Global & Regional Market Analysis

Natural Gas

June 2019

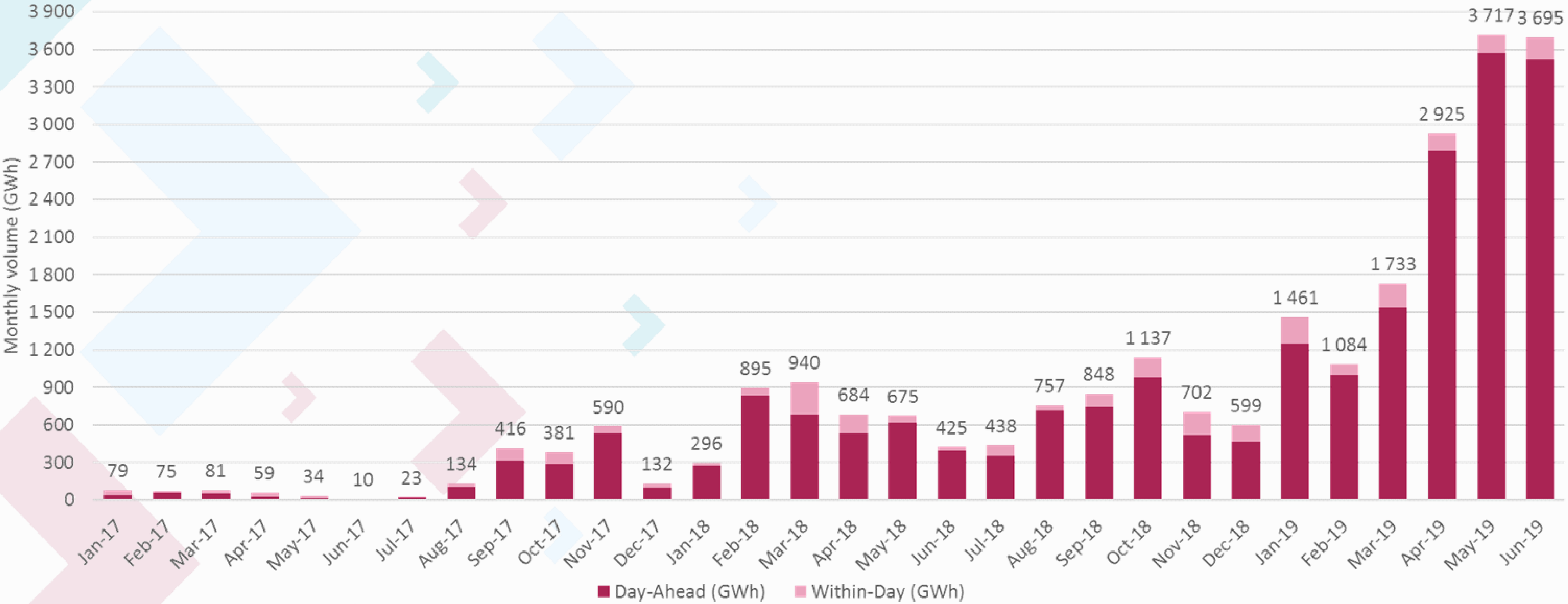
01/07/2019

Stories of June

- Bearish prices, high volumes on CEEGEX, high storage injection
- Widening spread between Europe and Asia, high storage, less LNG
- FGSZ acquired MGT, regulation open for new TSO
- Croatian - Hungarian gas market integration
- Bullish power prices and increasing spark spreads an all time horizon

