

Global & Regional Market Analysis

Natural Gas

September 2019

01/10/2019



Stories of September

Bearish trend for EUA prices, due to perception of recession which is due to Trump's trade wars (new sanctions on goods from Europe)



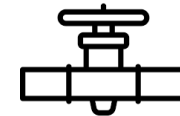
High LNG supply, due to cooling demand in Asia
High contango -> vessels just floating in front of the port



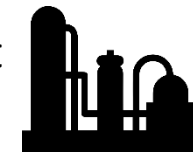
Bearish gas prices in Europe, Russia – Ukraine story holding
Q1 prices from dropping



As of the 4th of October FGSZ owns the whole Hungarian
pipeline system

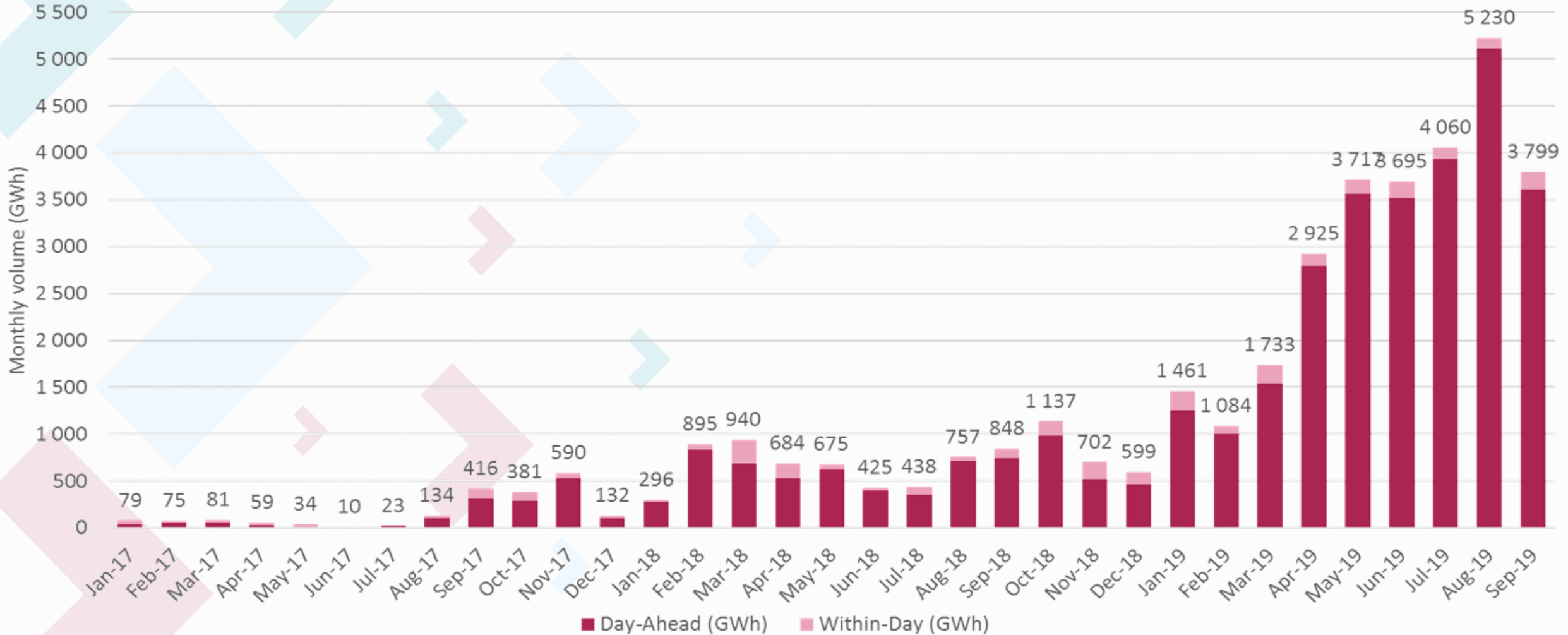


Gas storages almost at full capacity, withdrawal expected to start
at the end of October (depending on the weather)



