

Global & Regional Market Analysis

Natural Gas

2020 February

05/03/2020



Top stories of February

Methane leakage can emerge as the new buzzword of EU in 2020, as it's not just leaking near the Nord Pole, but based on satellite data even near the natural gas infrastructure, especially from the LNG terminals of the US



Many investments are planned regarding CCGT power plant constructions: new unit of Borsodchem with 50 MW by 2021, renovation of Invest Finance Consulting's Tisza-2 with 1 GW by 2023 and new unit at MVM's Mátra to be built until 2025



While the construction of Paks2 NPP has already started with some delay, it may also have to compete with Paks NPP, as the latter is planning feasibility study for 10-year lifetime extension with potential operation until 2042-47



New patterns can be observed in the LNG trading, as ships were floating many days near the shore of UK waiting for better prices to unload, meanwhile first LNG cargo from Belgium to Netherland has been delivered

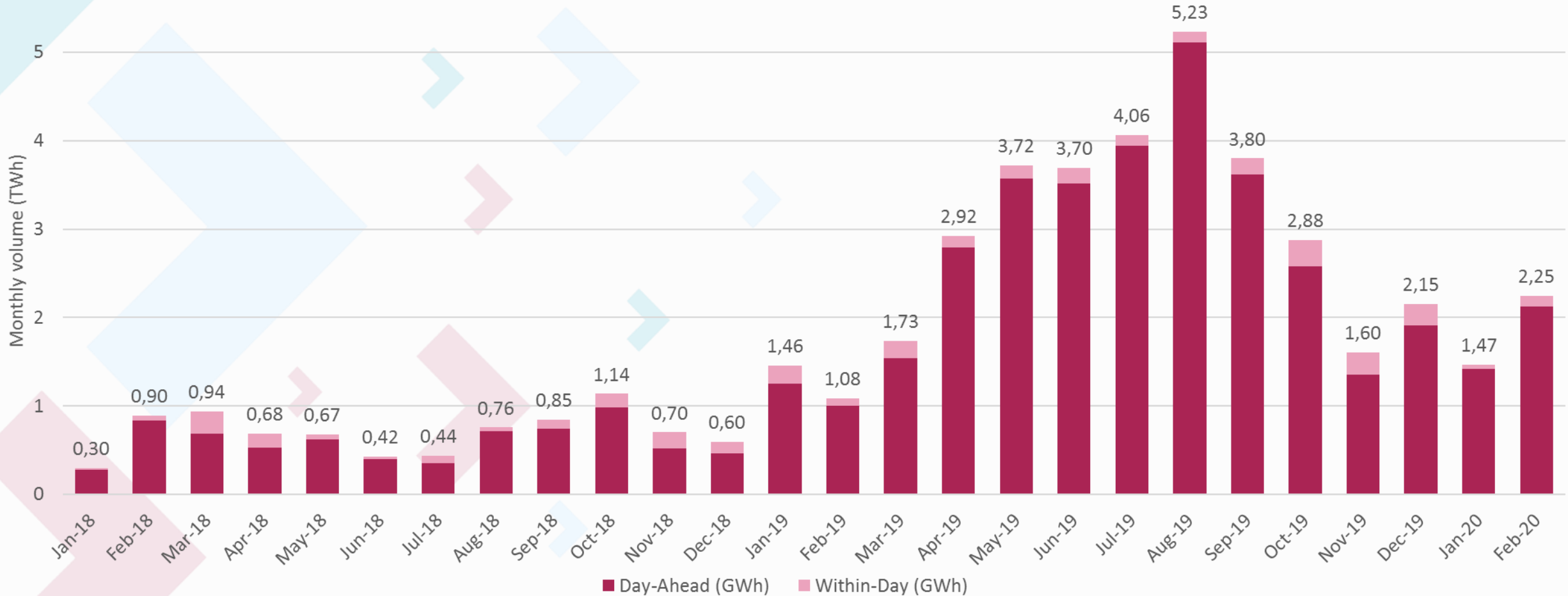


Covid-19 influences the energy industry also, in the recent weeks China's CO₂ emission decreased significantly with lower electricity, coal and natural gas demand, thus the European TTF became more expensive than the Asian EAX



