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LNG and European natural gas winter outlook 2024-25

Risk of supply disruptions support tighter winter expectations

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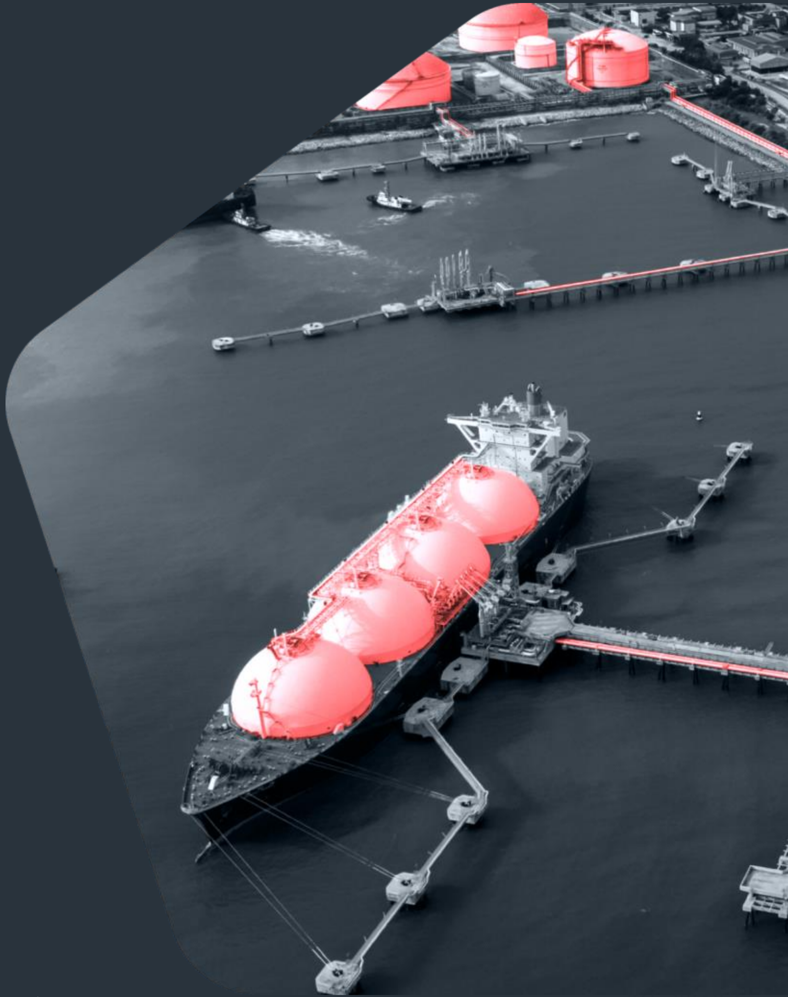

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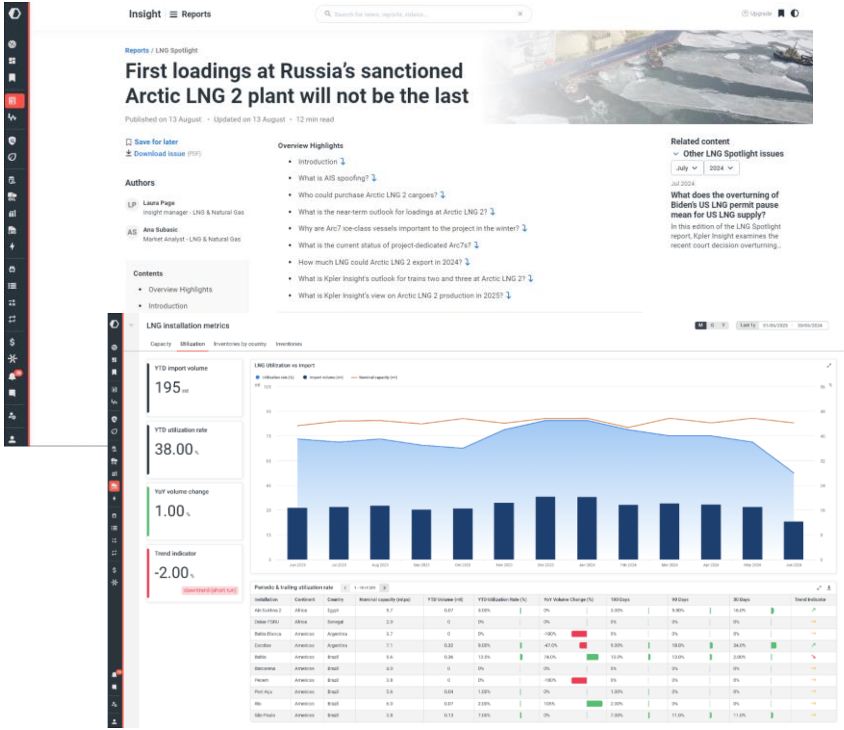

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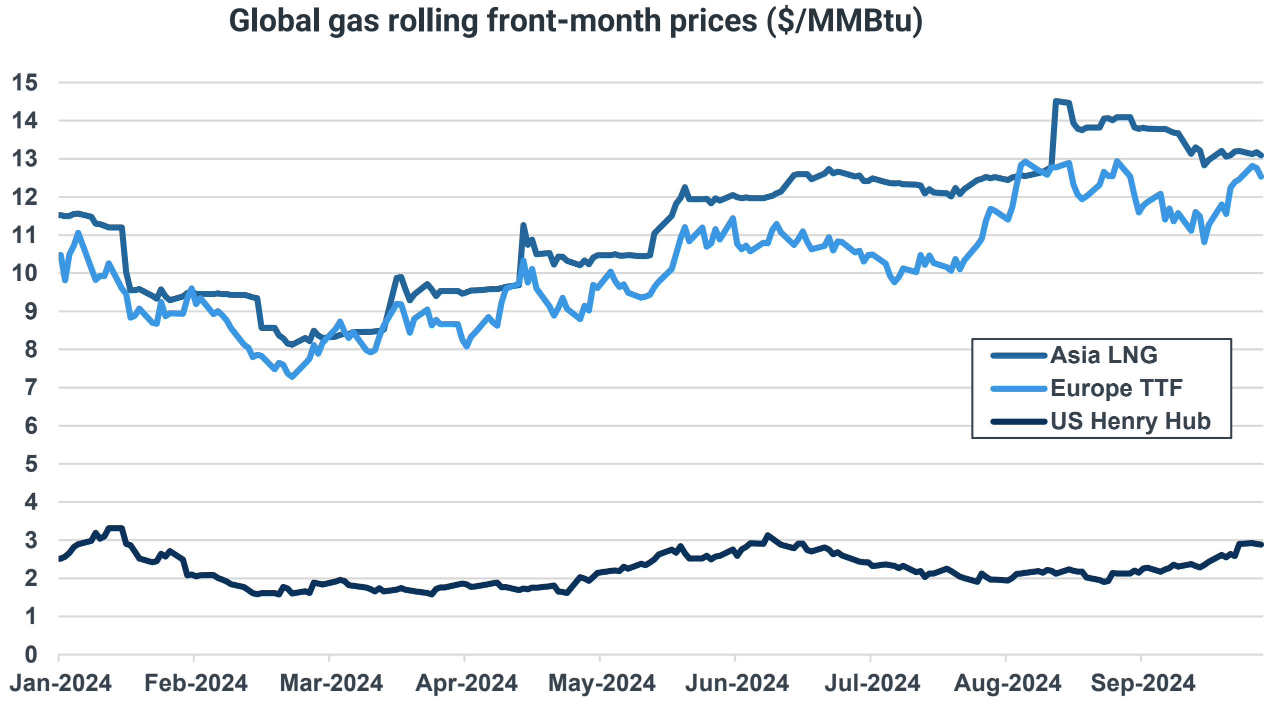
TTF and Asian LNG prices bullish since late-February lows…