Spot market monthly volumes of CEEGEX

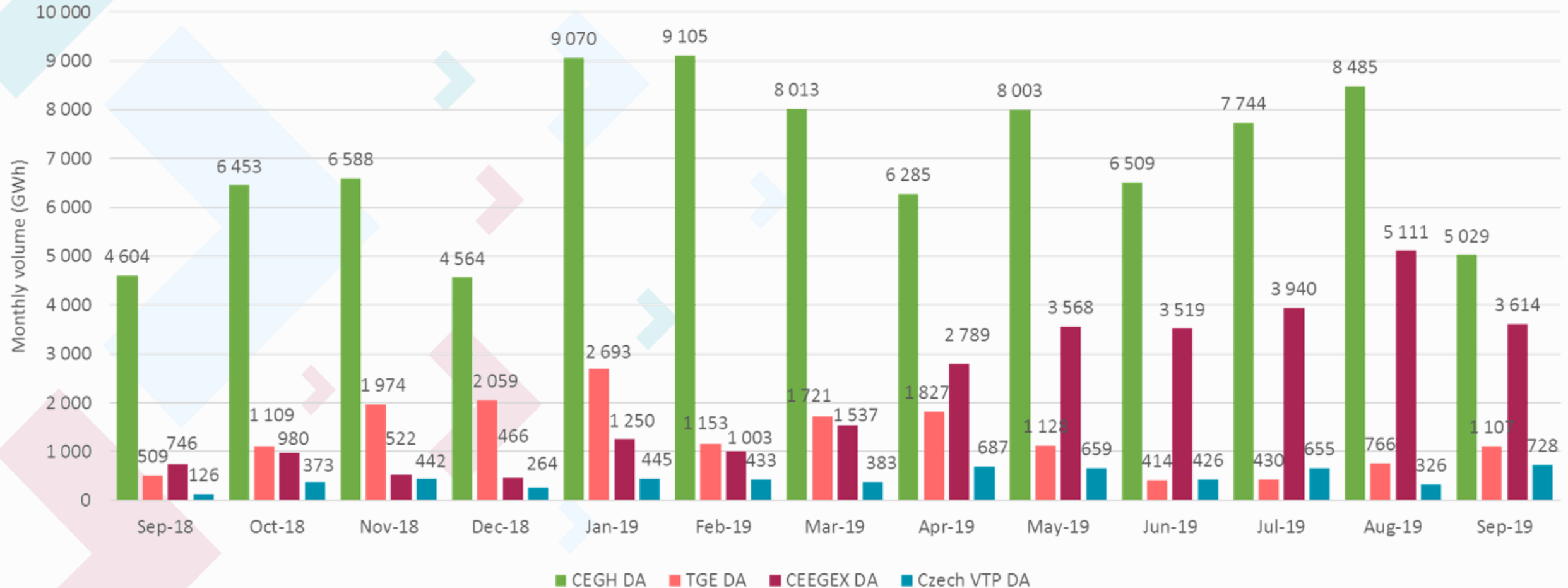
Source: HUPX, CEEGEX



In September the traded volume on CEEGEX rose year on year (+450%), but fell to 3.8 TWh from the previous month

Regional gas Day-Ahead monthly volumes

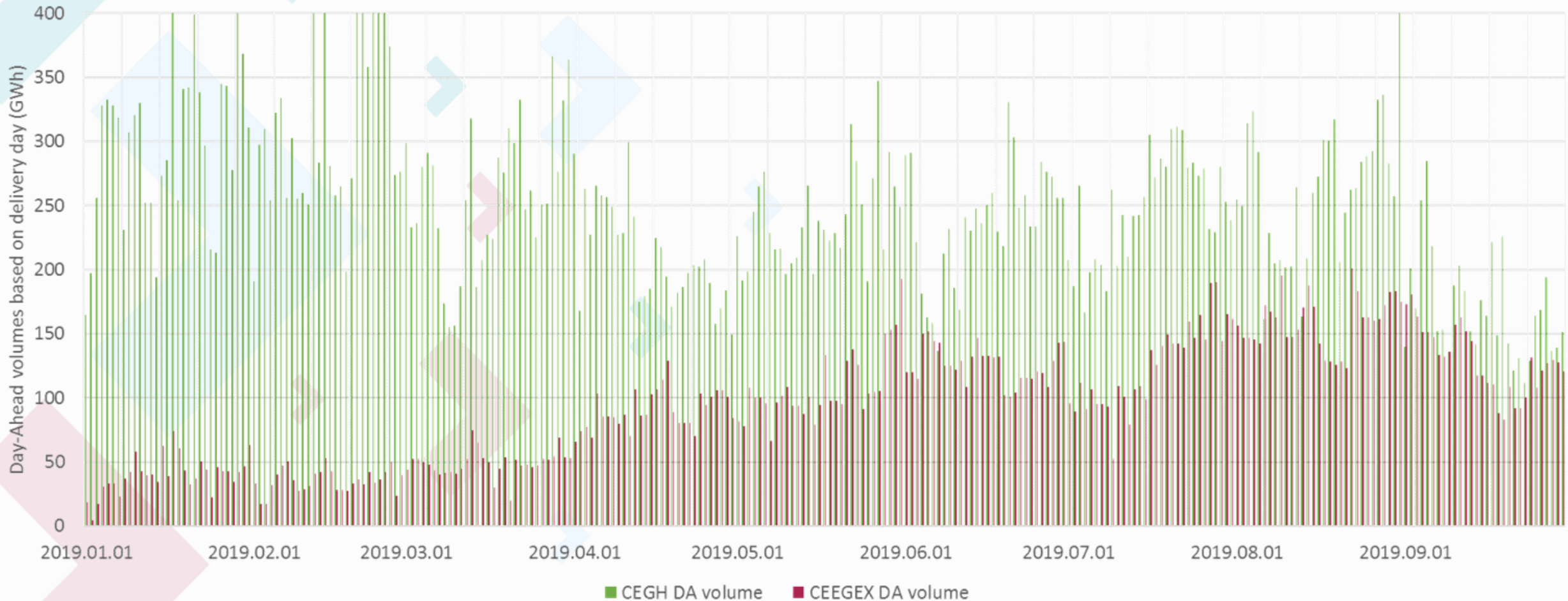
Source: CEGH, TGE, CEEGEX



With the storages filled the Austrian and Hungarian DA volumes fell after the high summer volumes, while the ratio of CEGH-CEEGEX exchange traded Day-Ahead volume is the highest ever on monthly basis