Spot market monthly volumes of CEEGEX

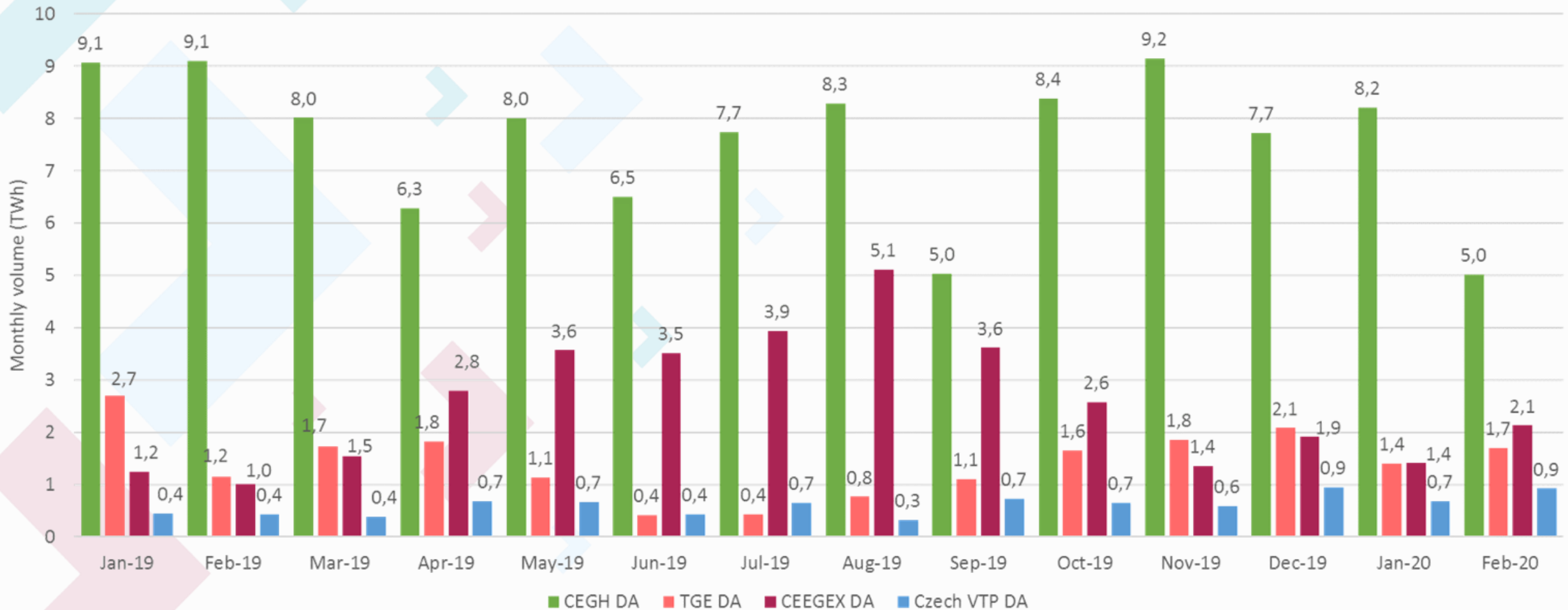
Source: CEEGEX



In February the traded volume more than doubled on year-on-year basis, furthermore the weekly traded volume reached 500 GWh per week