Unplanned liquefaction outages, Russian pipeline supply concerns, heatwaves in Asia drive prices up

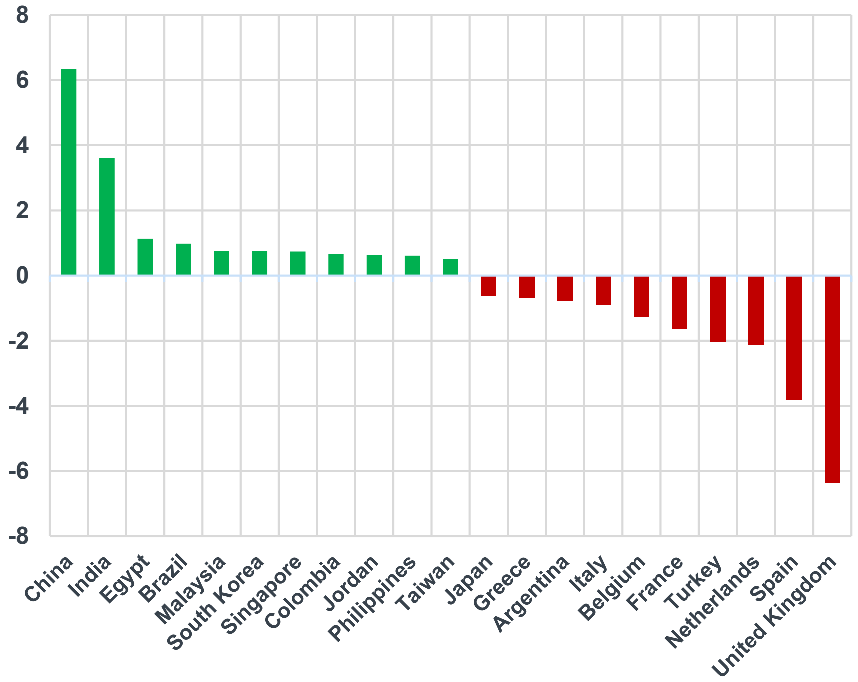


Source: ICE, NYMEX

2024 LNG trade swings to Asia as Europe reduces demand

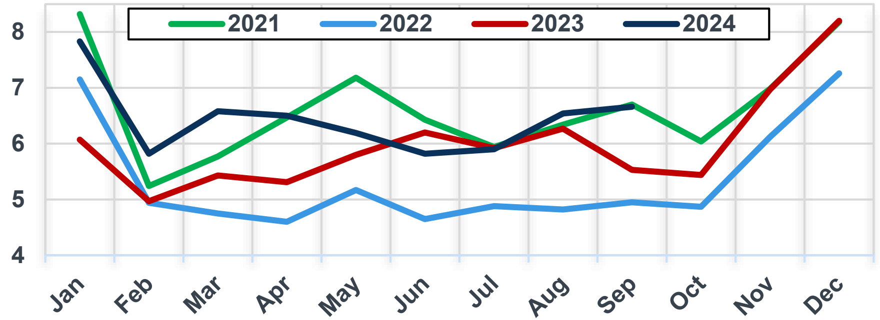
China and India absorb additional LNG on the back of lower prices and heatwaves

Top YTD changes in LNG demand (mt)

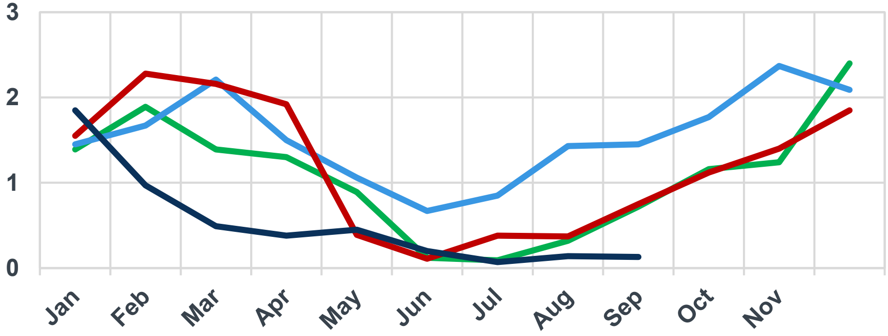


Source: Kpler

China LNG imports (mt)



UK LNG imports (mt)



Source: Kpler

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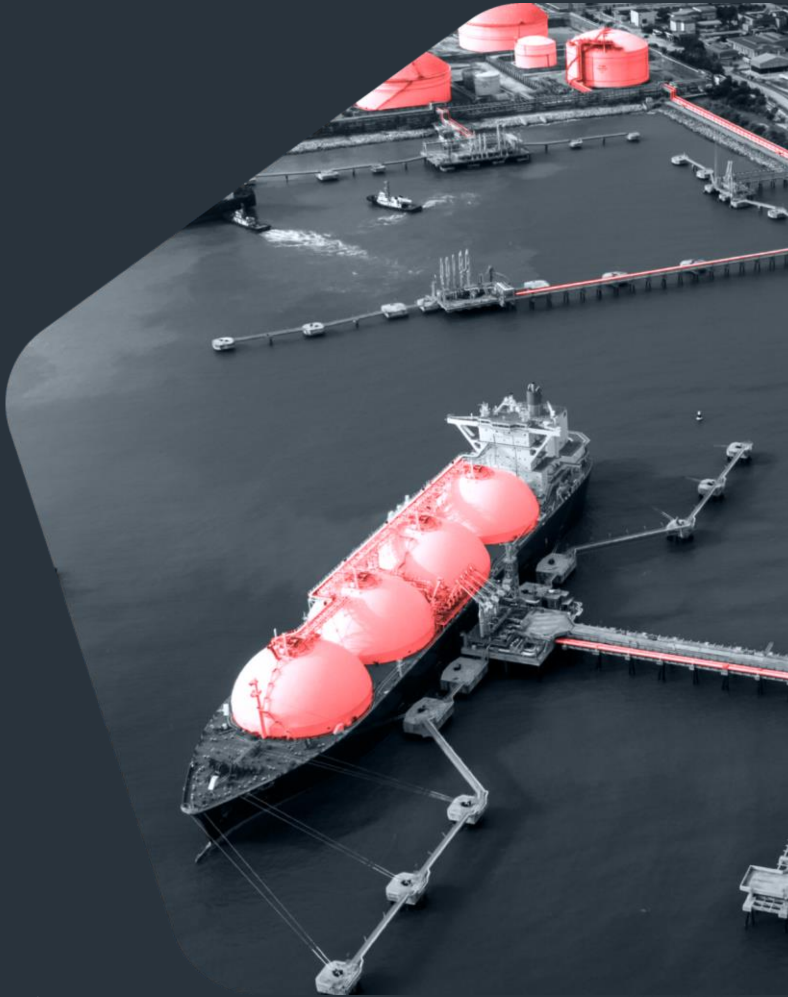
LNG supply outlook