CEEGEX and CEGH daily comparison

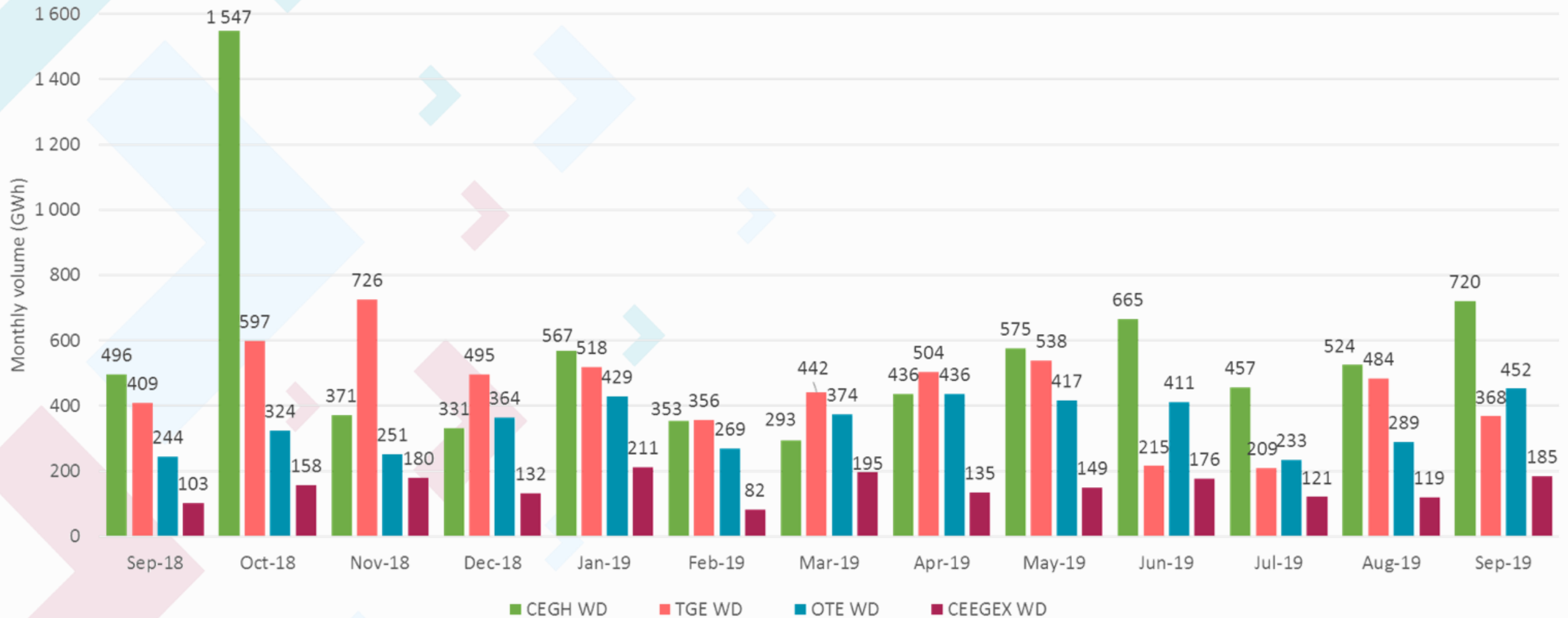
Source: CEGH, CEEGEX



The daily volume of CEEGEX surpassed CEGH on multiple days in the recent months, thus the regional benchmark hub title is challenged by CEEGEX in terms of spot exchange traded volume

Regional gas Within-Day monthly volumes

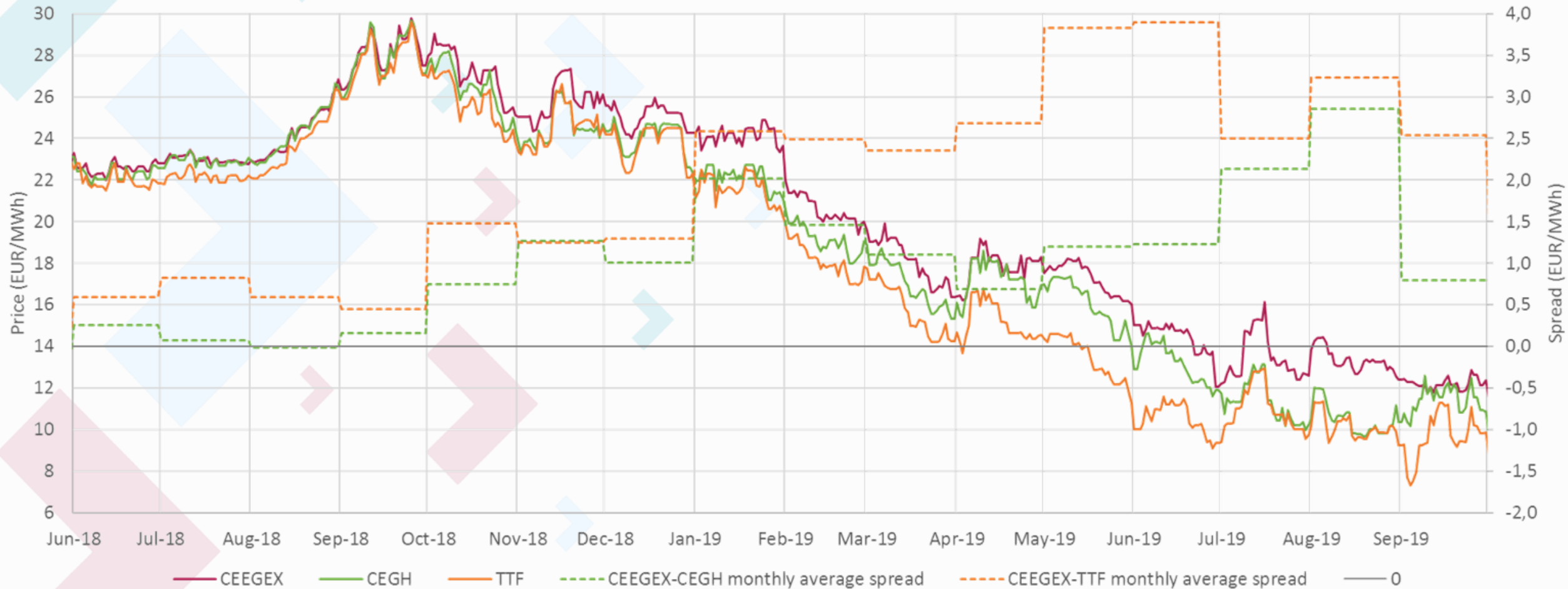
Source: CEGH, TGE, OTE, CEEGEX



CEEGEX Within-Day segment reached its 4th highest volume with 185 GWh, however liquidity is still far from regional balancing volumes

