

Global & Regional Market Analysis

Natural Gas

March 2019

01/04/2019

Summary and global outlook

Beside the DA transactions, the WD transaction also helped to reach the CEEGEX record volume. The traffic reached 31 million EUR, which is significantly higher than it was in last March. Meanwhile on the FGSZ KP there was only a few transactions

The prices of natural gas and oil started to separate. The declining is caused by the record LNG import, the high level of the storages and the mild weather as well

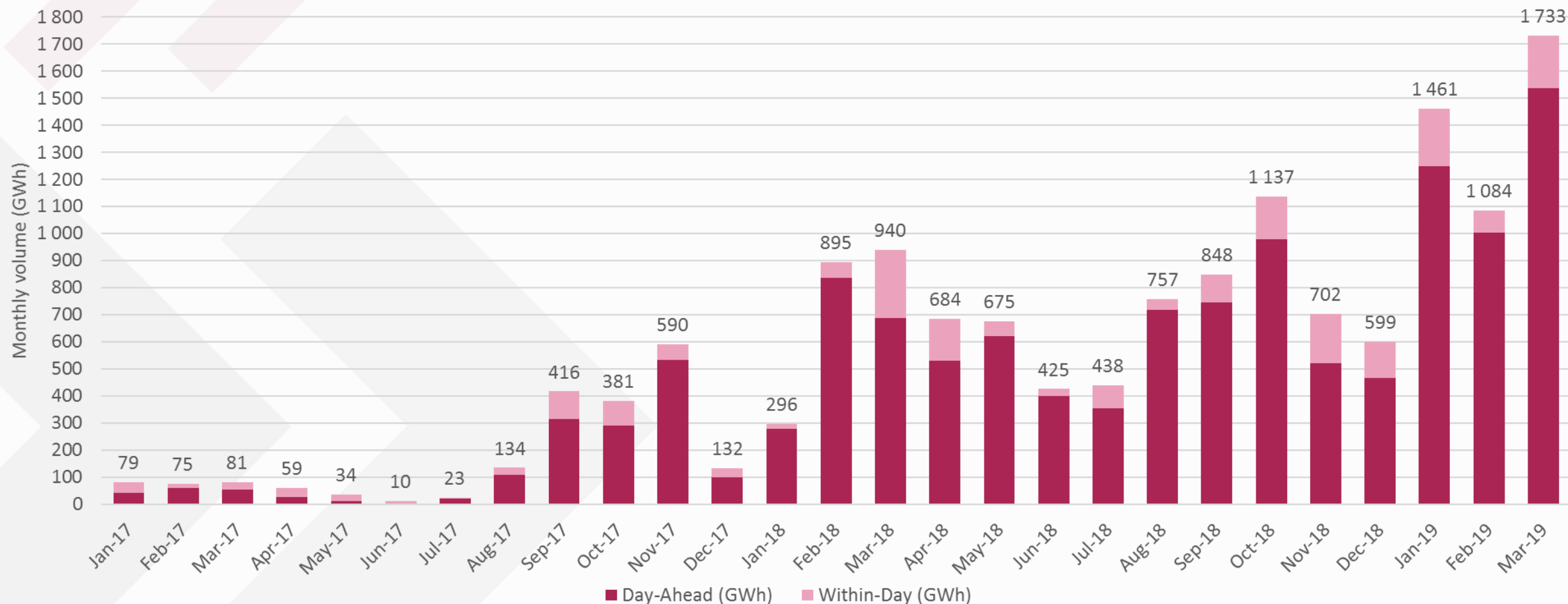
Compared to the last months, the LNG demand is getting higher. The Russian import took over the Qatar import, Qatar makes trades rather with Pakistan, India and Bangladesh

Because of the low LNG and natural gas prices, the filling of the storages has been started

The Hungarian-Gazprom negotiation about the long-term contracts has begun. The direction is not known yet, but it is going to be cleared after the Ukrainian elections