Spot market monthly volumes of CEEGEX

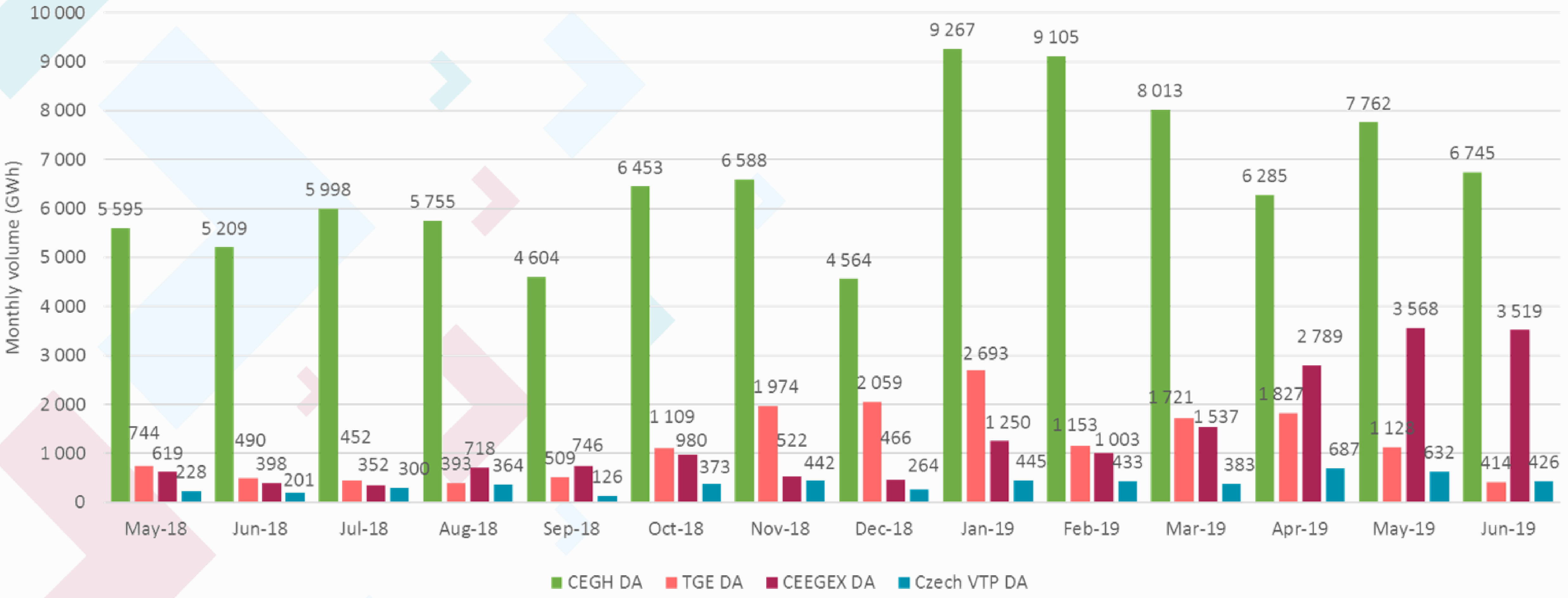
Source: CEEGEX



In June CEEGEX spot market volume came close to its record with 3.6 TWh traded volume, boosted again by Day-Ahead volumes. In this year the liquidity of CEEGEX neglects the ordinary seasonal patterns

Regional Day-Ahead monthly volumes

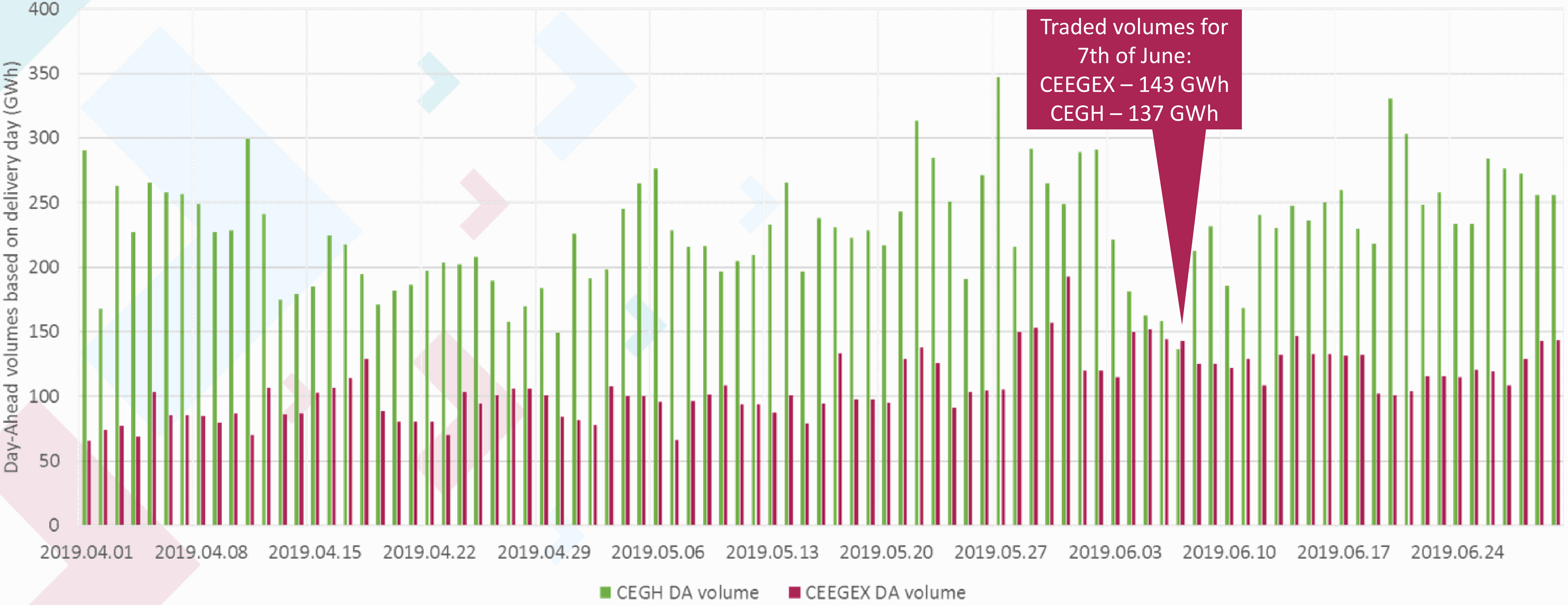
Source: CEGH, TGE, OPCOM, CEEGEX



CEEGEX is now the second largest gas exchange in the region for the third month in row. While CEEGEX remain stable, other regional exchanges show seasonal pattern, thus CEEGEX liquidity could be even higher in the winter