Hungarian and benchmark spot gas prices

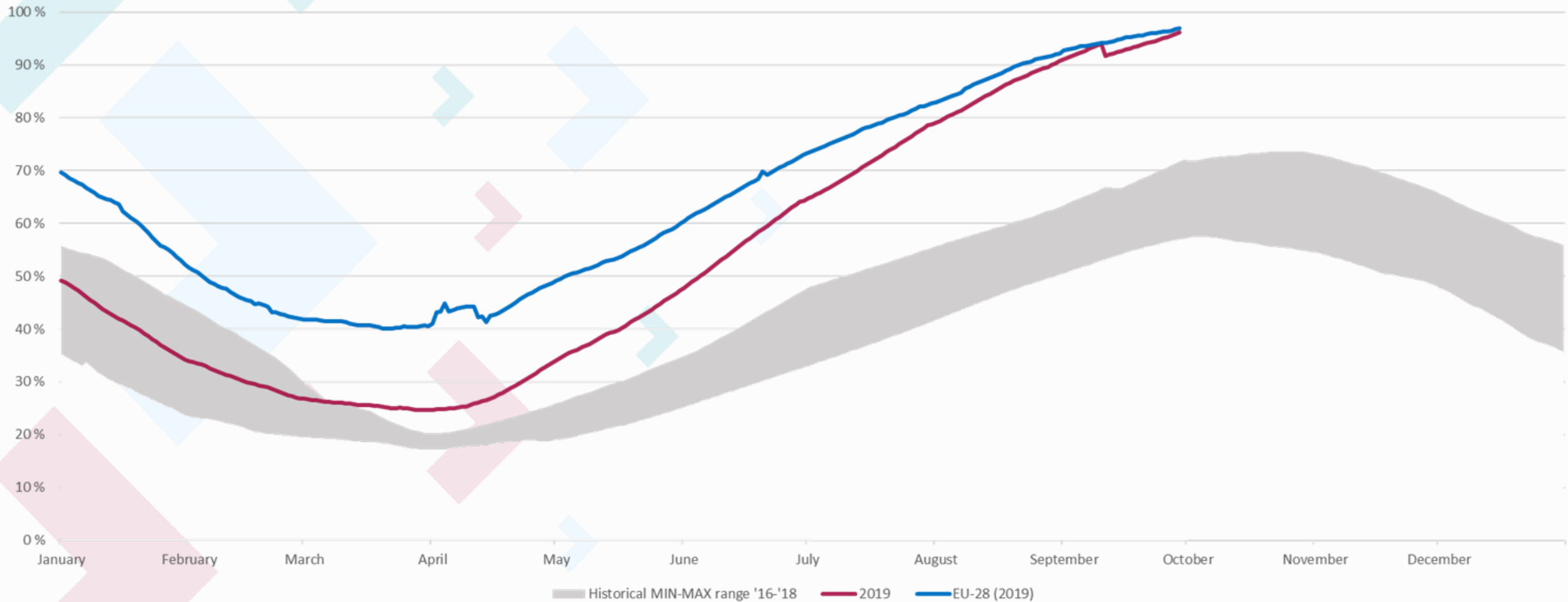
Source: PEGAS, CEEGEX



CEEGEX DA prices decreased below 12 EUR/MWh first time ever, meanwhile the regional spreads tightened due to the simultaneity of SK>HU maintenance ending and the start of HU>RO maintenance

Gas storages in Hungary and EU

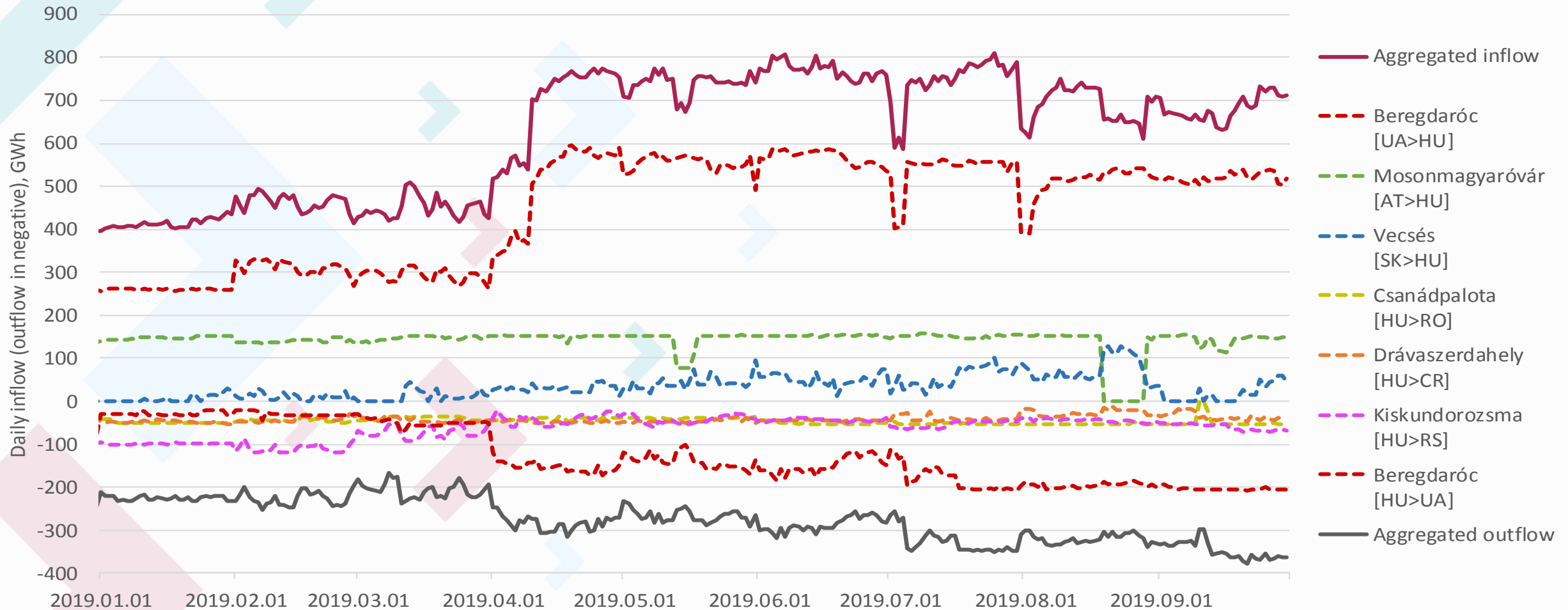
Source: FGSZ IP, FGSZ RBP, CEEGEX, CEGH



The fulfillment levels of Hungarian Underground Gas Storages has reached an all-time record in the history. Such high fulfillment levels can be observed on EU levels aswell, which is due to the uncertainties around the Russian - Ukrainian gas deal