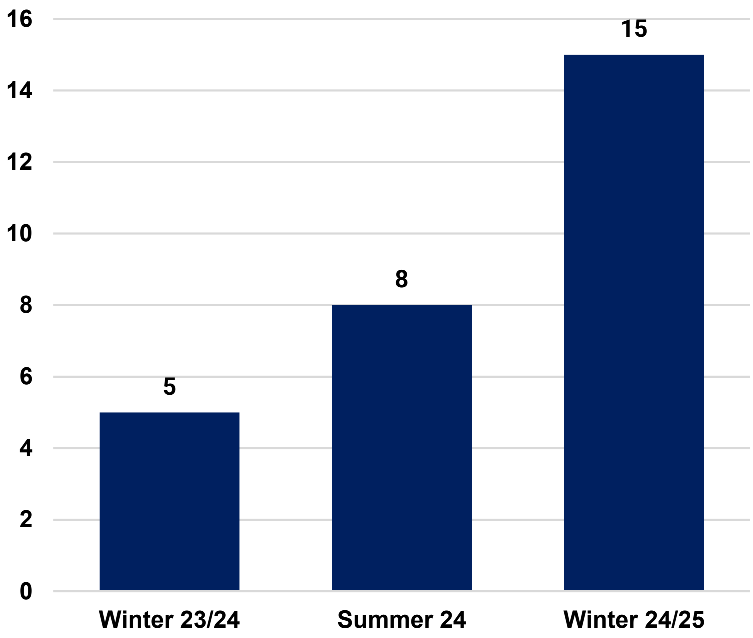
Supply outlook remains tight



Nameplate liquefaction capacity to grow by 15 mtpa during winter 2024-25...

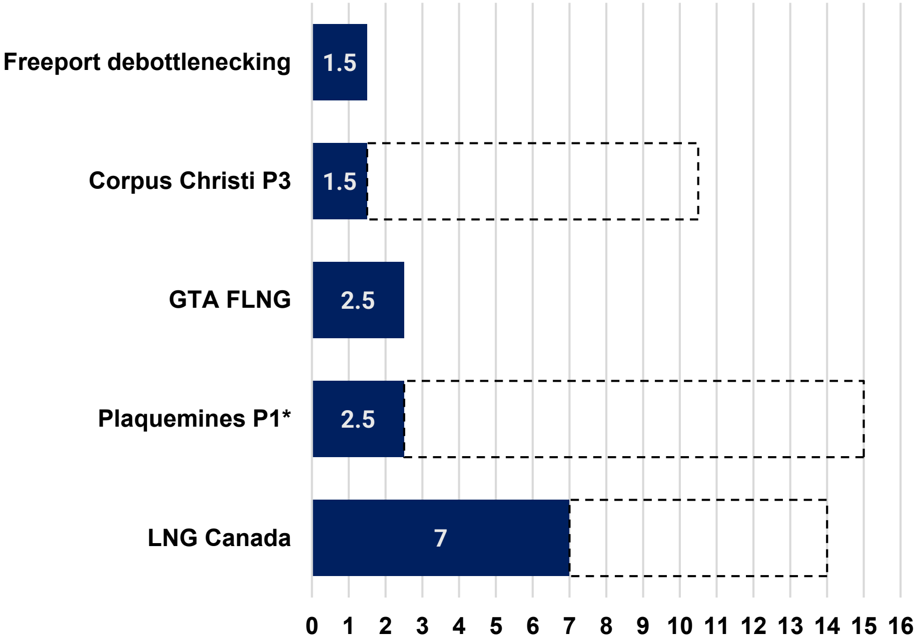
Start-ups across different basins will boost liquefaction capacity

Seasonal liquefaction capacity additions (mtpa)



Source: Kpler Insight

Liquefaction capacity additions for winter 24/25 (mtpa)

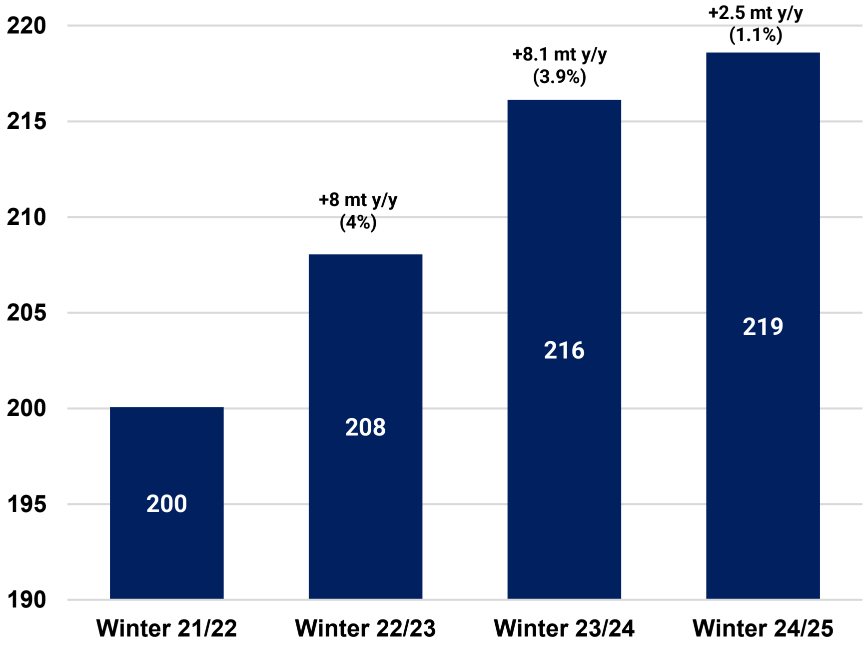


Source: Kpler Insight
Dotted section indicates full nameplate capacity upon completion
**Plaquemines P2 is set to start in Feb26*

...but LLNG supply to grow by only 2.5 Mt y/y to reach 219 Mt

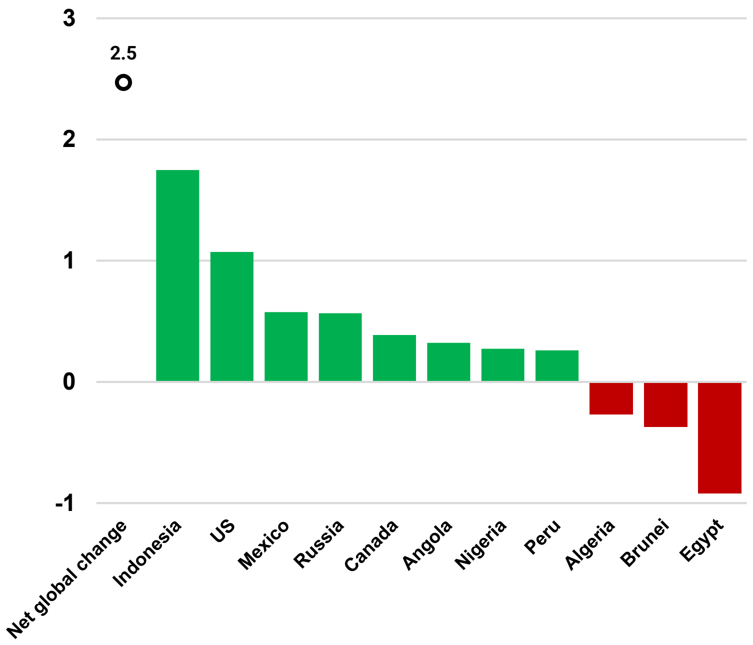
Incremental winter supply growth to be much less than the 8 mt y/y addition during winter 2023-24