Daily comparison of CEEGEX and CEGH DA volumes

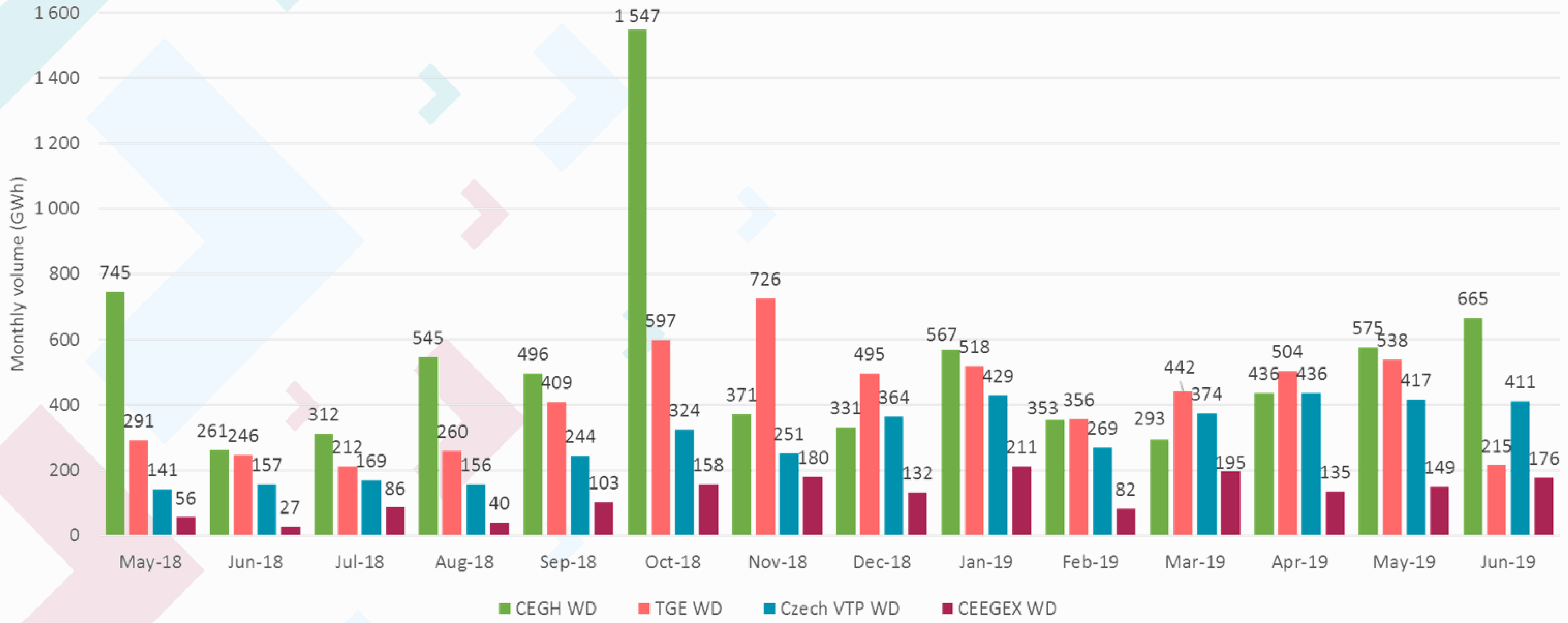
Source: CEGH, CEEGEX



June 2019 was the first month in history with stable 100+ GWh DA volumes on CEEGEX. In the first days of June CEEGEX even surpassed CEGH exchange based volume

Regional Within-Day monthly volumes

Source: CEGH, TGE, CEEGEX



CEEGEX Within-Day volumes felt short of regional WD volumes in the first half of 2019, however 2019 H1 is still the strongest period in the CEEGEX Within-Day history mainly due to the decrease of liquidity of FGSZ TP

