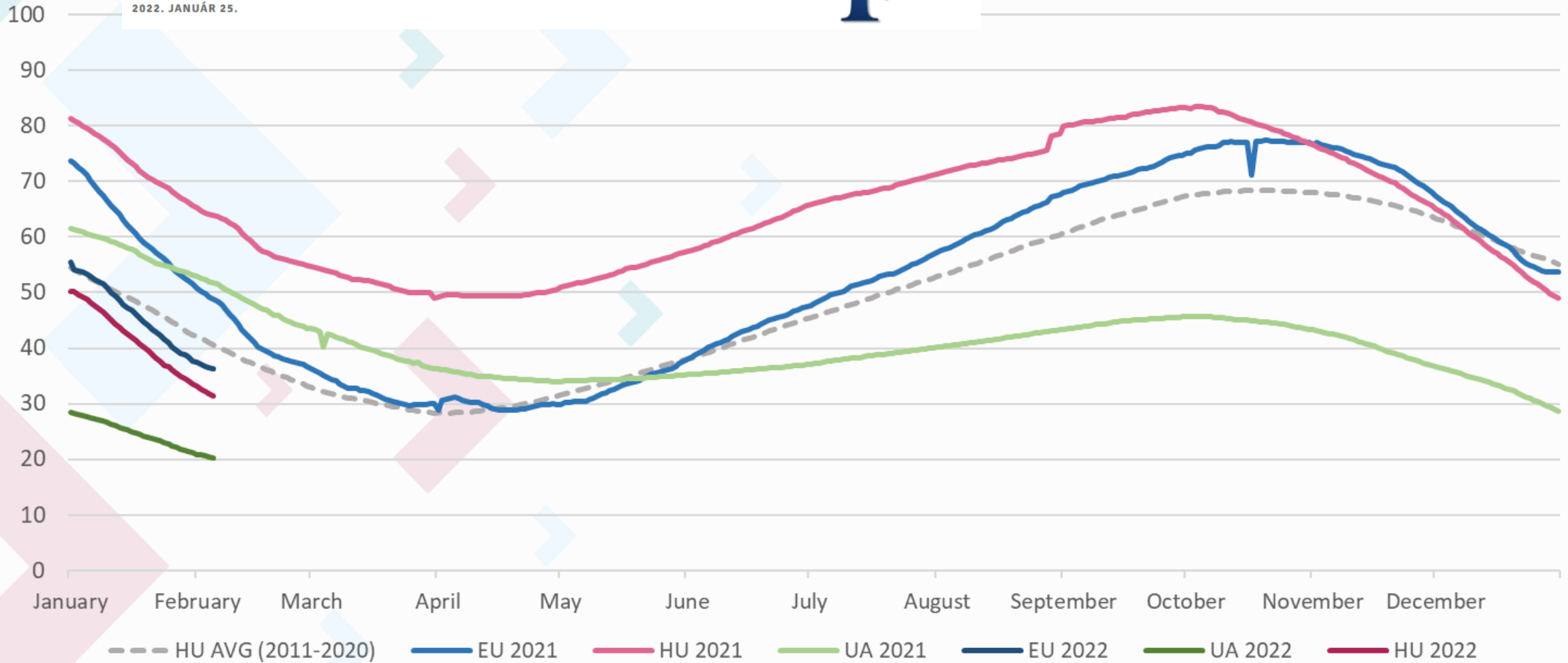
High prices and lower shipping rates drew U.S. LNG cargoes to Europe, which helped to avoid getting closer to the extreme prices of the previous month.