Gas flows on Hungarian cross-border points

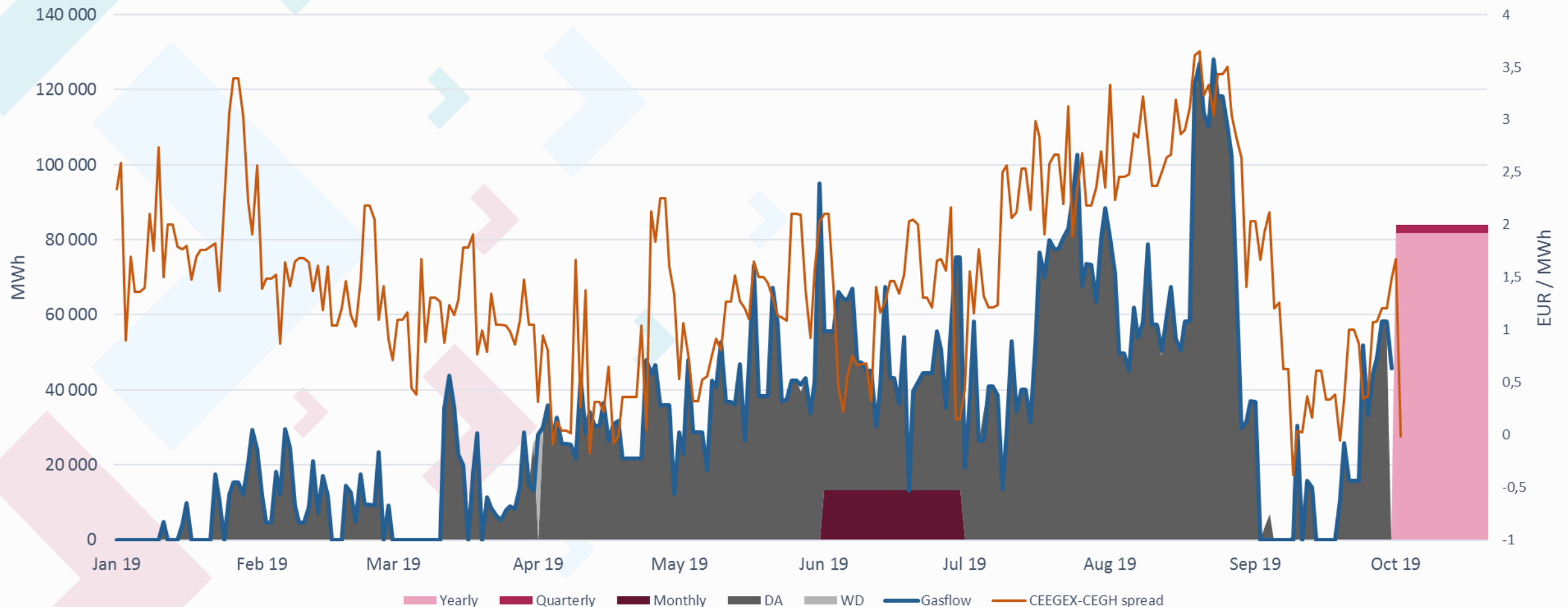
Source: FGSZ IP



All throughout September the gas flows remained constant. In the beginning of the month, the flow volumes on Vecsés (SK>HU) cross-border point fell back to 0, due to the maintenance

Capacity bookings on SK>HU interconnector

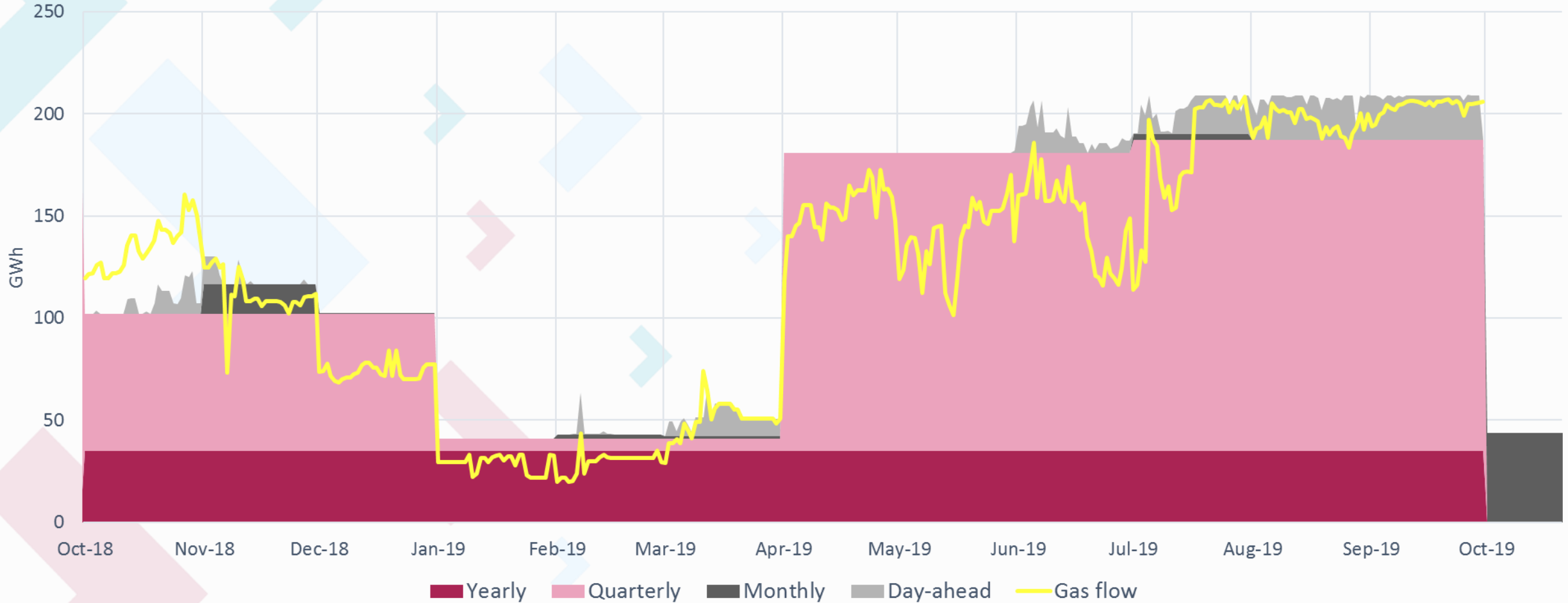
Source: FGSZ IP, FGSZ RBP, CEEGEX, CEGH



The import flows from Slovakia decreased in the first half of September due to scheduled maintenance of the interconnector, but ramped up due to favourable spreads and expected to stay high as yearly and quarterly capacities are already allocated for the next gas year