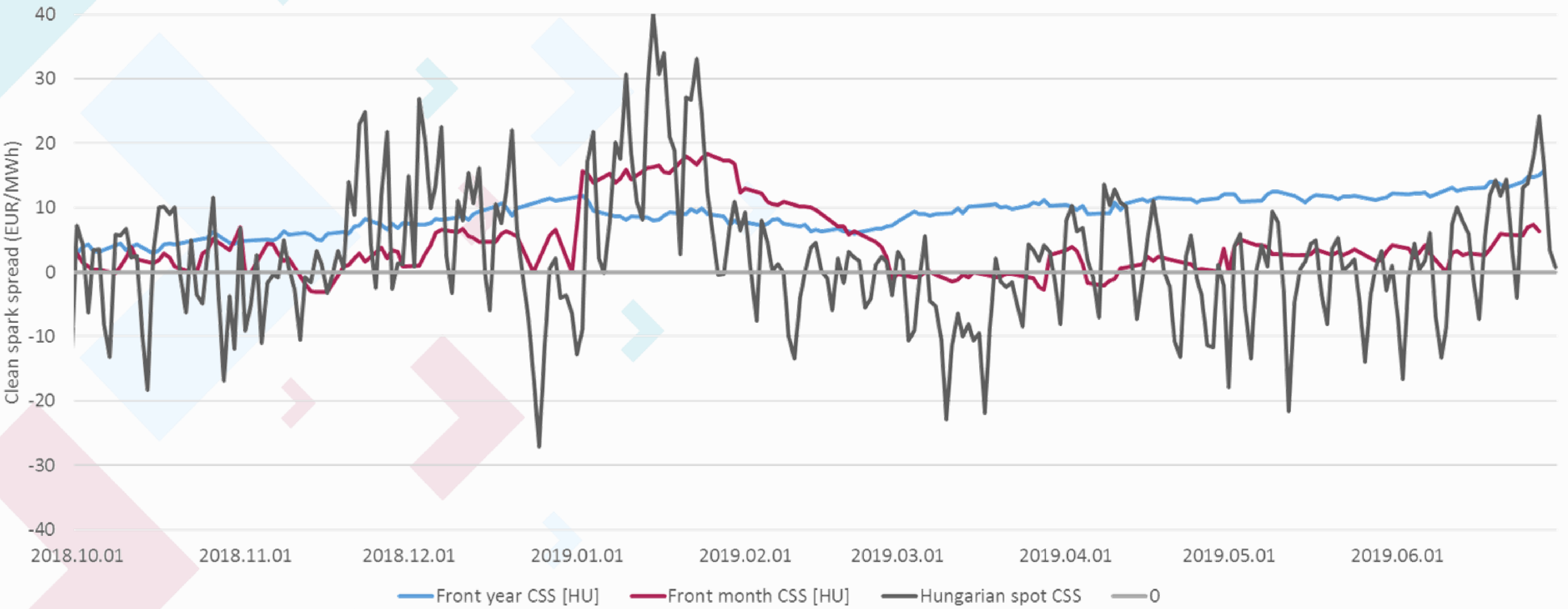
Hungarian and benchmark spot gas prices

Source: PEGAS, CEEGEX

This year's bearish trend continued in June, gas prices in Europe reached historic lows, TTF breaking 10 EUR/MWh level and CEEGEX breaking 14 EUR/MWh, while CEEGEX-CEGH spread was remain stable overall

Hungarian clean spark spreads (45% efficiency)

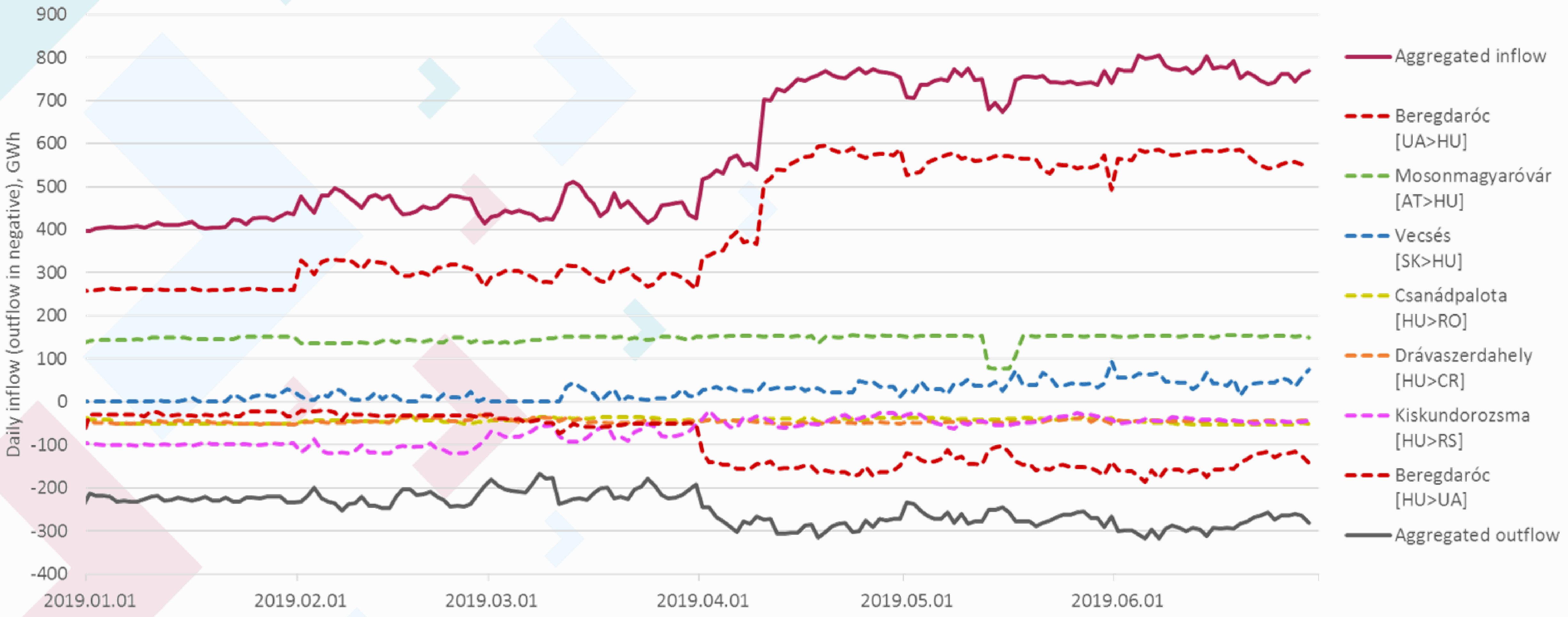
Source: PEGAS, CEEGEX



Front year clean spark spreads are at multi-year high, while gas-based electricity production can be a good deal also on spot basis in Hungary this summer. Spark spreads at different time horizon all show bullish outlook