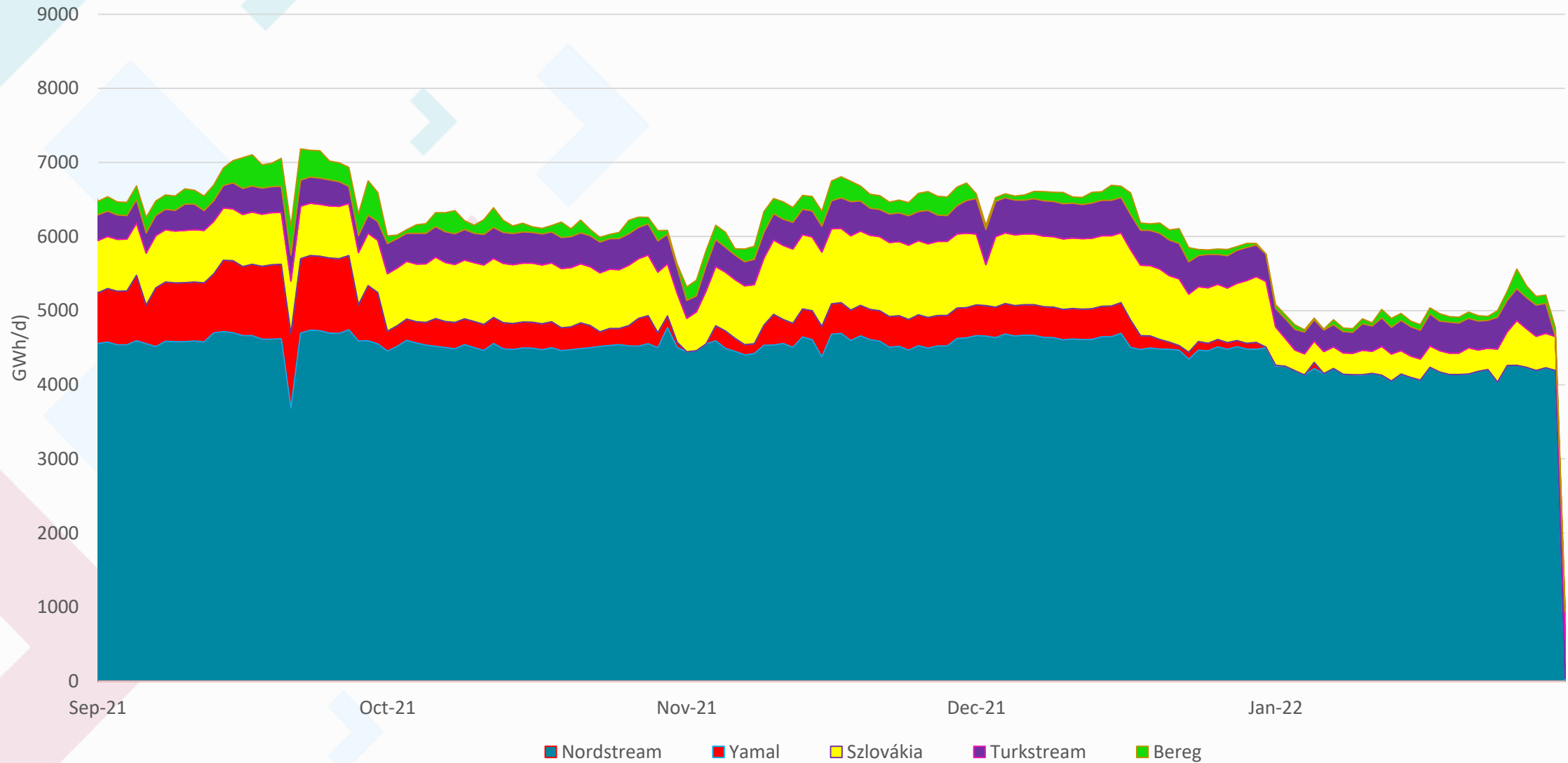
Storage level in EU, Hungary and Ukraine
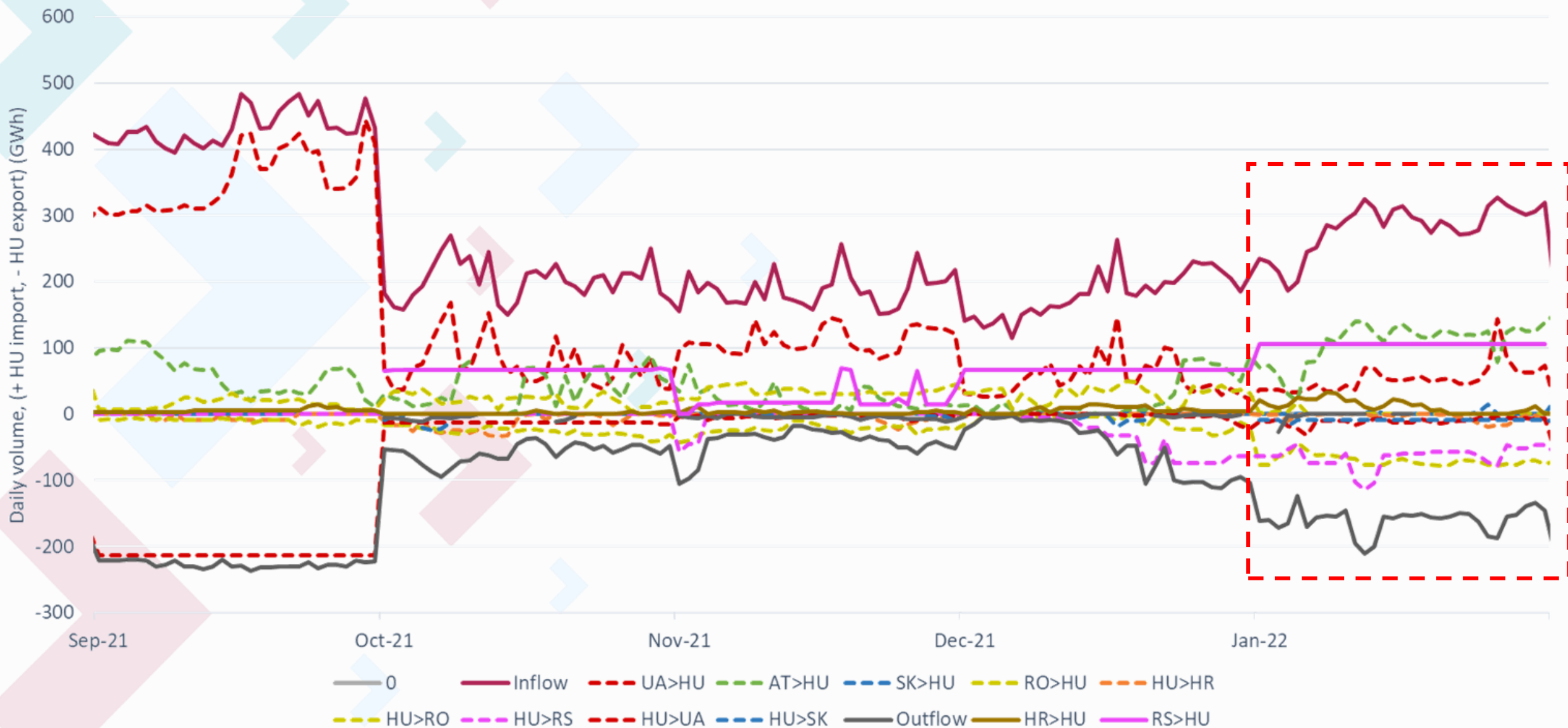
Gyorsan fogy a magyar gáztartalék

2022. JANUÁR 25.

FORBES

Legend: HU AVG (2011-2020) · EU 2021 · HU 2021 · UA 2021 · EU 2022 · UA 2022 · HU 2022

Gasflow from Russia
Source: ENTSO-G

Legend: Nordstream, Yamal, Szlovákia, Turkstream, Bereg

Gas allocation changes

Trouble in Serbia?