Global winter supply (Mt)



Source: Kpler Insight

Key winter 24/25 LNG supply changes by exporting country (Mt)



Source: Kpler Insight
Only for countries with an absolute change of >0.2 mt

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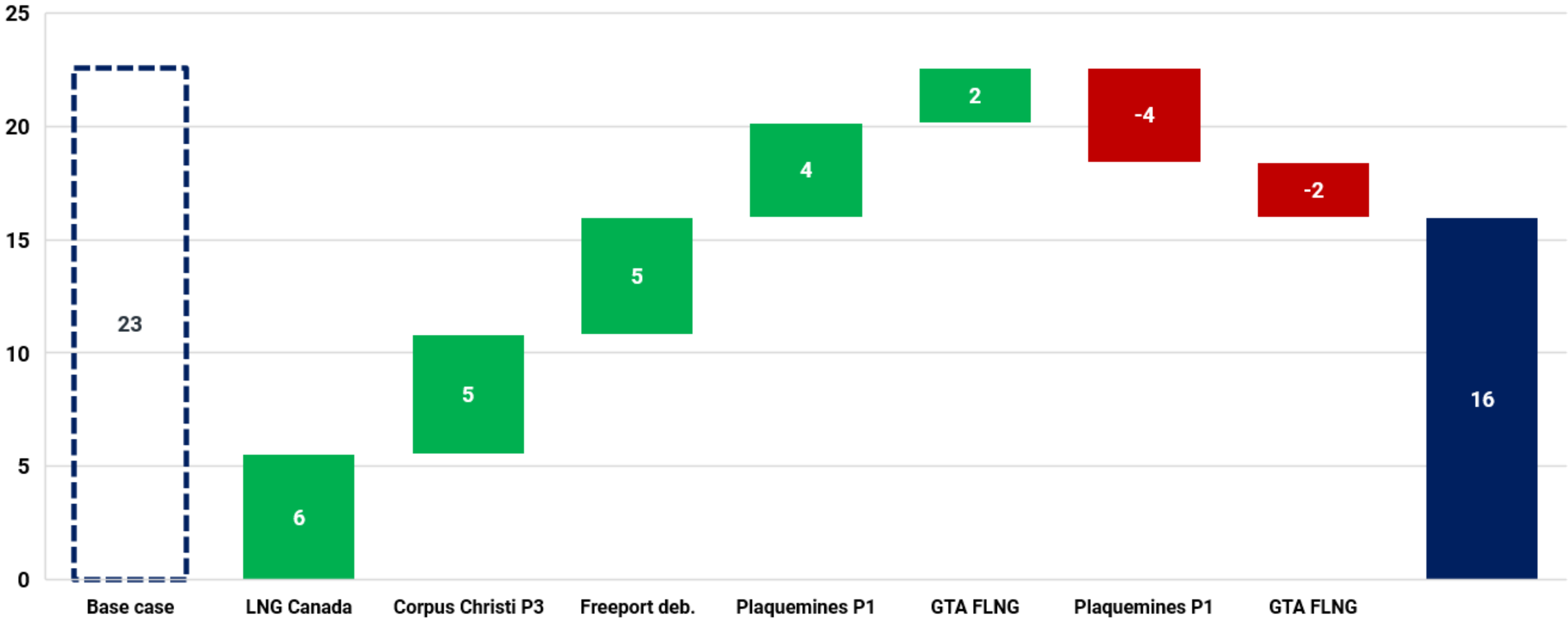
Delays could reduce the number of incremental cargoes for 2024-25 winter

Plaquemines P1 and GTA LNG face larger risk of delays

Capacity supply gains/losses for winter 24/25 (cargo equivalent)

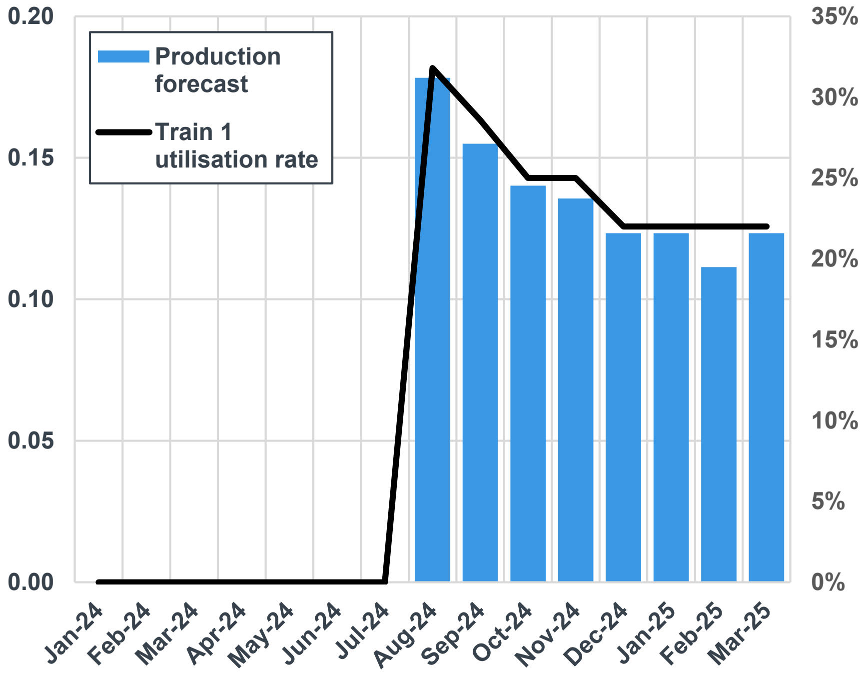


Source: Kpler
Assuming 1 cargo is 70kt. Cargo numbers rounded up to the nearest unit

Arctic LNG 2 supply risk heightens from November

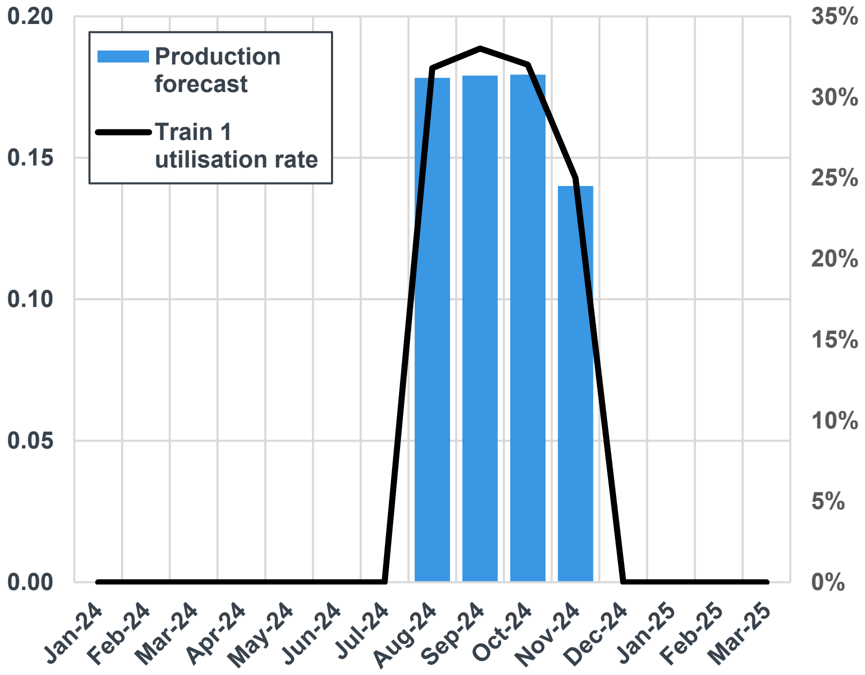
Conventional carriers run until NSR closes in mid-November; Arc4/Arc7s needed thereafter