Capacity bookings on HU>UA interconnector

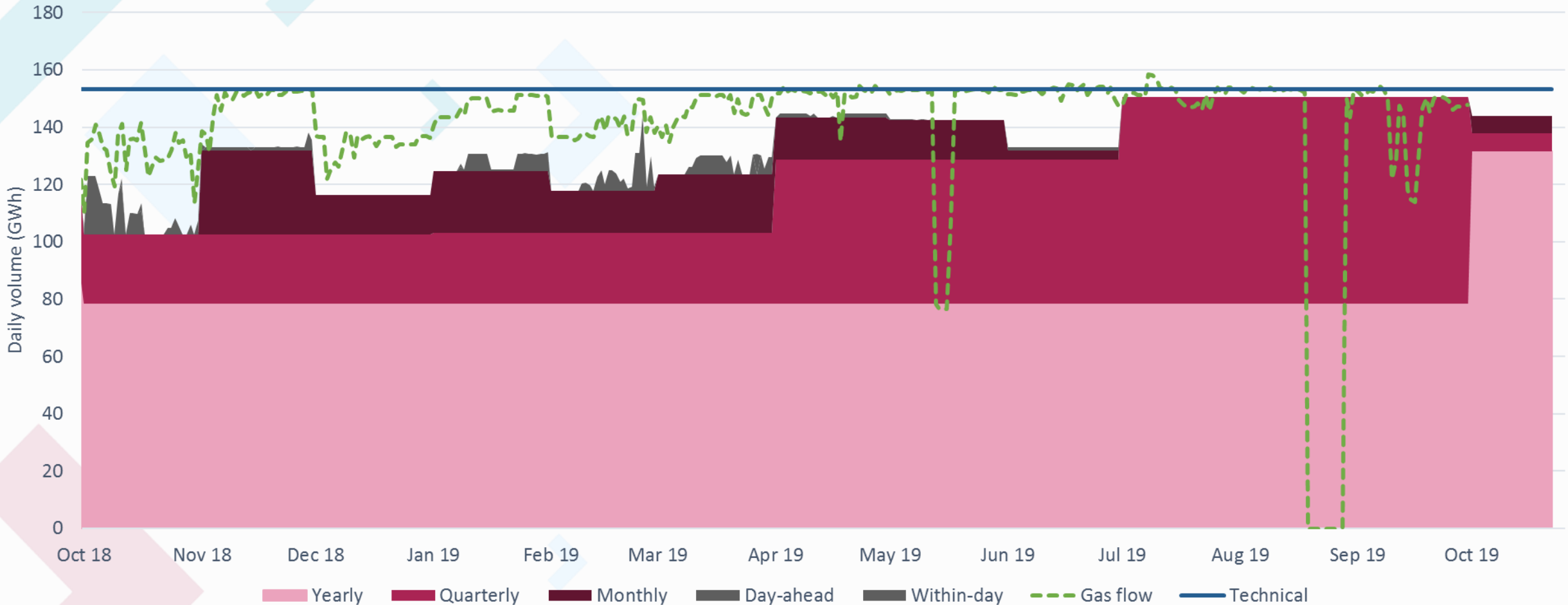
Source: FGSZ IP, FGSZ RBP



Gas export tariffs for yearly capacities are uniformed (0.25 EUR/MWh) from 1st October, which means 42% yoy rise of export tariffs to Ukraine. The new tariff structure and growing risk of failure to reach agreement with Russia may press shippers to buy short term capacities at Beregdaroc in the next gas year