Serbian natural gas import (2020-2022 January)
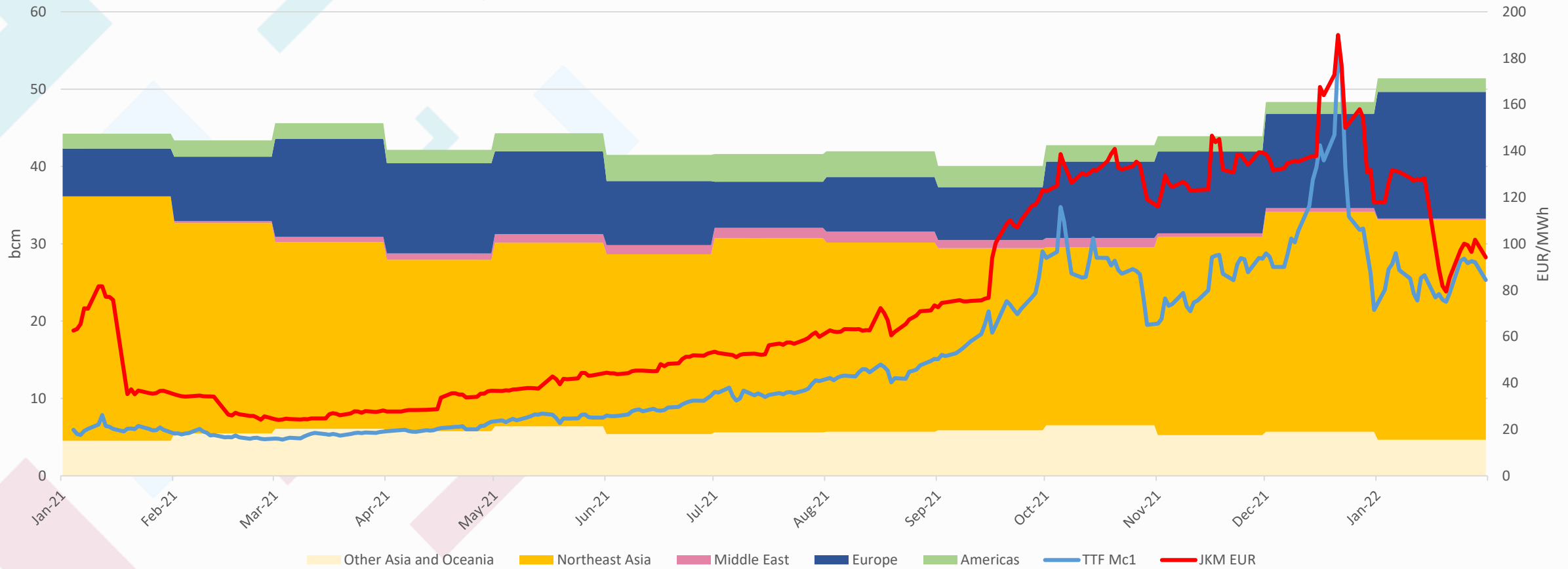
Legend: ■ HU>RS ■ BG>RS (without the gas sent to Hungary)
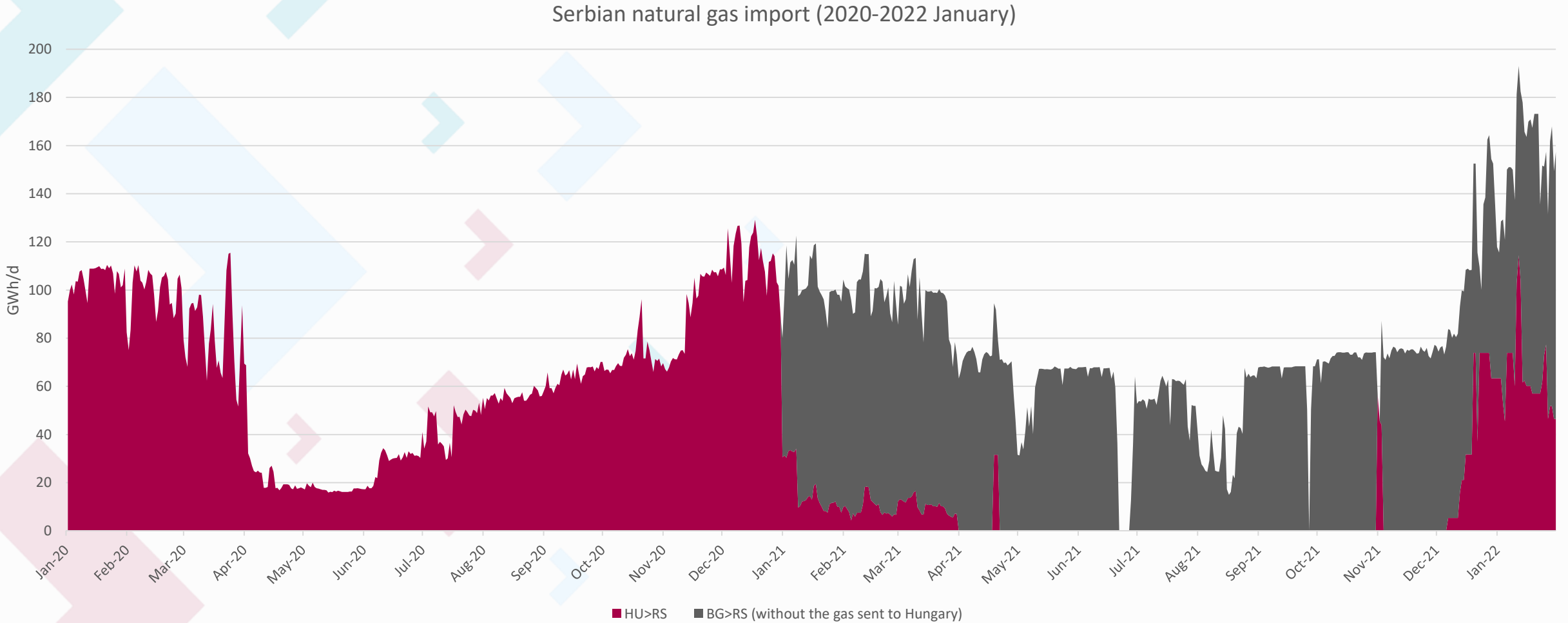
By the end of 2021, the natural gas import of Serbia had started to increase significantly, reaching an unusual high in January 2022.

World LNG import

High TTF prices have led to more LNG arriving in Europe in December 2021. European LNG imports reached record levels in January 2022. However, rising LNG exports caused JKM and TTF to fall in January. LNG is also becoming less of a scarce commodity in the Asian market. China, the largest importer of LNG in 2021, has announced an auction for surplus LNG purchased but not used.