Regional Day-Ahead monthly volumes

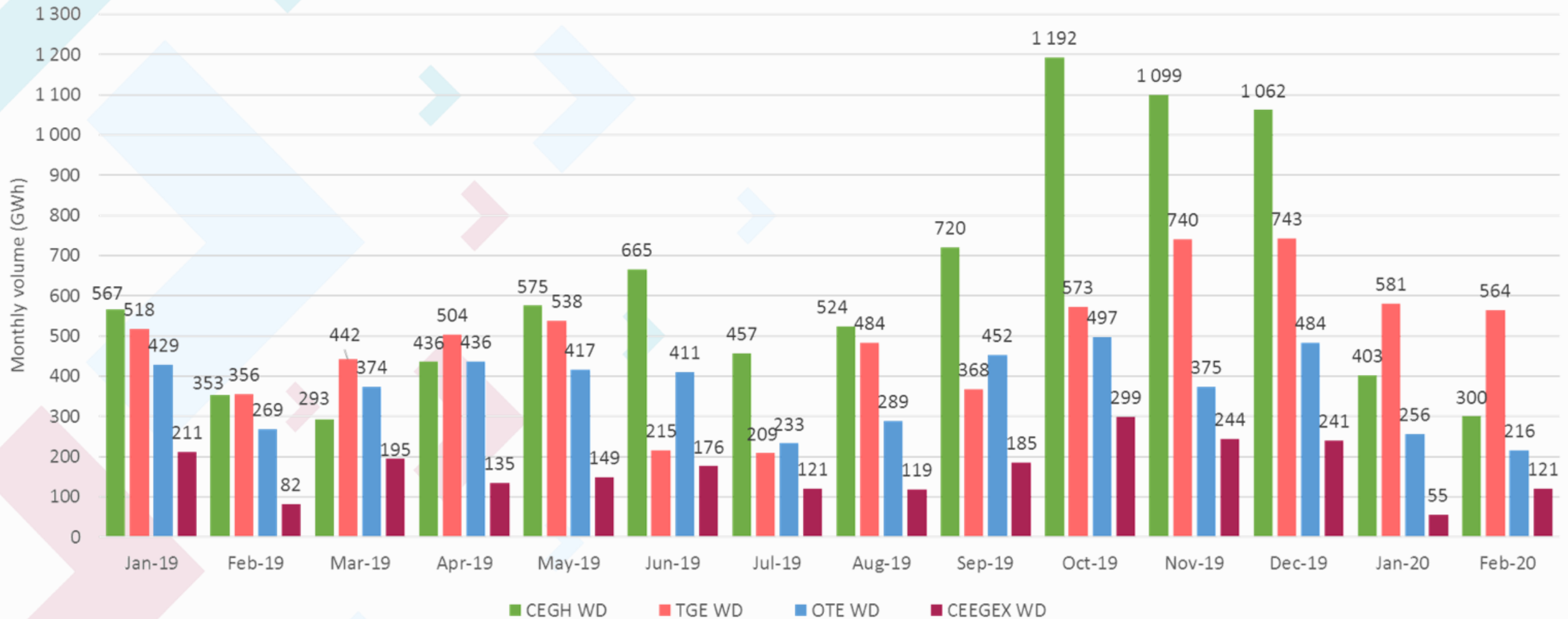
Source: CEGH, TGE, CEEGEX



CEEGEX overtook TGE in DA volumes again in February, and as CEGH realized a significant fall compared to the last months, CEEGEX reached more than 40% of CEGH Day-Ahead volume