Capacity bookings on AT>HU interconnector

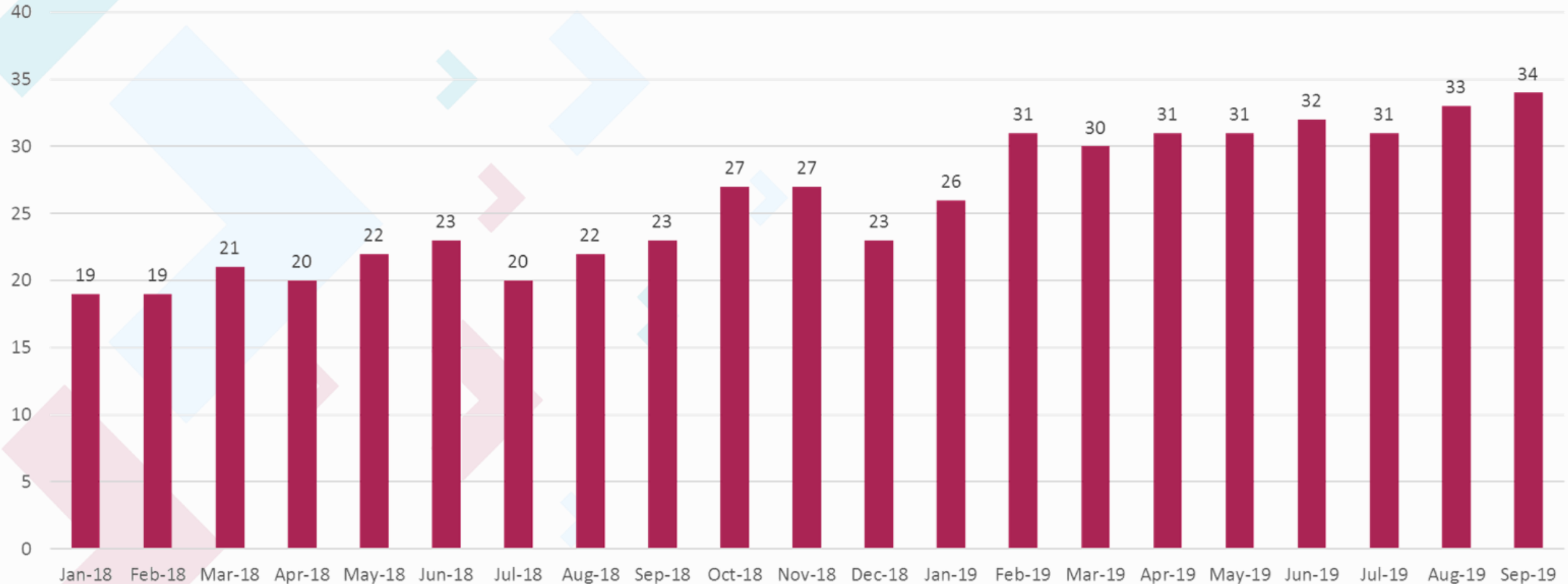
Source: FGSZ IP, FGSZ RBP



Import flows slightly decreased from Austria due to unfavorable spread between CEGH and CEEGEX in the first week of September. The yearly capacity was in high demand as shippers overbooked the available capacity for the next gas year and the clearing price rose to ~19 EUR/kWh/h/year

Number of active members on CEEGEX

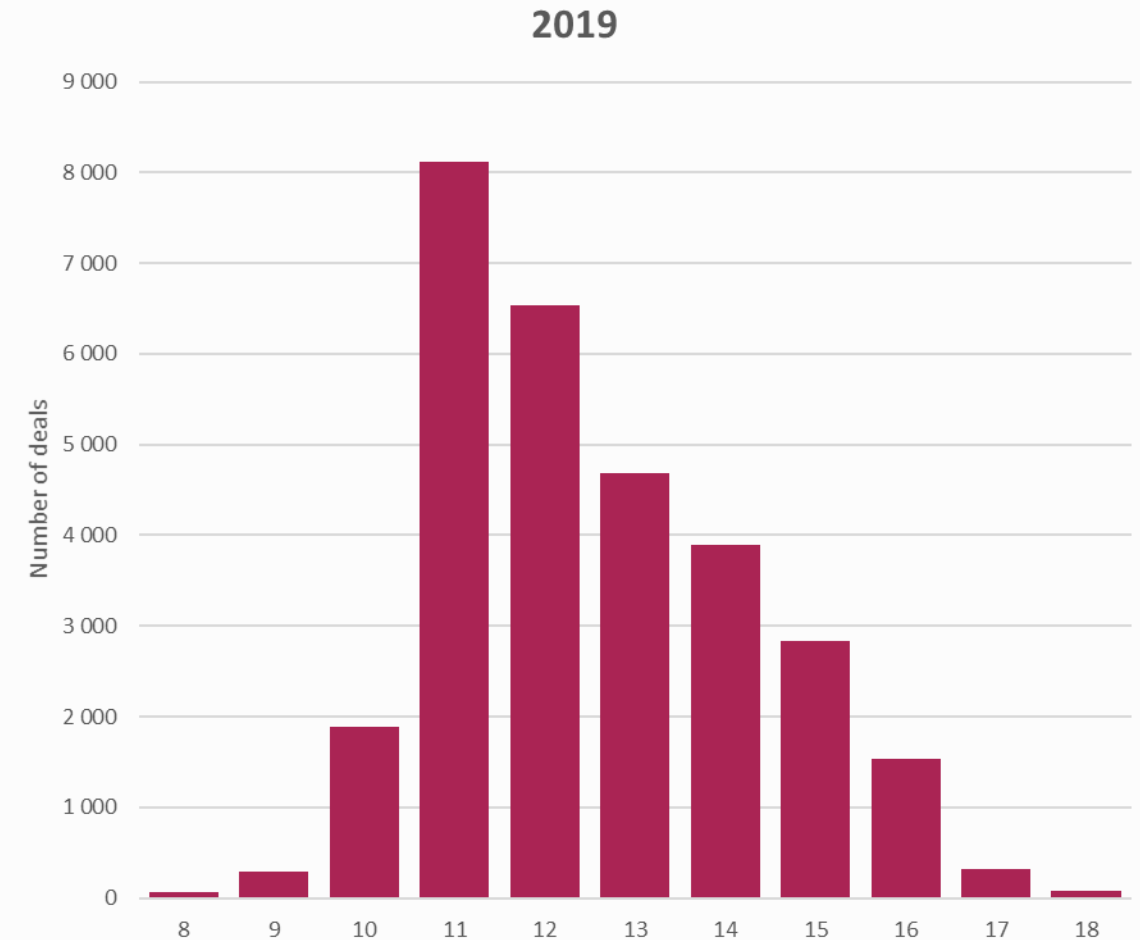
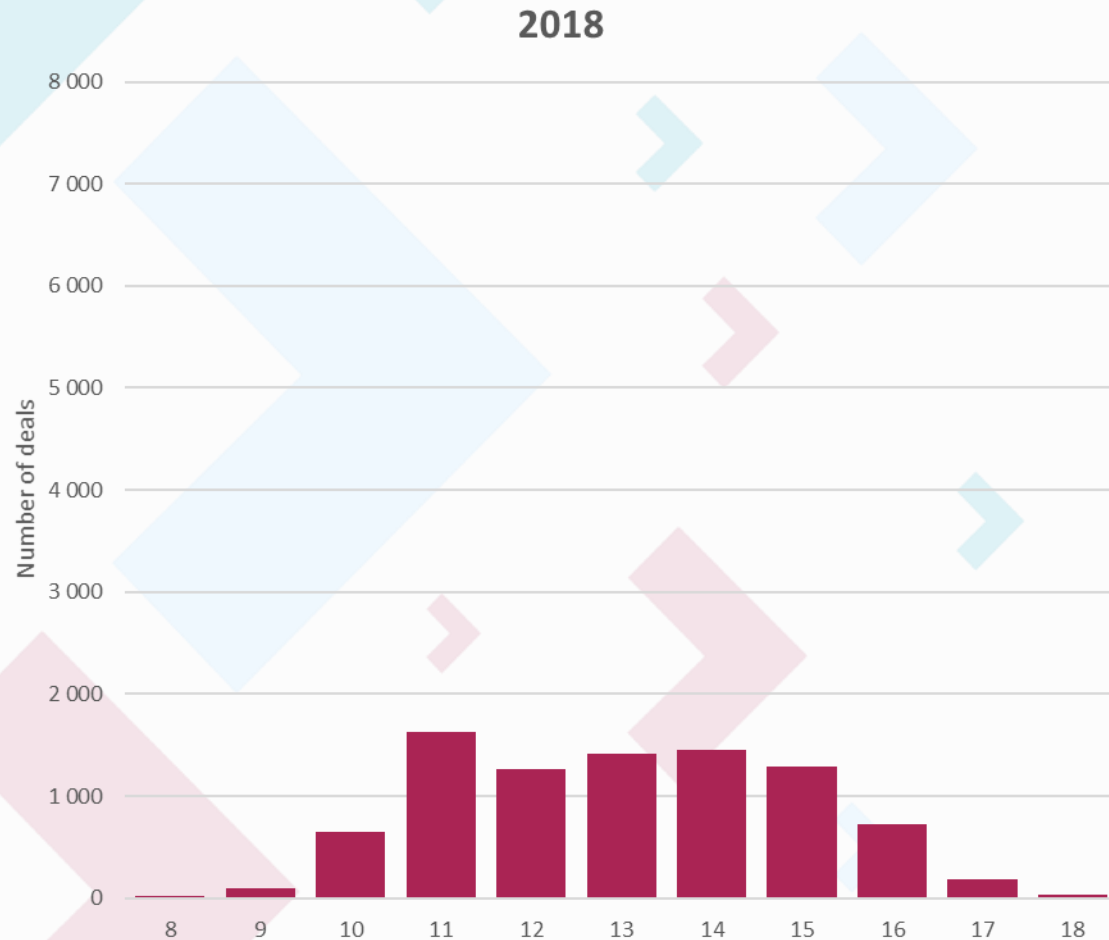
Source: CEEGEX