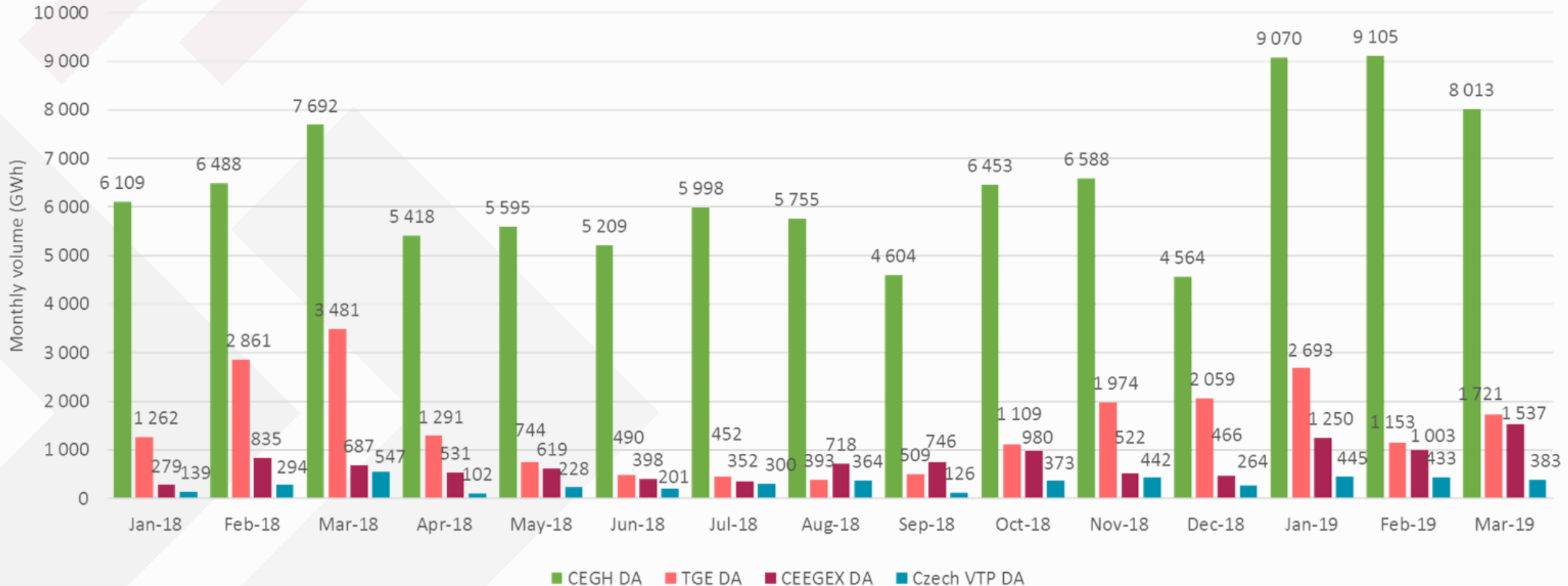


Spot market monthly volumes of CEEGEX



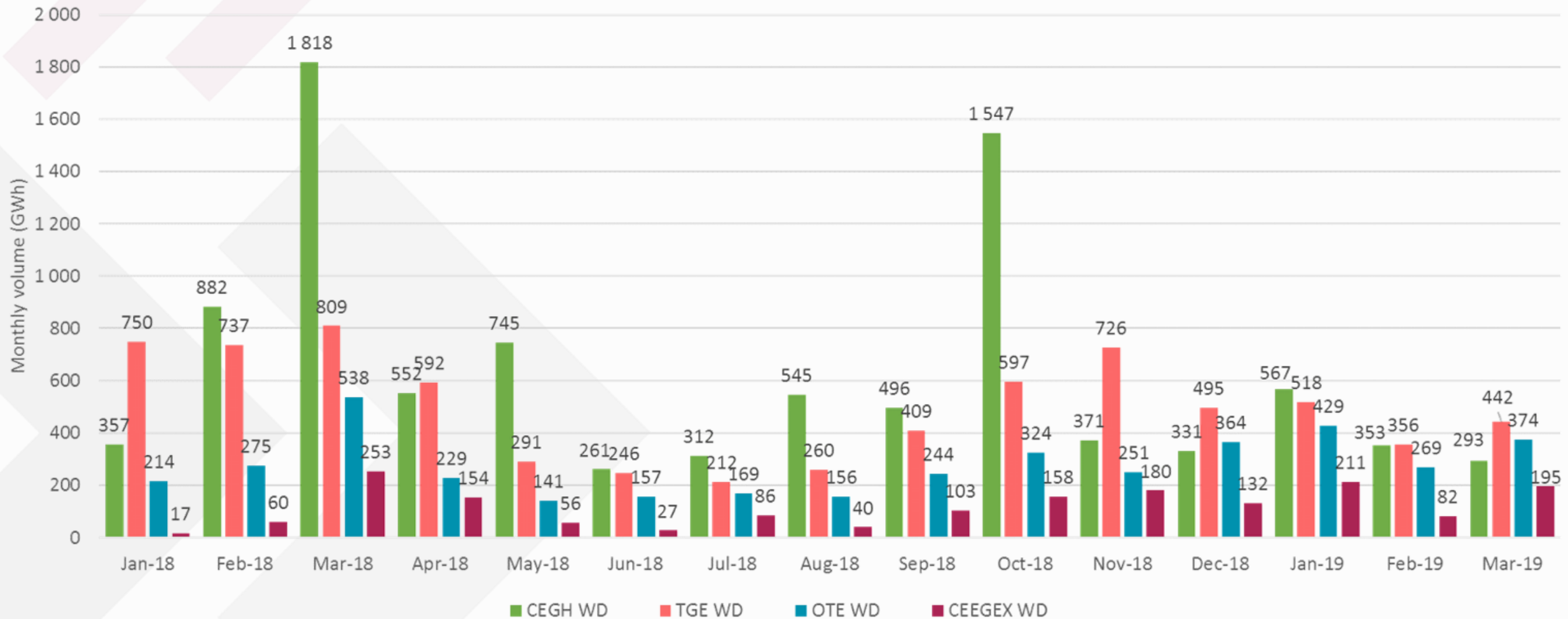
After the record in January, CEEGEX hits a new one in March with 1.7 TWh, just like one year before. On the WD market the monthly volume was the third biggest with almost 0.2 TWh