Regional Within-Day monthly volumes

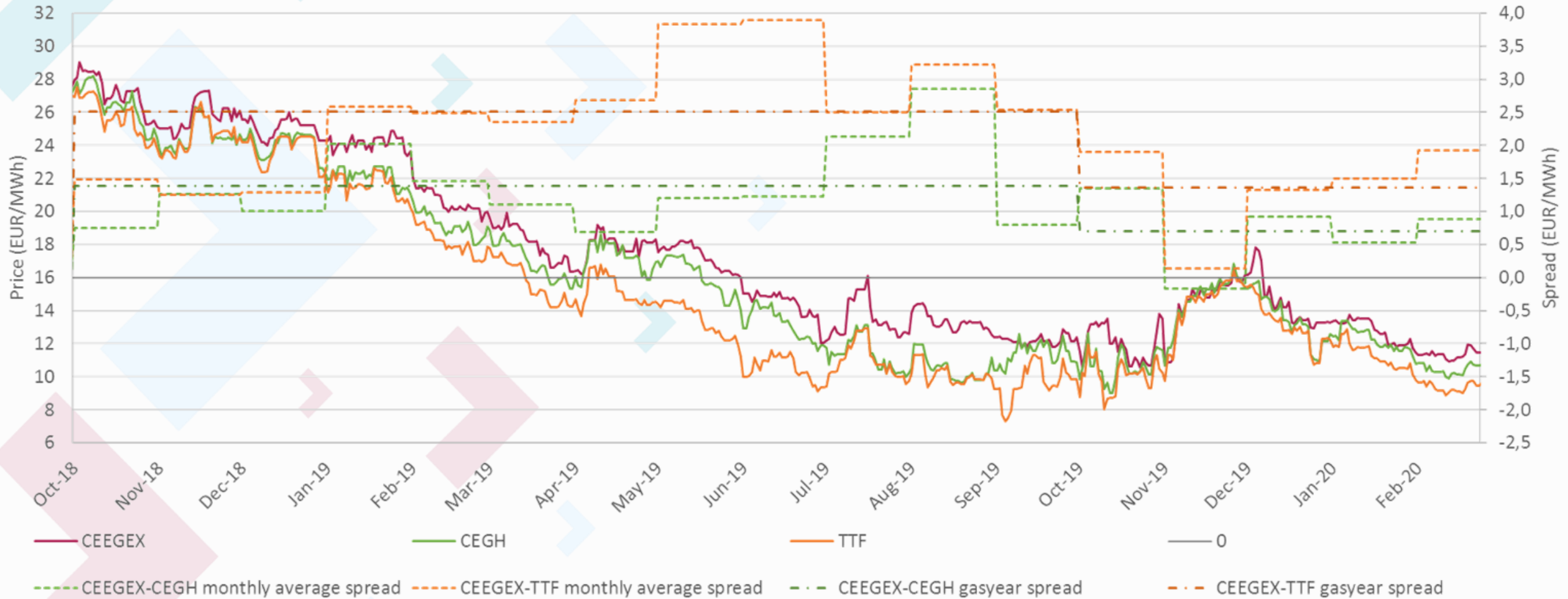
Source: CEGH, OTE, TGE, CEEGEX



Within-Day volumes decreased in February mainly due to mild temperatures in the recent months, but compared to year-to-date data the region is almost at the same level