Gas flows on Hungarian cross-border points

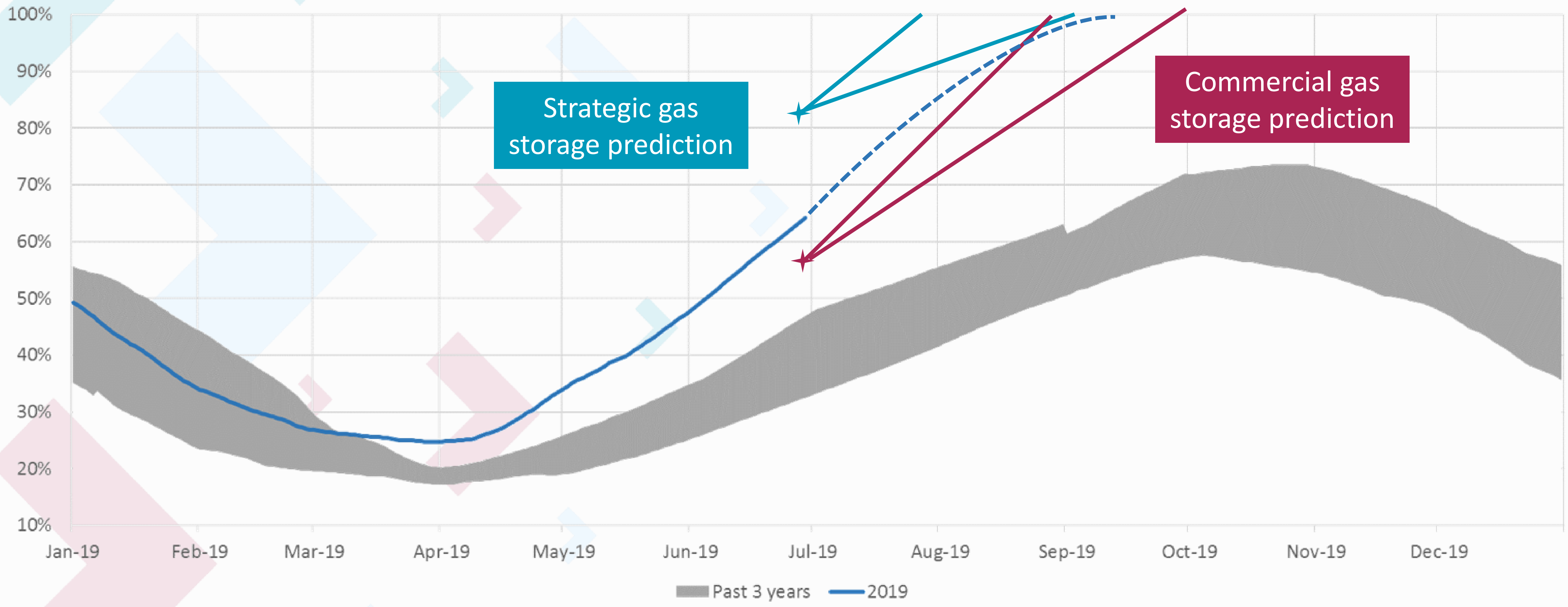
Source: FGSZ IP



Inflows reached historic highs with over 800 GWh – boosted by Slovakian, Austrian and Ukrainian volumes – and remained massive in June with a slight decrease at the Ukrainian border point to both directions at the end of the month. Romanian export volumes lifted to technical capacity again in June, reaching almost a record month