Regional Day-Ahead monthly volumes



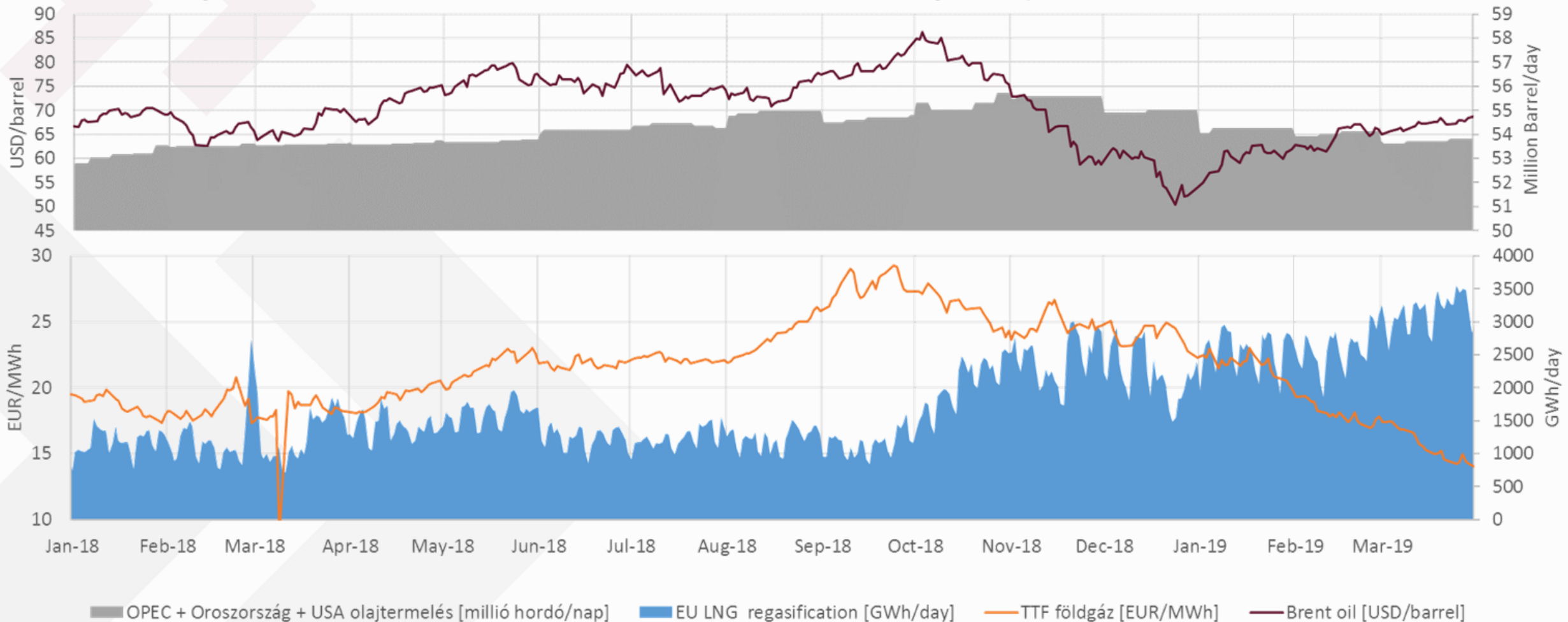
The CEEGEX DA volumes are close to the TGE volumes since months. The CEGH DA market has a strong fall in March compared to the first two months of the year. The CEEGEX-CEGH ratio has its historical peak (1:5)