The number of members with non-zero activity grew in almost every month, while there haven't been any new entrance since May 2019



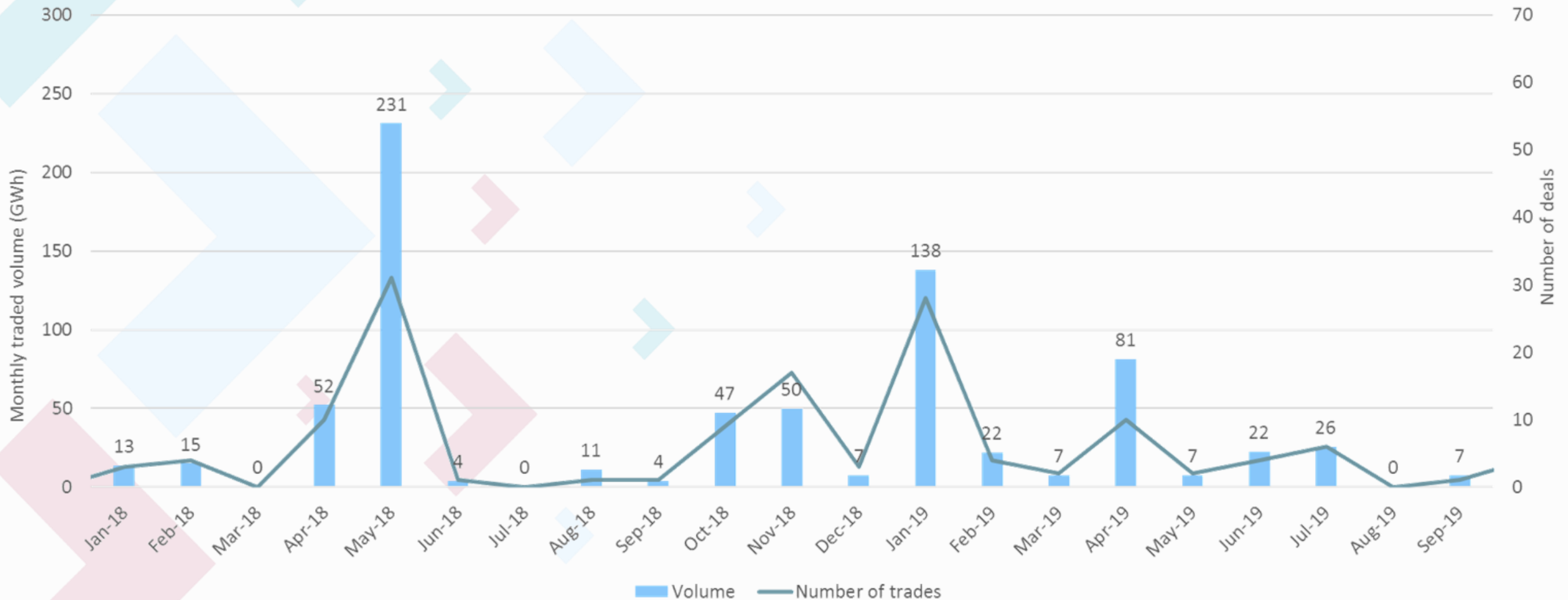
Hourly distribution of deals on CEEGEX



In 2018, altogether **8750**, until September 30th, 2019 **30250** deals were made on CEEGEX. The distribution of these among the most active hours has changed spectacularly, peaking between 11:00-12:00.

HUDEX Natural Gas segment monthly volume

Source: HUDEX



HUDEX Natural Gas segment recorded only 1 deal for front month Contract in September and reached 7 GWh traded volume, thus activity remain the same as last year's Q3