Natural gas storage in Hungary

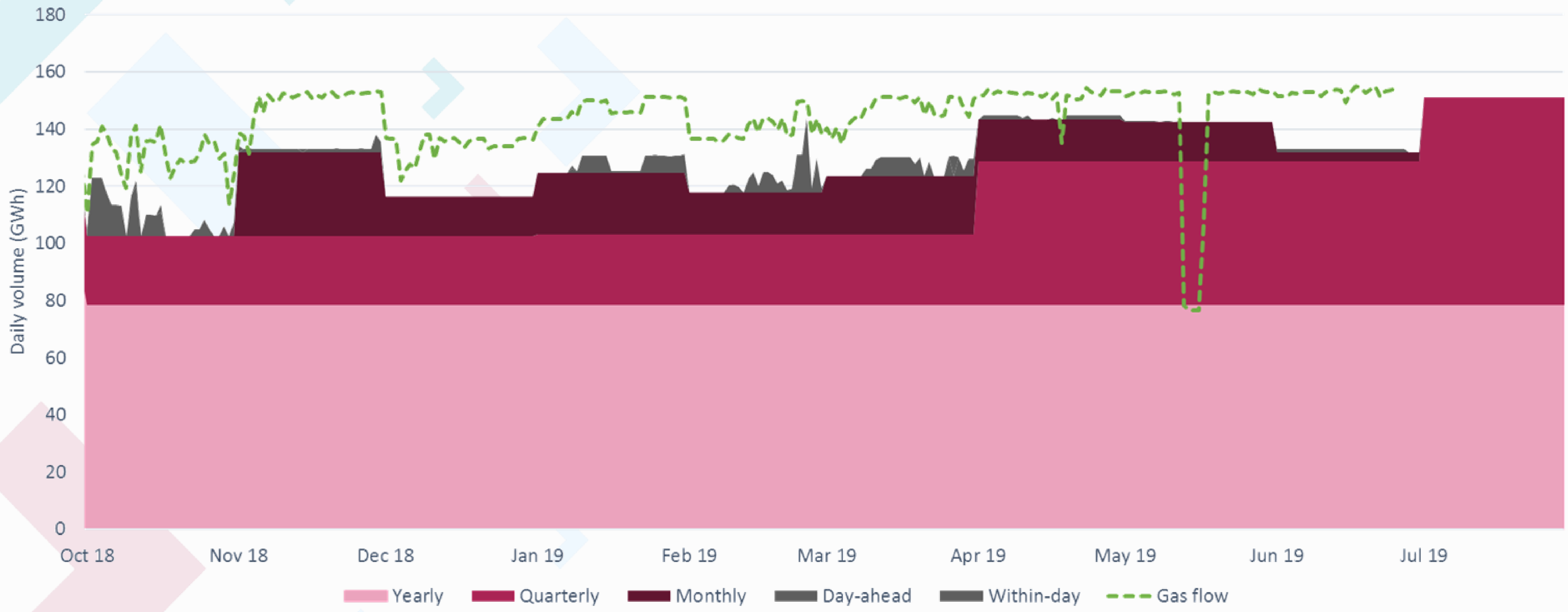
Source: AGSI



In June the Hungarian commercial storages are filling almost at the injection capacity, while the strategic storage was already at 83% full by the end of the month, thus it's predicted that they will be full weeks before the end of September

AT>HU capacity bookings and gas flow

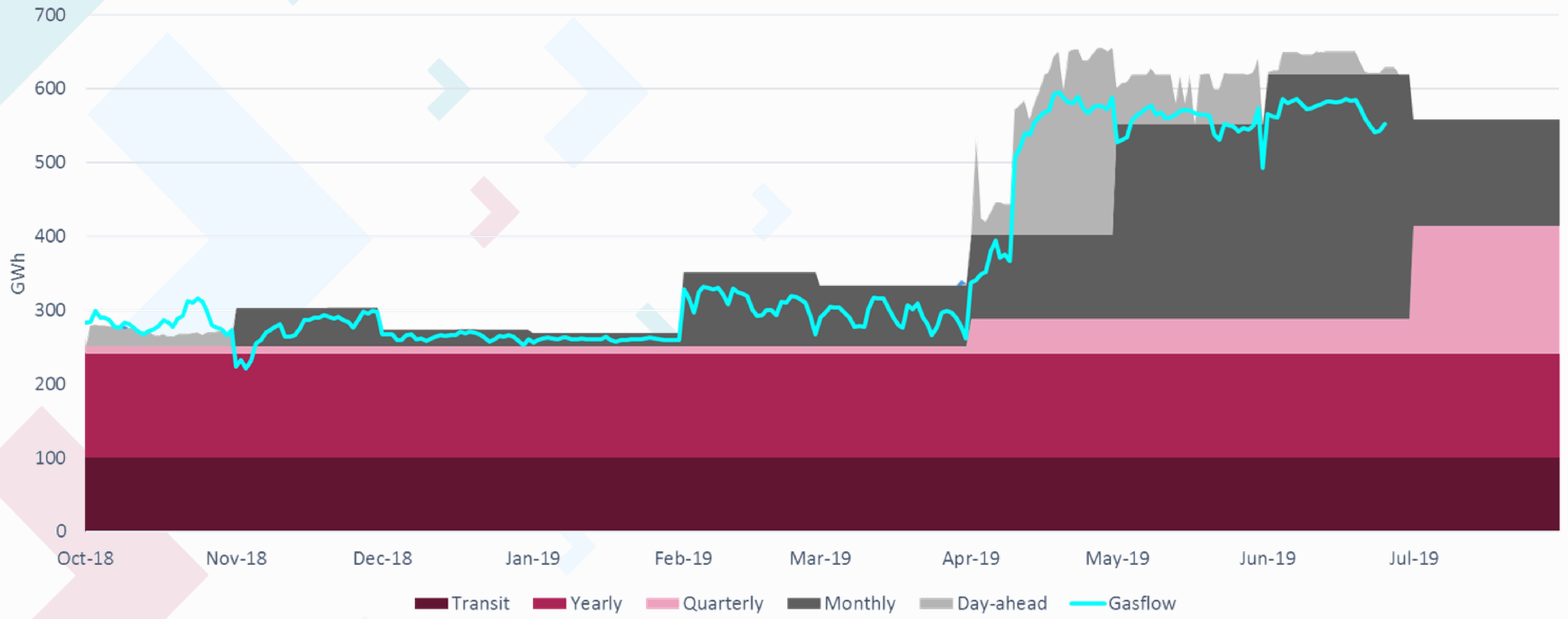
Source: RBP, FGSZ IP



The AT>HU interconnector operated on full capacity in this month too and almost the whole technical capacity is booked for the next quarter by monthly and yearly bookings