Hungarian and benchmark spot gas prices

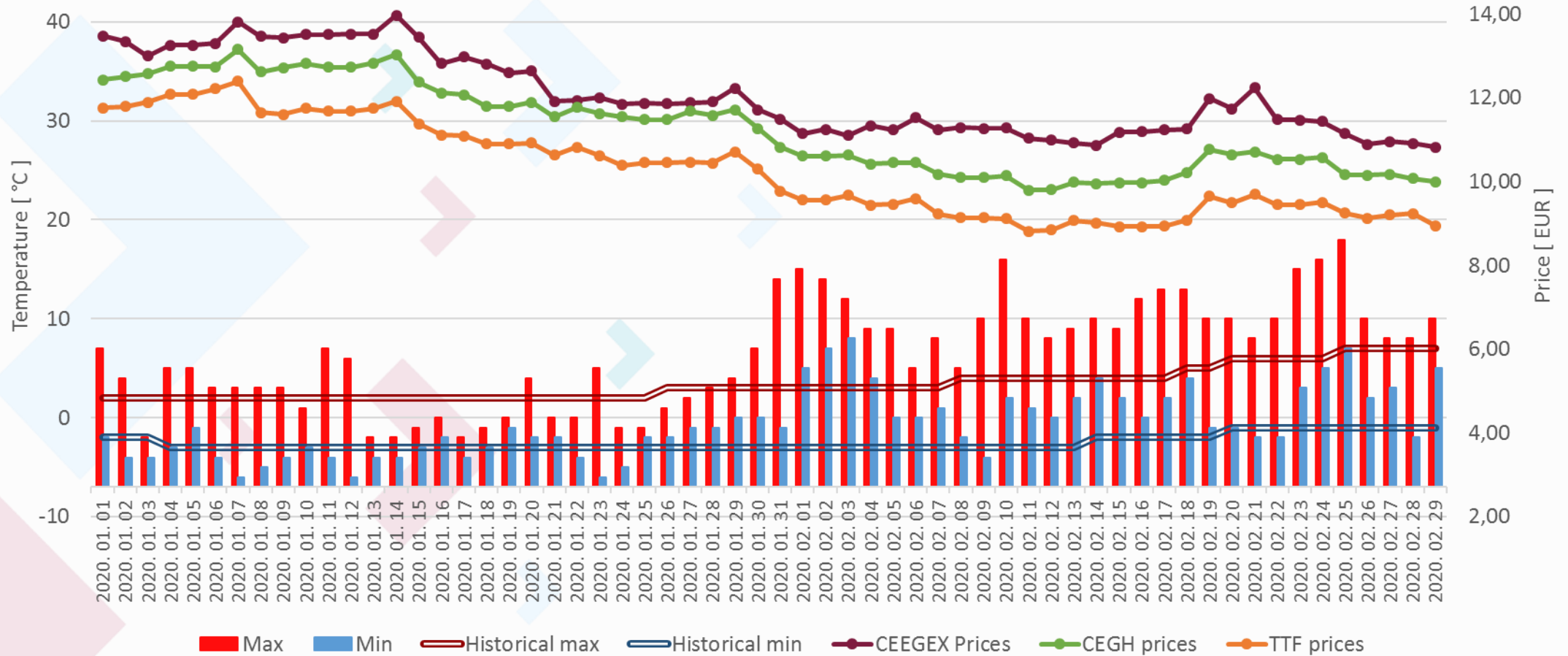
Source: PEGAS, CEEGEX



The spreads were rising, while the prices were declining on every spot market in February. The prices reached the level of last year October, which means CEEGEX is moved mainly in the range of 11-12 EUR/MWh

Temperature data and prices

Source: CEEGEX, PEGAS, AccuWeather



Temperature data from January and February compared to DA Prices on CEEGEX, CEGH and TTF show high correlation, thus the high temperatures have effect on CEEGEX prices