Arctic LNG 2 base export scenario (mt)



Source: Kpler Insight

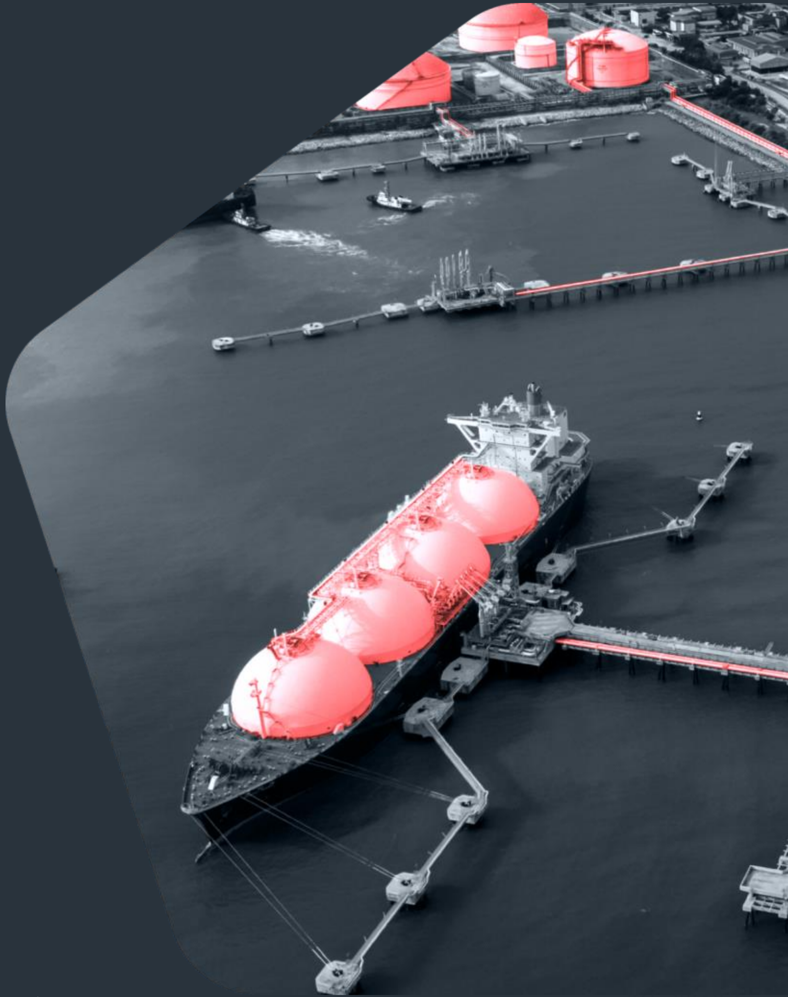
Arctic 2 LNG downside export scenario (mt)



Source: Kpler Insight

LNG demand outlook

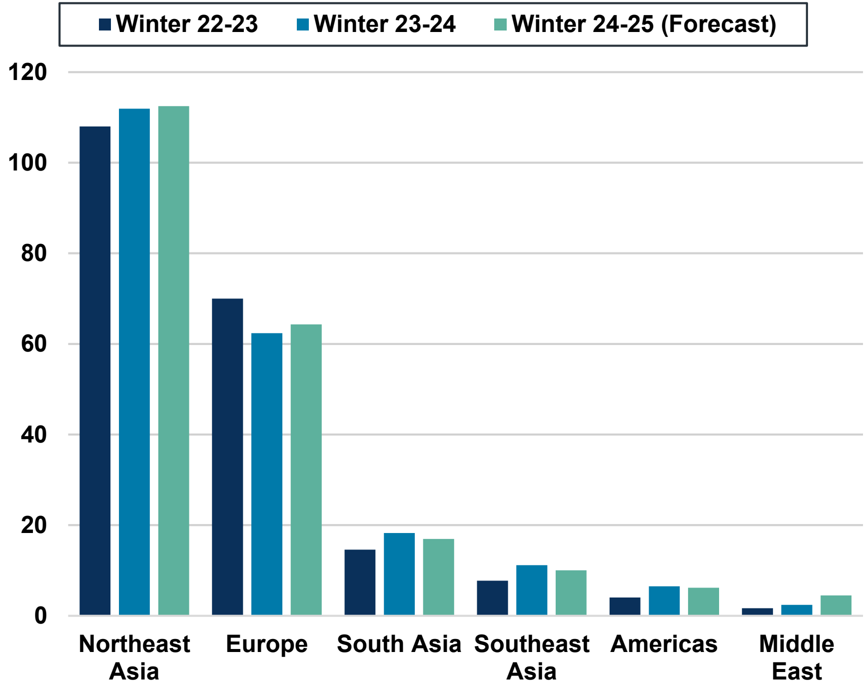
LNG demand growth only limited to Europe and Middle East this winter



Global LNG demand only expected to grow by 1 mt for winter 2024-25

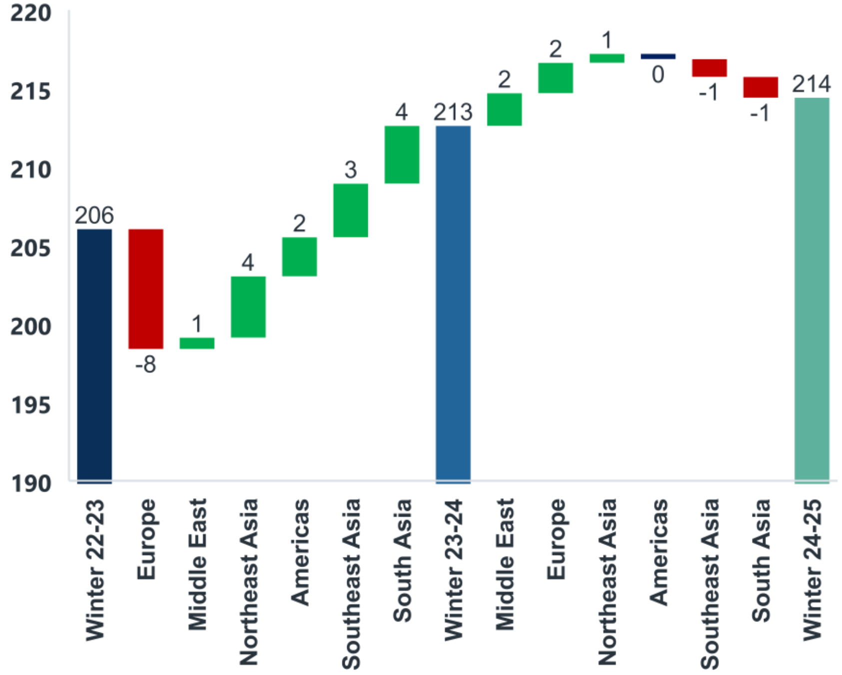
Lack of supply growth as key driver, most regions except for Europe and Middle East to see lower growth this winter