Regional Within-Day monthly volumes



The balancing volumes rose on the regional gas exchange this month, so on the CEEGEX. Although the liquidity on the CEEGEX was higher, it is still the last in central-Europe according to the WD volumes

The global balance of the oil and gas prices



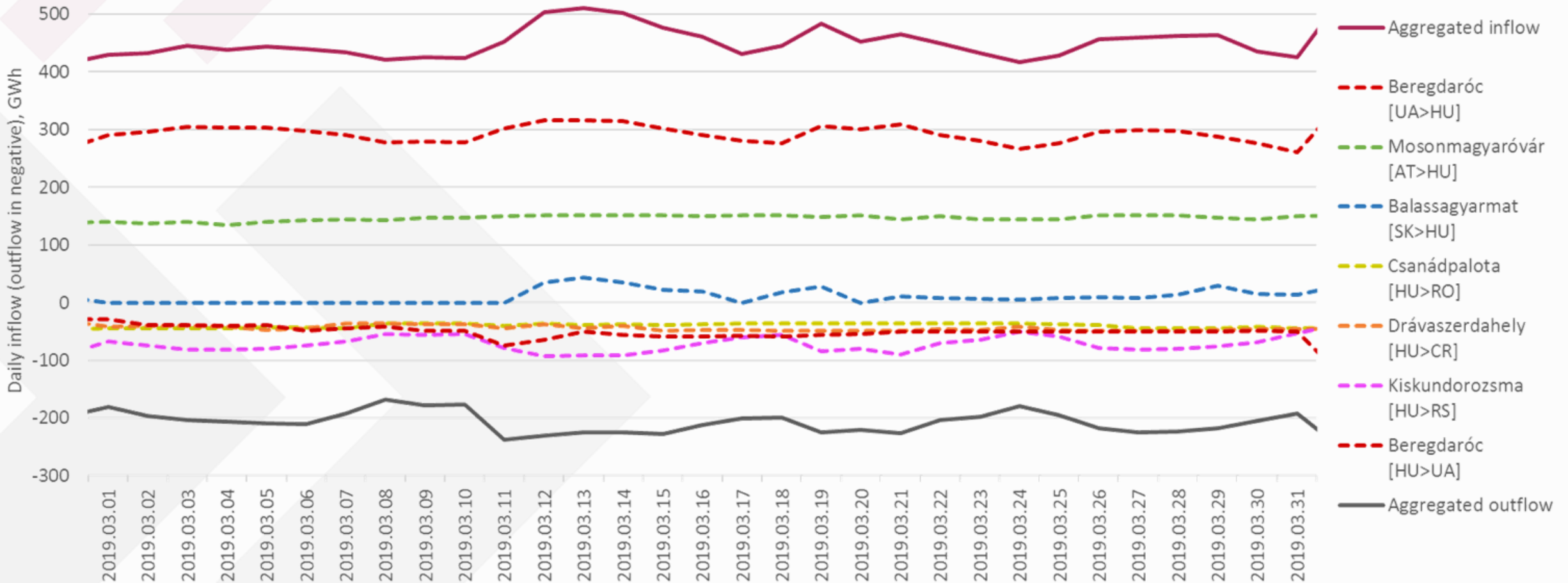
The oil and gas prices were getting separated in an unprecedented way in the first quarter of 2019 (~89% correlation). The high LNG import results the low natural gas price, and the rising oil price is caused by the shrinking market