UA>HU capacity bookings and gas flow

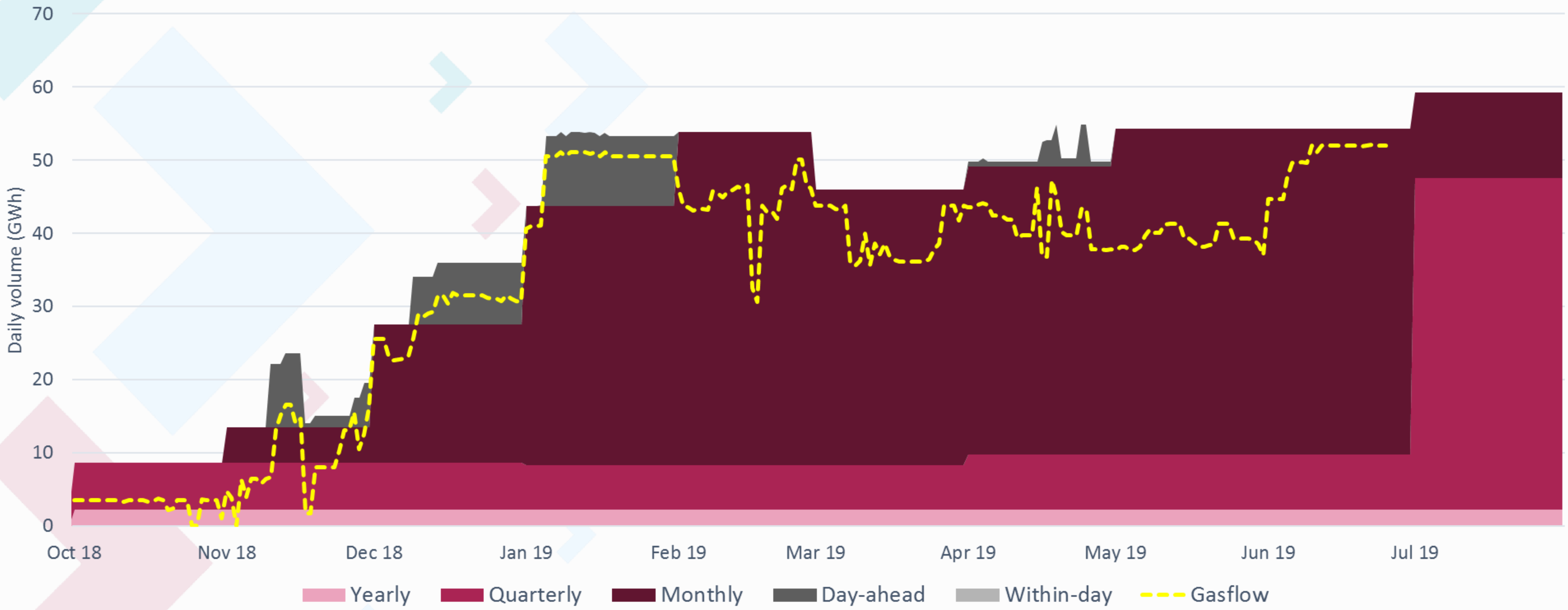
Source: RBP, FGSZ IP



The import from Ukraine was still high in June due to high gas storage injection and re-exports, and tends to be even higher in the next quarter based on the high quarterly capacity bookings