Winter LNG demand by region (Mt)



Source: Kpler Insight

Winter-on-winter LNG demand changes by region (Mt)

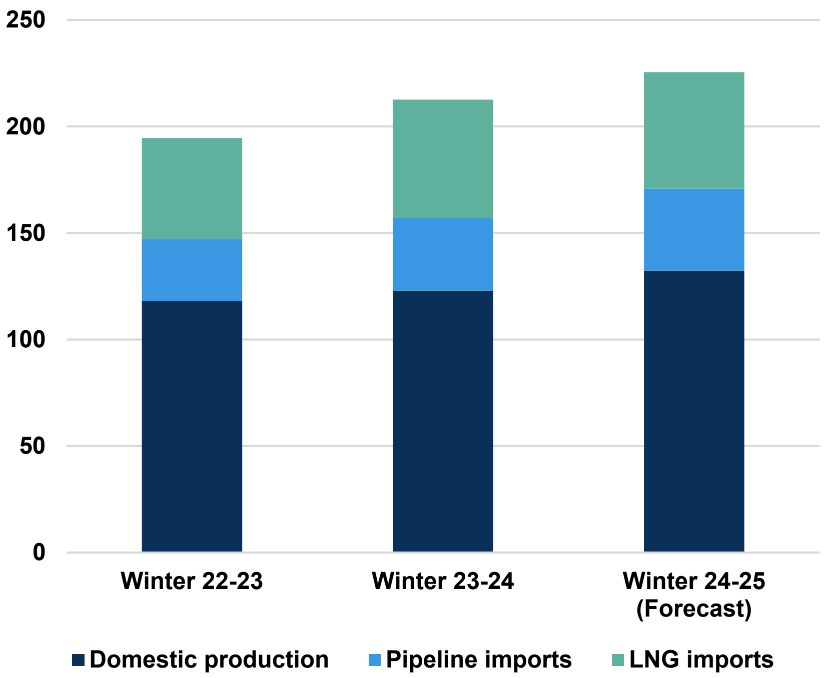


Source: Kpler Insight

China's winter LNG demand projected to be 40 mt, around 1 mt less y/y

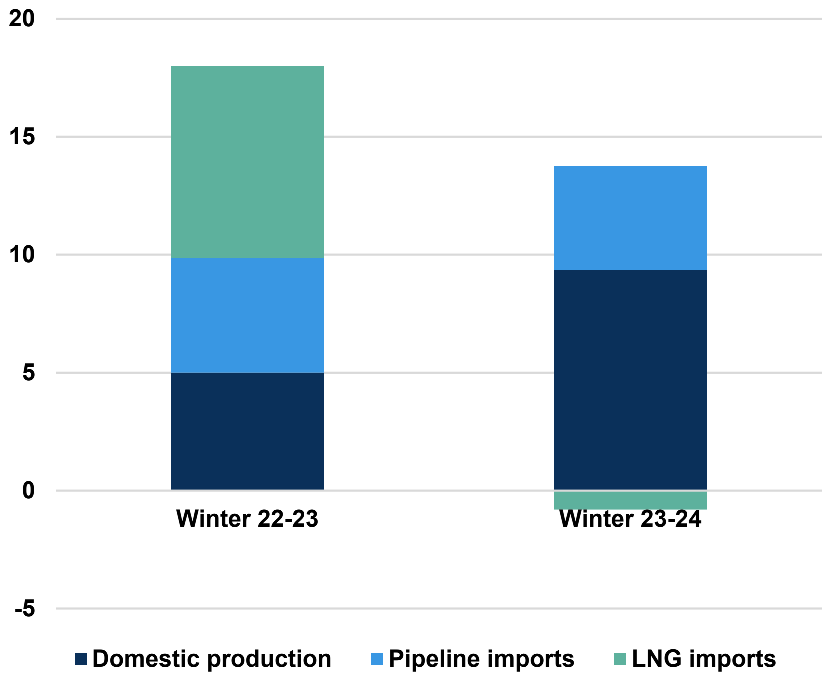
Higher domestic gas production and pipeline imports expected to meet most of marginal gas demand growth this winter

China winter gas supply balance (bcm)



Source: Kpler Insight

China winter-on-winter gas supply change (bcm)

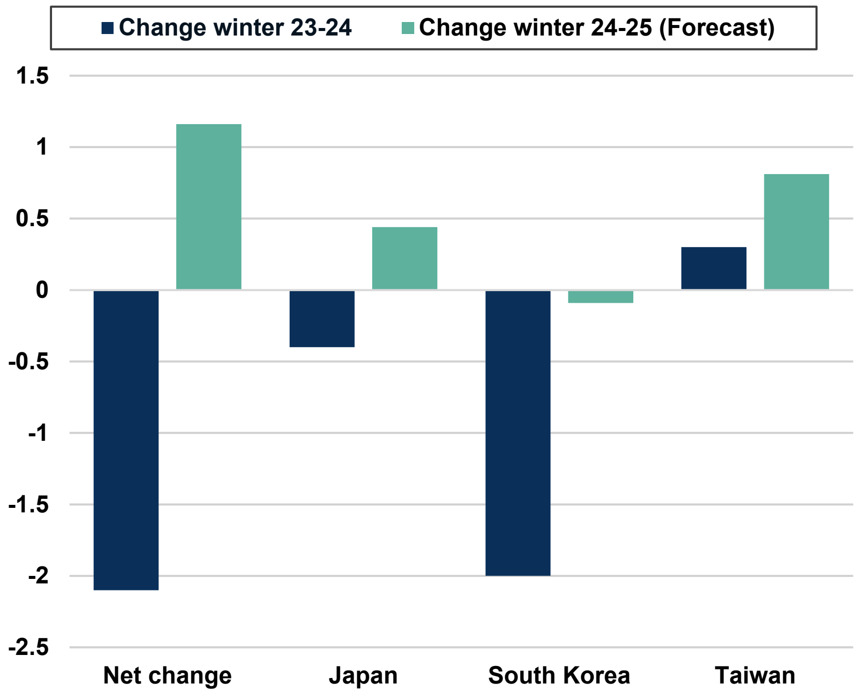


Source: Kpler Insight

JKT to increase LNG imports this winter due to colder temperatures

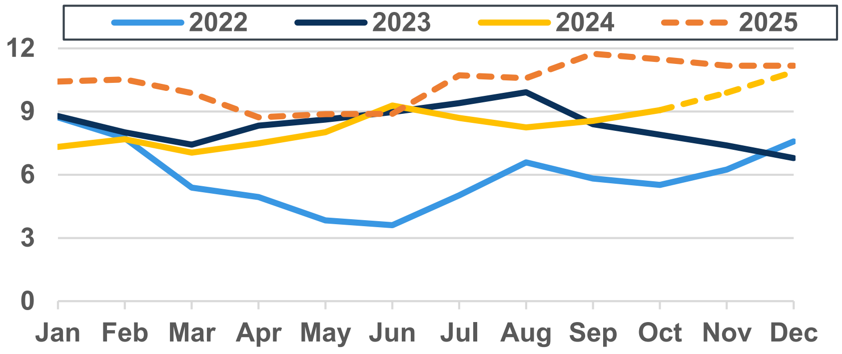
Nuclear availability to moderate import upside in Japan and Korea, Taiwan to shut coal plants to improve air quality