Non-strategic storage and price levels

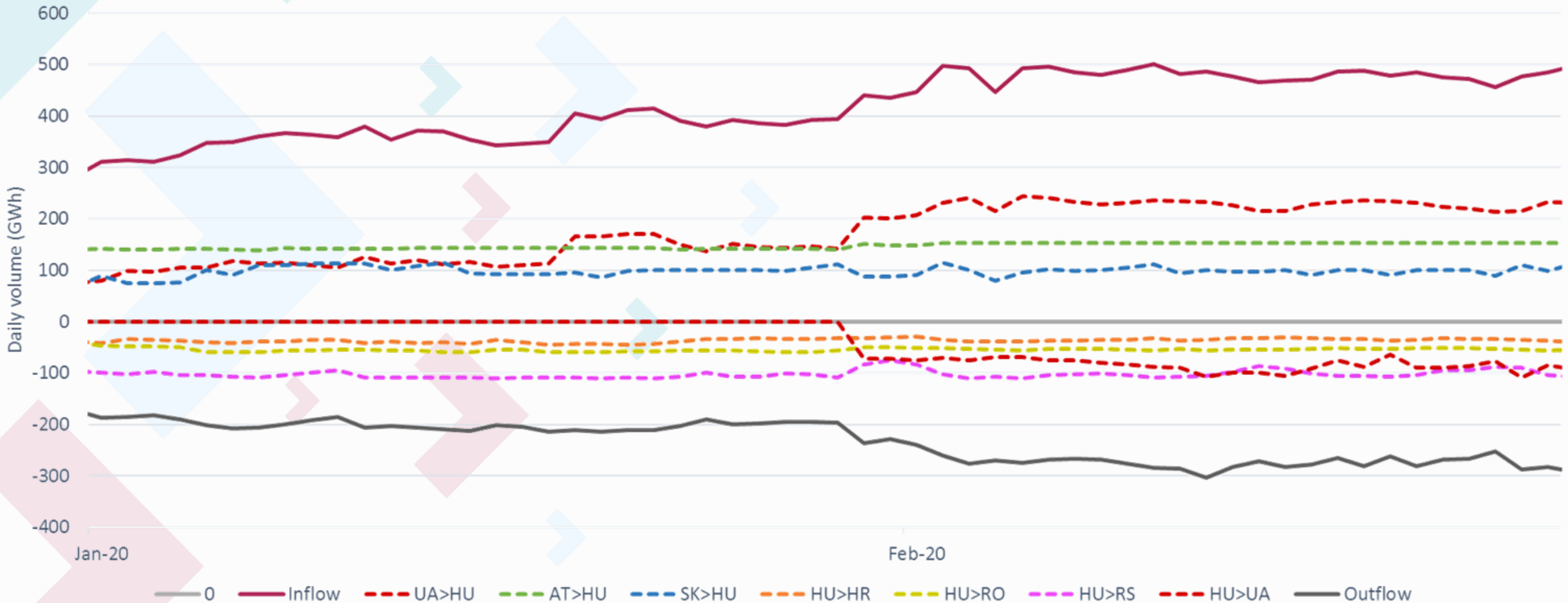
Source: AGSI, MFGT, CEEGEX



While the CEEGEX spot volume weighted average price (VWAP) was 14.7 EUR/MWh during injection, CEEGEX is now being even cheaper and with storage costs added the withdrawal of stored natural gas is limited and can be unfeasible

Gas flows on Hungarian cross-border points

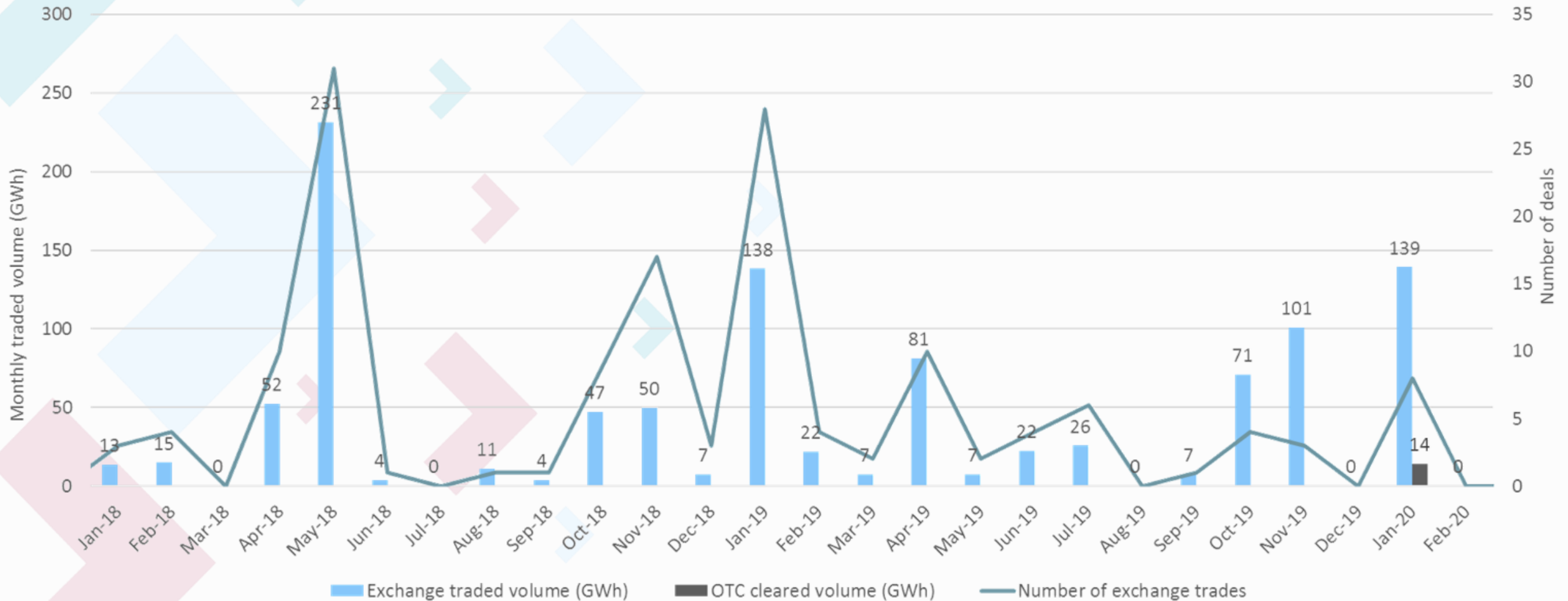
Source: FGSZ IP



The growth in flow quantities were driven by the Ukrainian transit volumes. While the rest of the import and export patterns remained unchanged during February, even the Slovakian import direction is now a stable route in the Hungarian gas supply

HUDEX Natural Gas Segment

Source: HUDEX



There were no trades on HUDEX Natural Gas Segment in February, which is a month with zero traded volume again after December