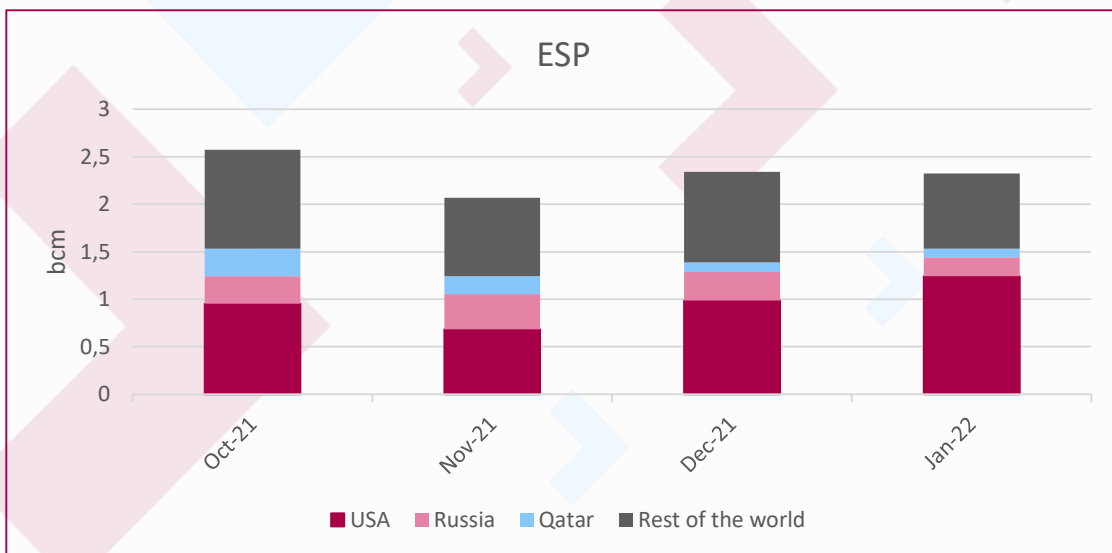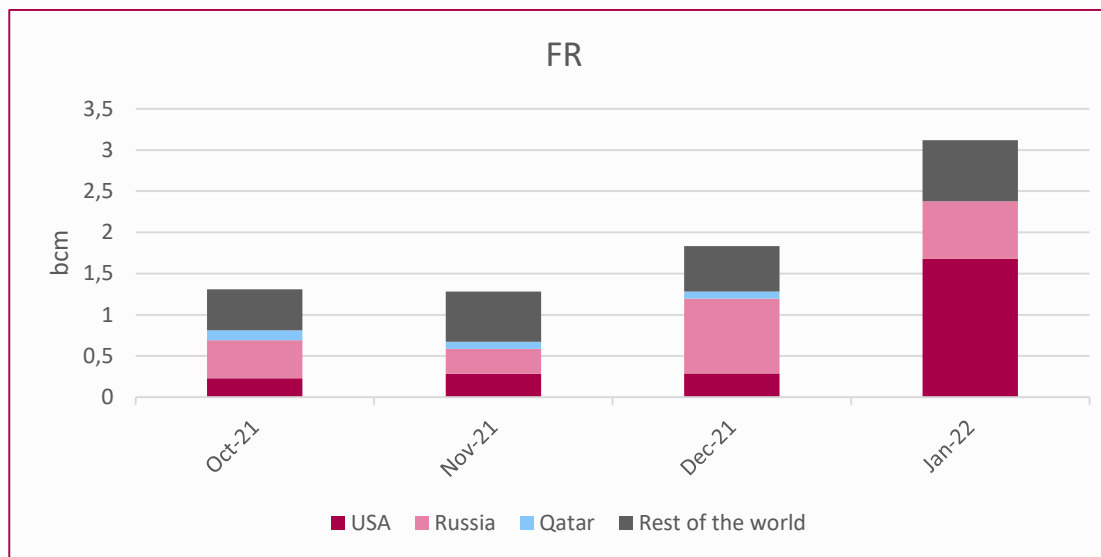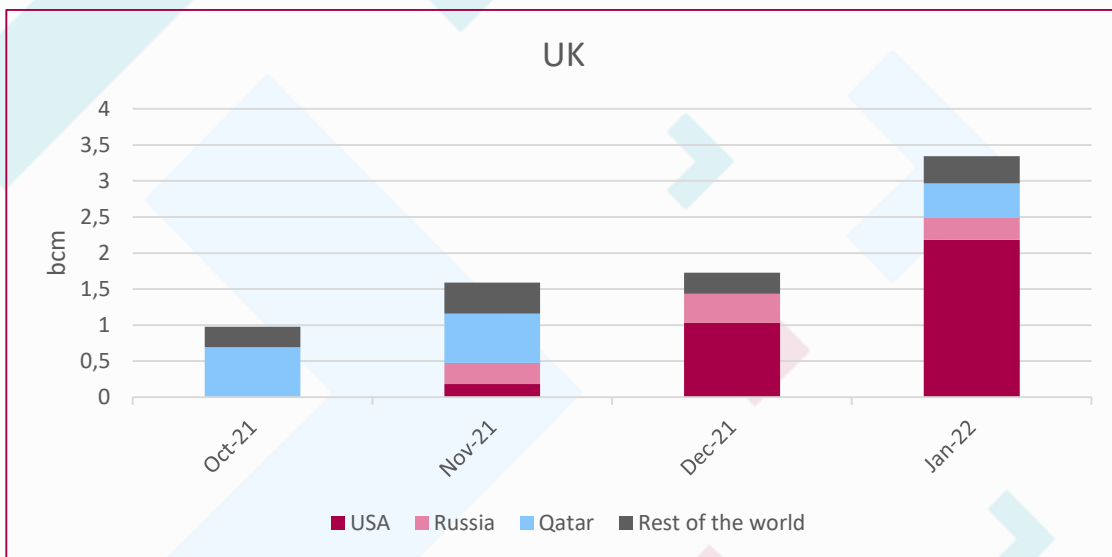
Record European LNG import
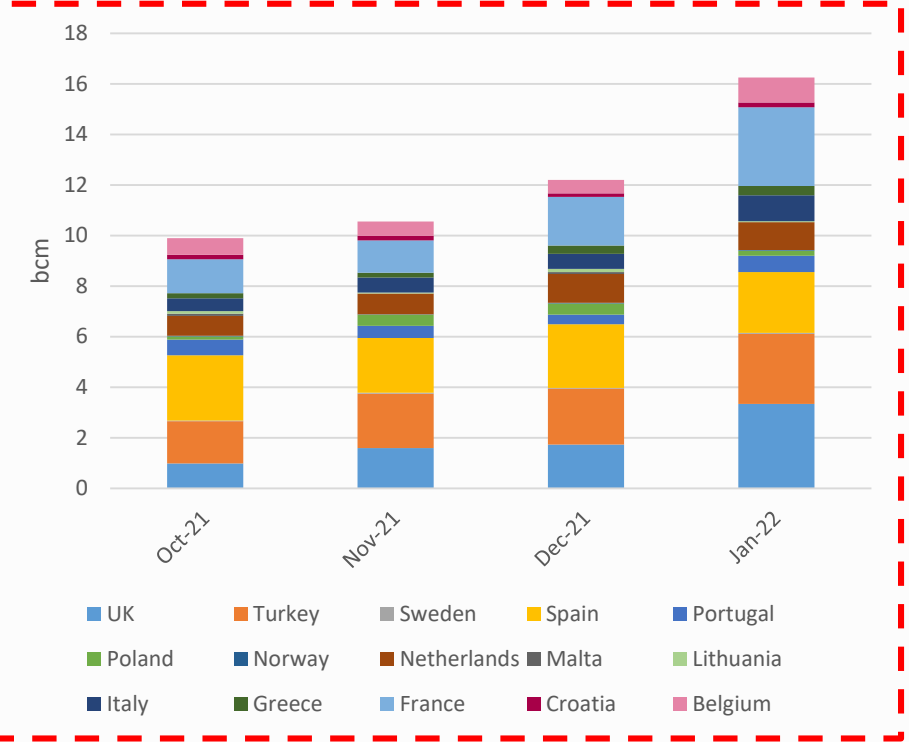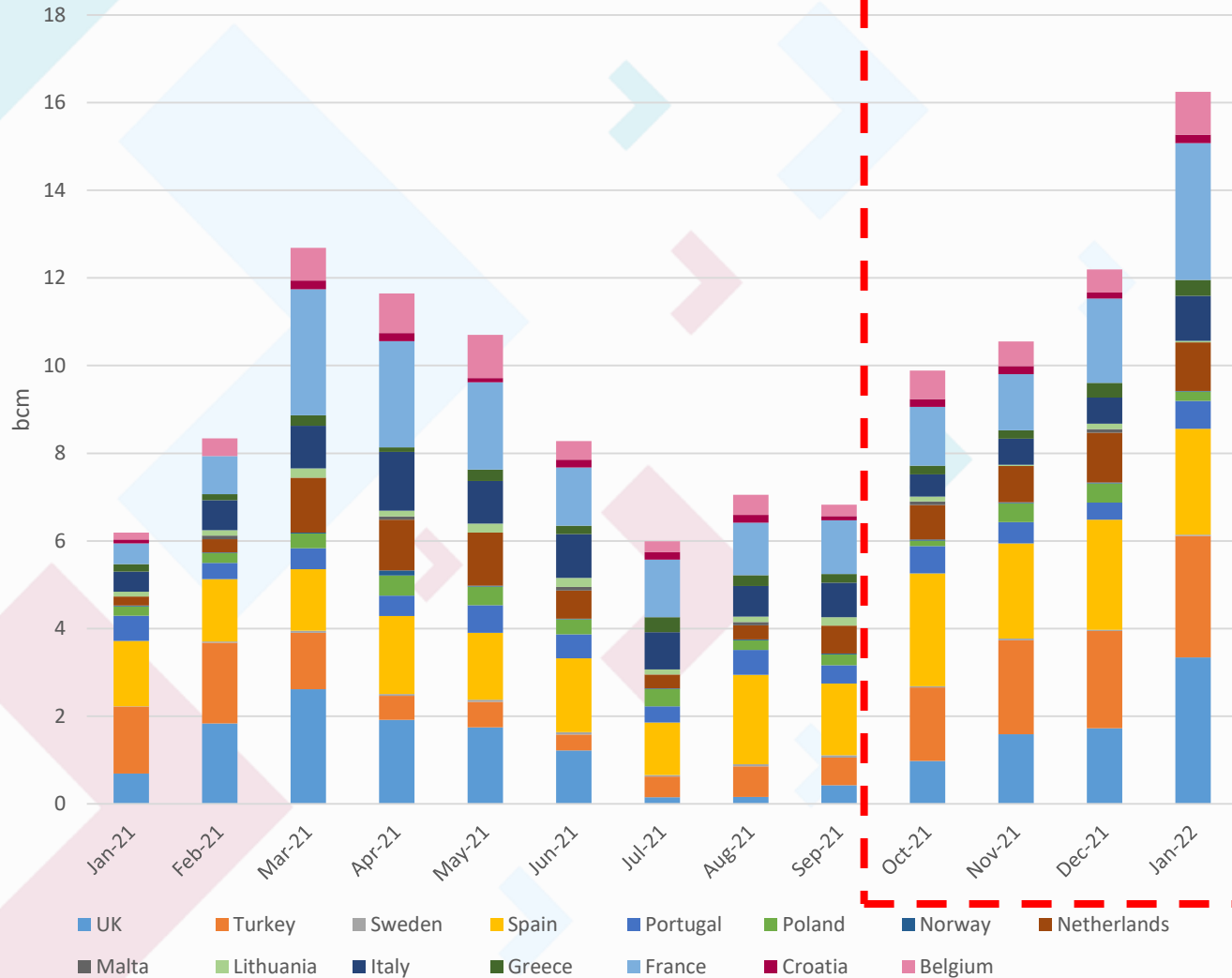
While relatively little LNG arrived in Europe in January 2021 due to particularly high LNG prices in Asia at that time, a record 16 billion cubic metres of LNG arrived in January 2022

Compared to the previous months, France, UK, Turkey, and Belgium have seen large increases in LNG their imports.

Where did the extra LNG come from?

In January 2022, the UK and France received the 2 largest volumes of LNG in Europe. The vast majority of their imports came from the US.

The lack of pipeline gas from Russia has significantly increased the importance of LNG from the US in the Western European gas market.