Hungarian and benchmark spot gas prices



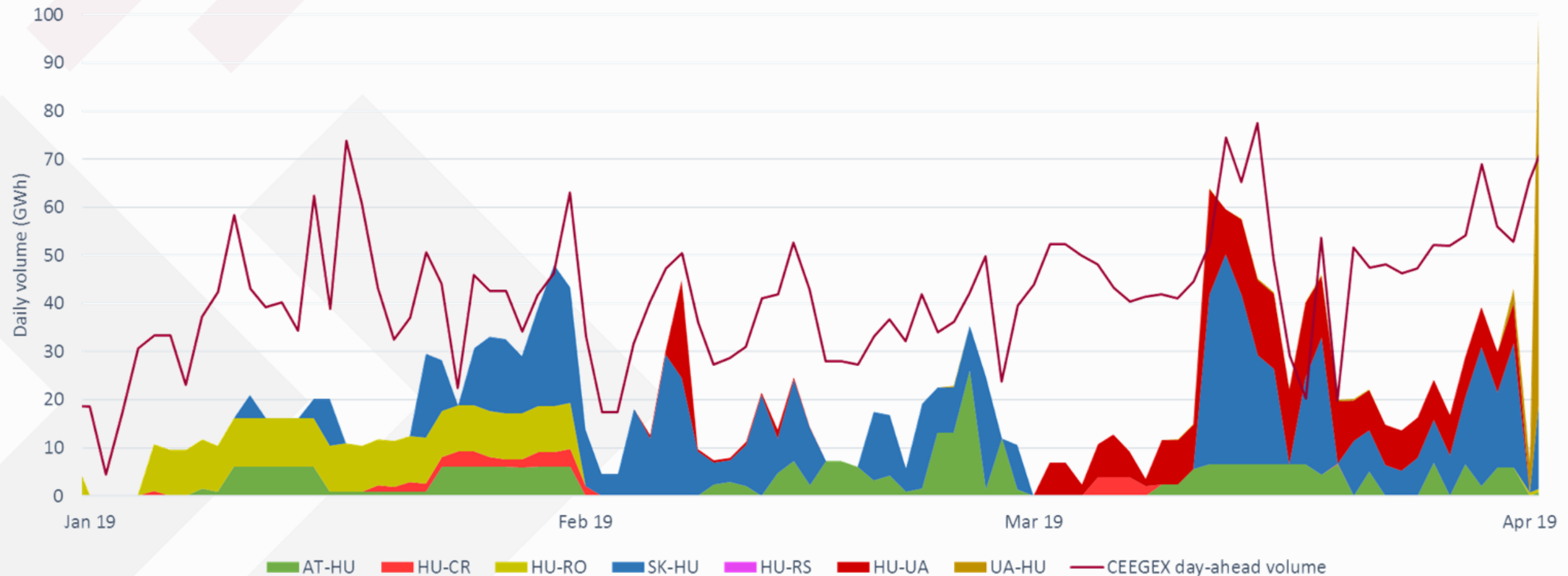
In March the CEEGEX spot price got even closer to the CEGH spot price, the spread remained the same. The CEEGEX DA reference price sank under 17 EUR/MWh, which is the lowest since 19 months, the CEGH has its lowest price since 29 months