Winter-on-winter LNG demand changes by country (Mt)

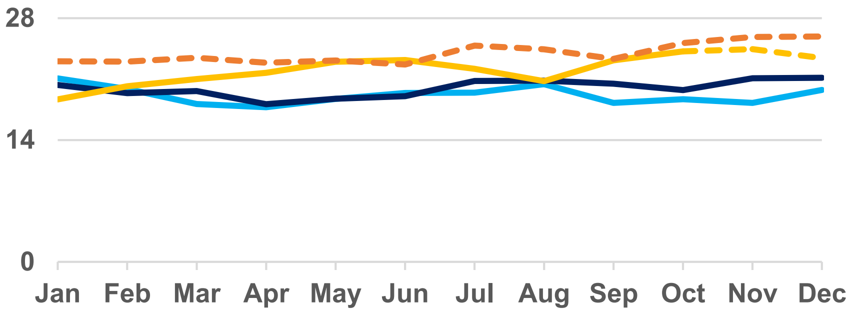


Source: Kpler Insight

Nuclear availability in Japan (GW)



Nuclear availability in South Korea (GW)

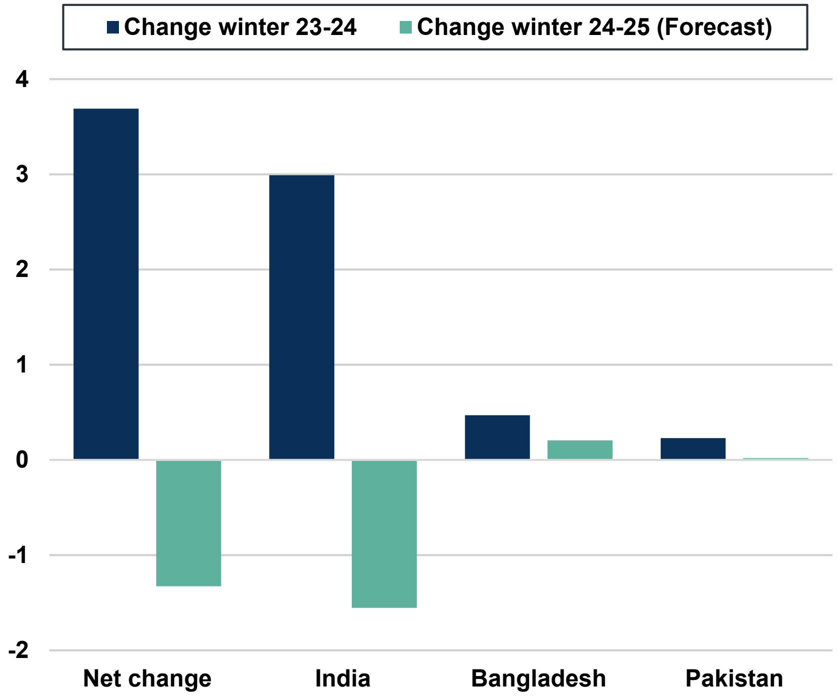


Source: Kpler Insight

South and Southeast Asia expected to reduce imports during winter 2024-25

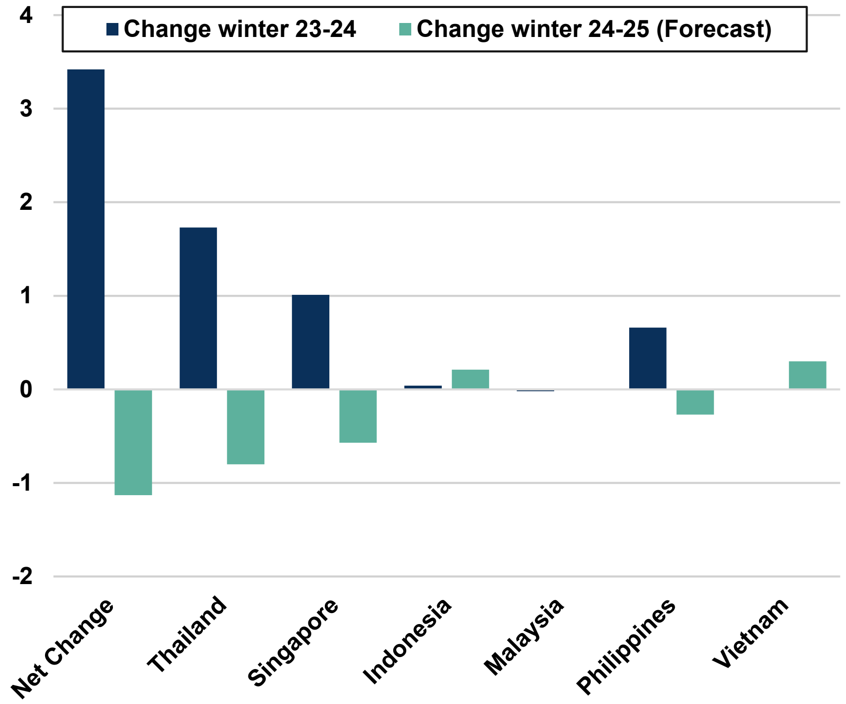
High LNG prices expected to sideline LNG importers in both regions

Winter-on-winter LNG demand changes in South Asia by country (Mt)



Source: Kpler Insight

Winter-on-winter LNG demand changes in Southeast Asia by country (Mt)