HU>RO capacity bookings and gas flow

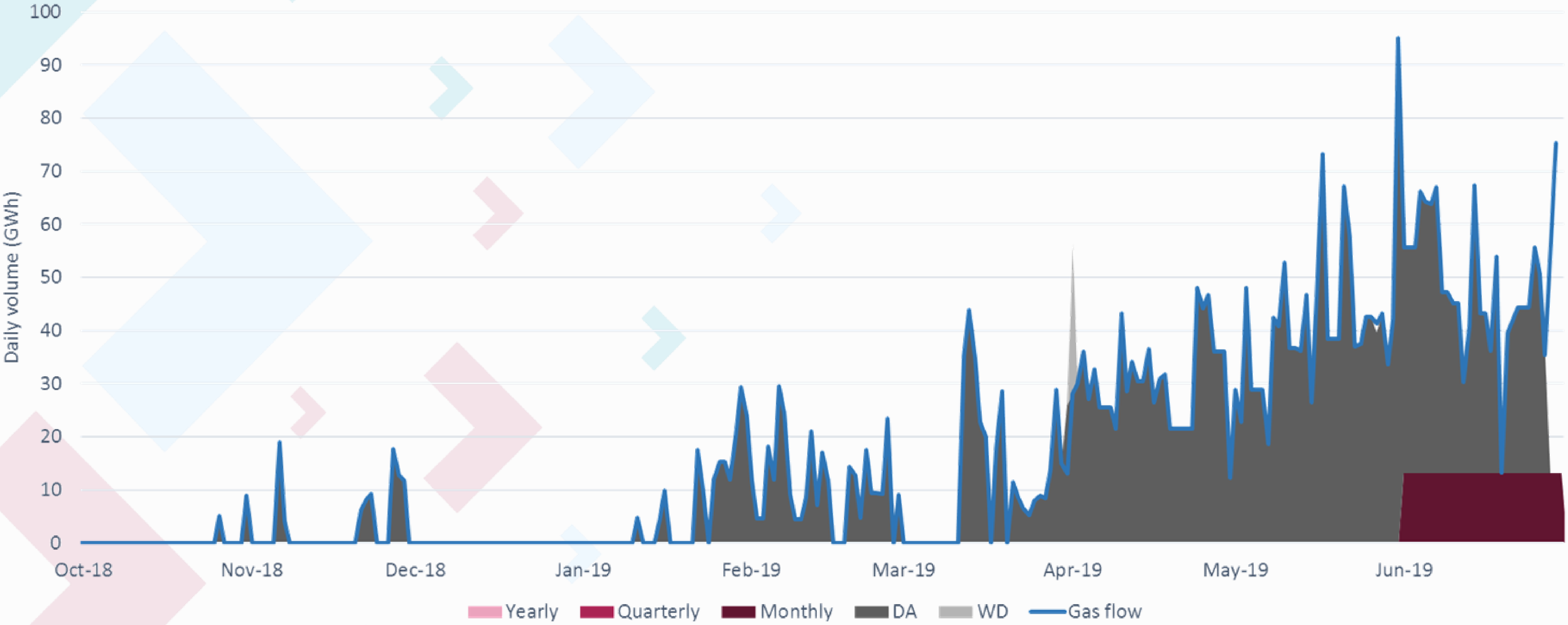
Source: RBP, FGSZ IP



The Romanian exports increased to the technical capacity of the interconnector once again, also quarterly bookings considerably increased at Csanádpalota so the export is expected to stay on high in the next quarter as well

SK>HU capacity bookings and gas flow

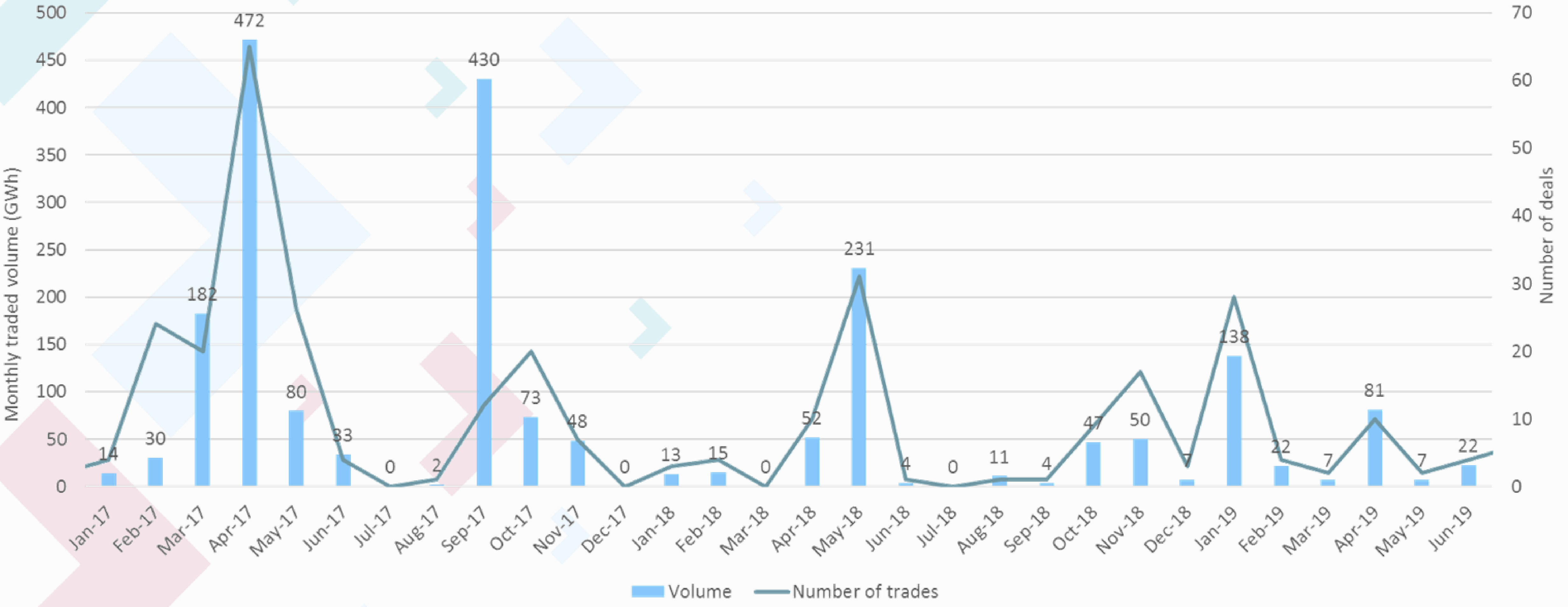
Source: RBP, FGSZ IP



The SK>HU interconnector is now used on different time horizons, Within-Day, Day-Ahead and Monthly capacity bookings also occurred in 2019 Q2

HUDEX Natural Gas Segment

Source: HUDEX



HUDEX Natural Gas volume grew in June