Gas flows on Hungarian cross-border points



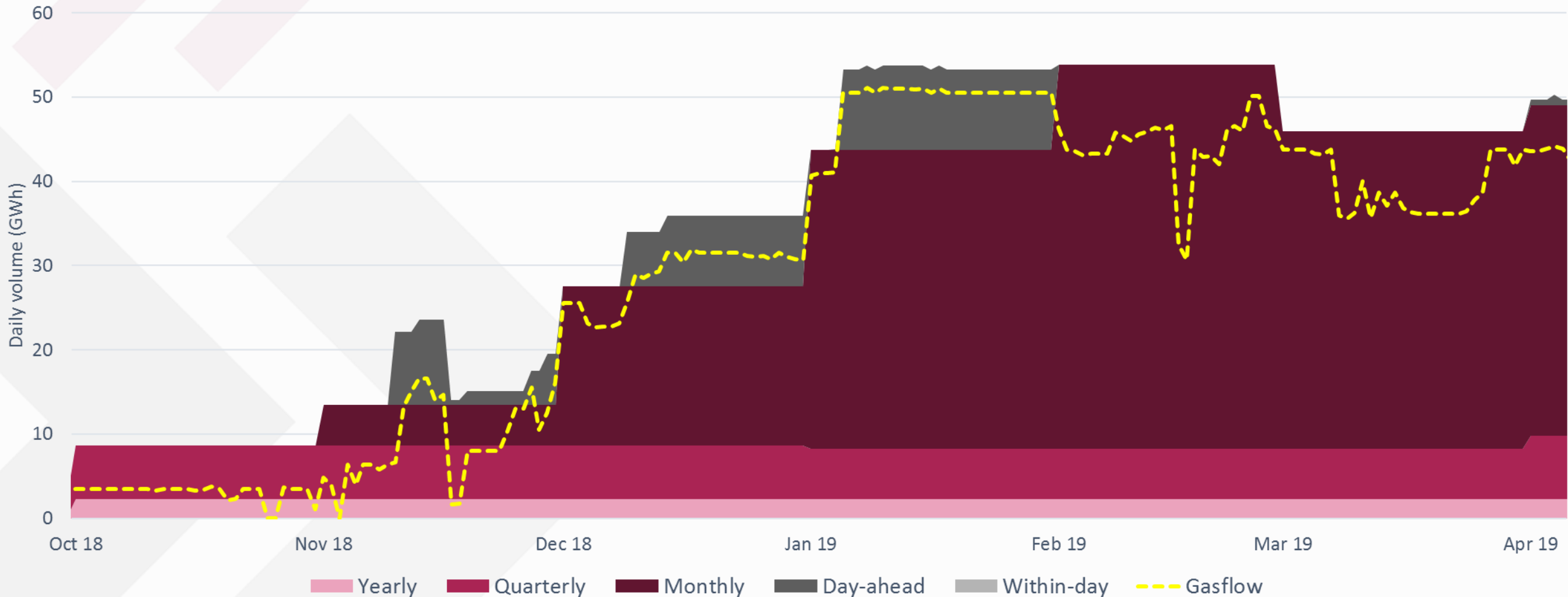
Because of the large DA volumes, the gas traffic was reasonably volatile. The surplus from Ukraine was taken to Serbia after weather condition changes, and the export towards Ukraine rose again. The volume towards Romania and to Austria are stable

DA bookings and DA volumes



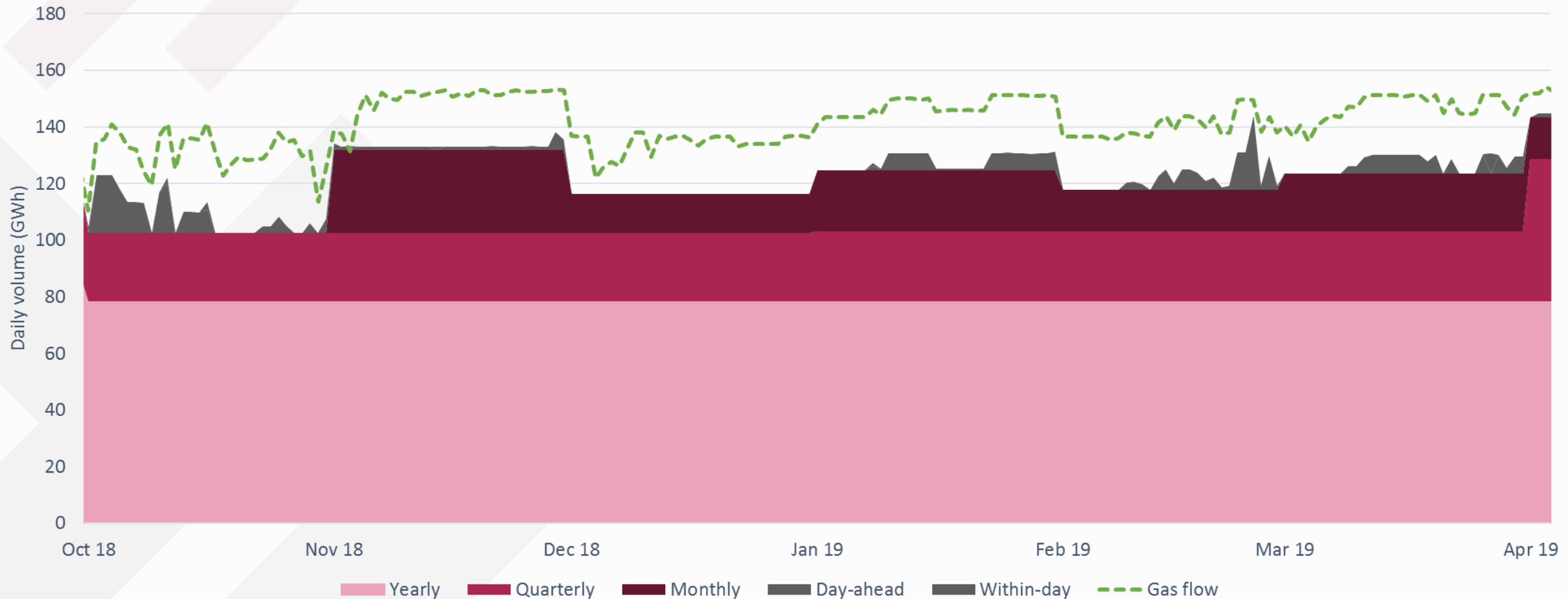
The correlation between CEEGEX DA volume and DA auctions are still significant. In March the flow from Slovakia raised the trading volume, but the flow from Austria and towards Ukraine was remarkable as well

HU>RO capacity bookings and gas flow



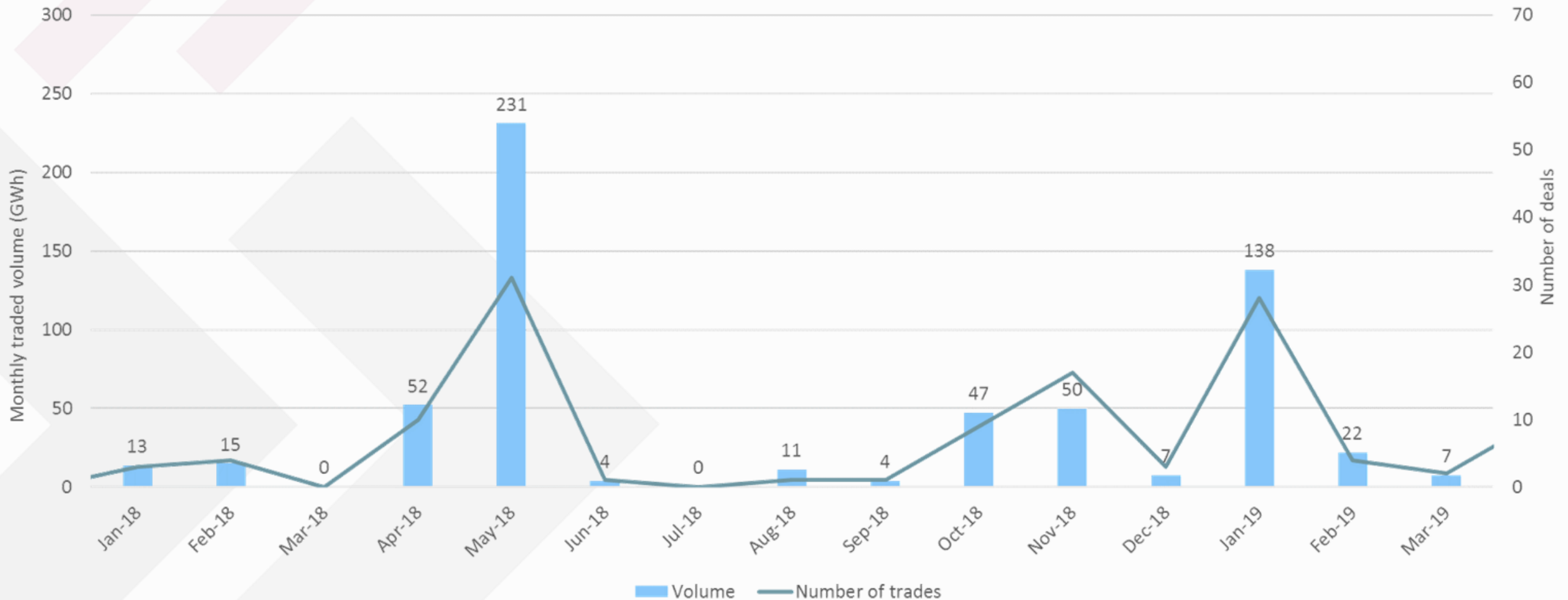
With the capacity bookings, the flow to Romania reduced as well. After closing the auctions for April, high outflow is expected, just like in the beginning of the year. The booked capacities has rose in this quarter

AT>HU capacity bookings and gas flow



On the Austrian border the traders have rather yearly and quarterly bookings, which has a strong correlation with the inflow volume. Up against the winter gas season, the next quarter's bookings were preferred in one piece

HUDEX Natural Gas Segment



The liquidity of the HUDEX natural gas segment declined further in March