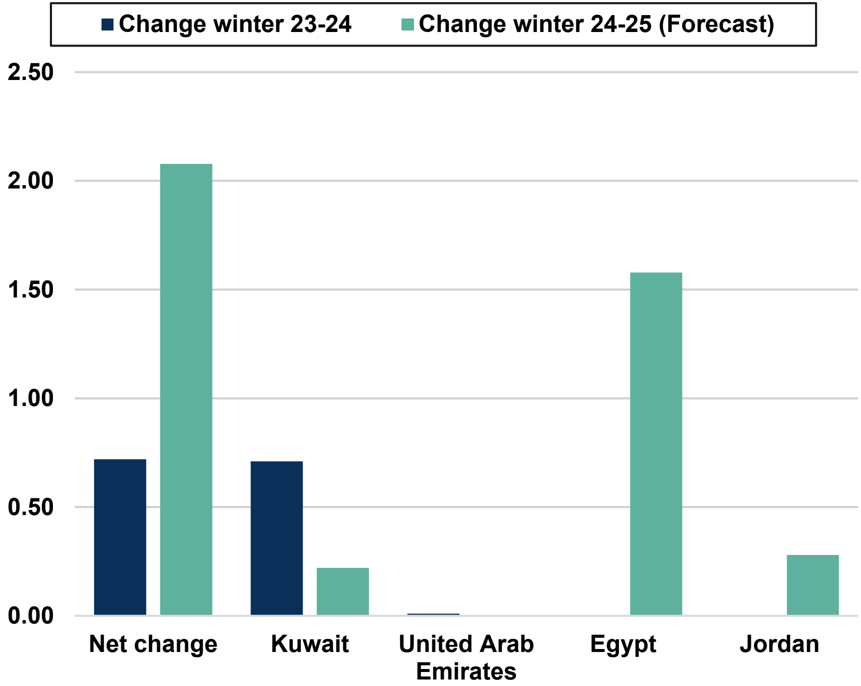


Source: Kpler Insight

Middle East expected to grow LNG imports while Americas expected to reduce

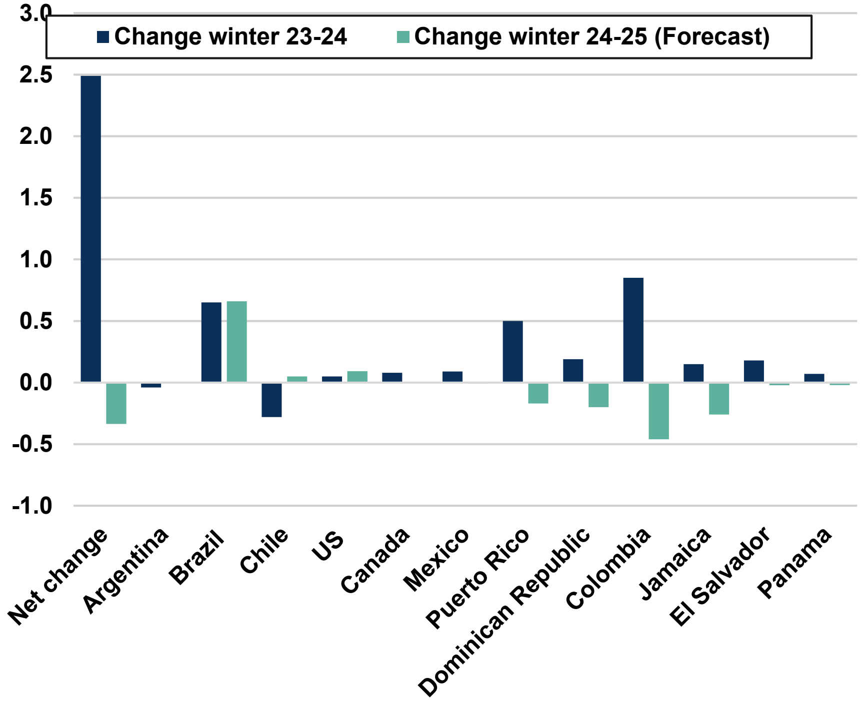
Middle East Imports driven by Egypt tenders, drought in Brazil to have upside for LNG demand

Winter-on-winter LNG demand changes in Middle East by country (Mt)



Source: Kpler Insight

Winter-on-winter LNG demand changes in Americas by country (Mt)



Source: Kpler Insight

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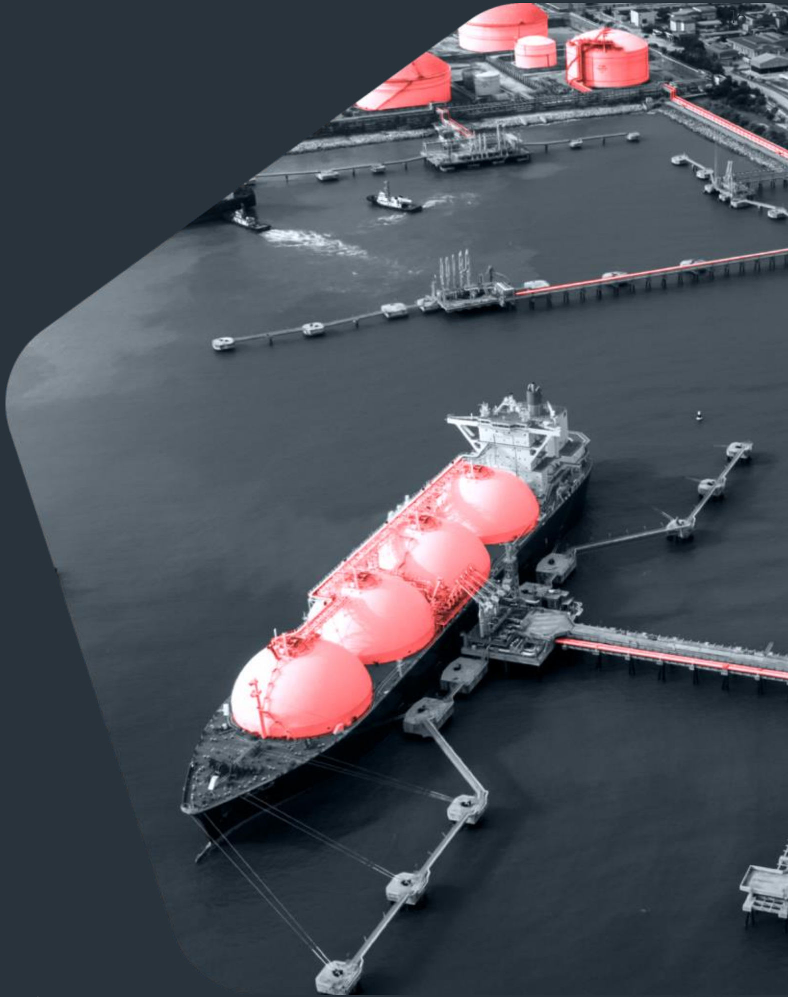
EU-27 natural gas outlook

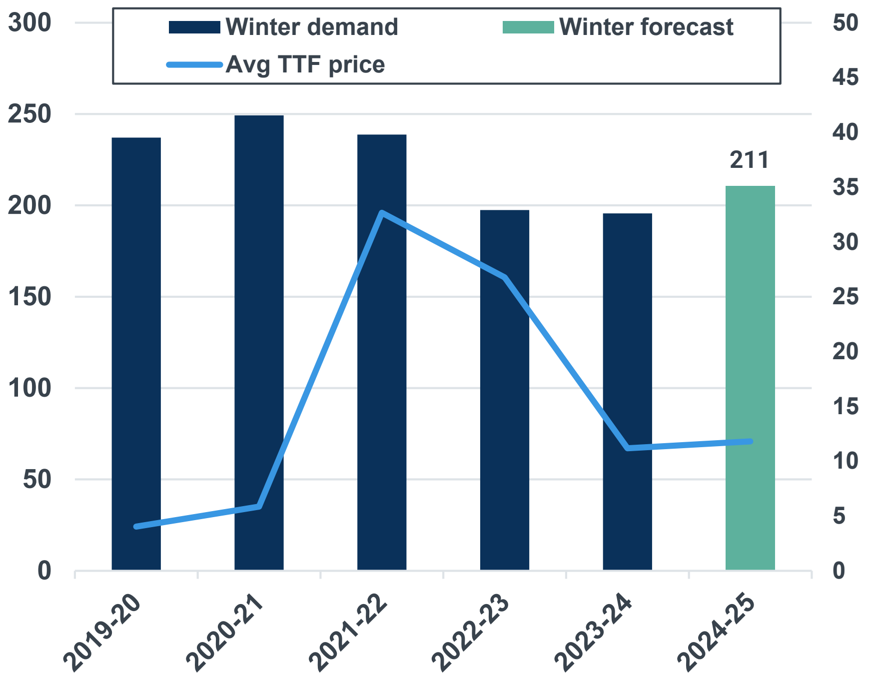
A tighter balance will test the resilience of the EU natural gas market



Evolution of EU-27 winter demand 2020-2024

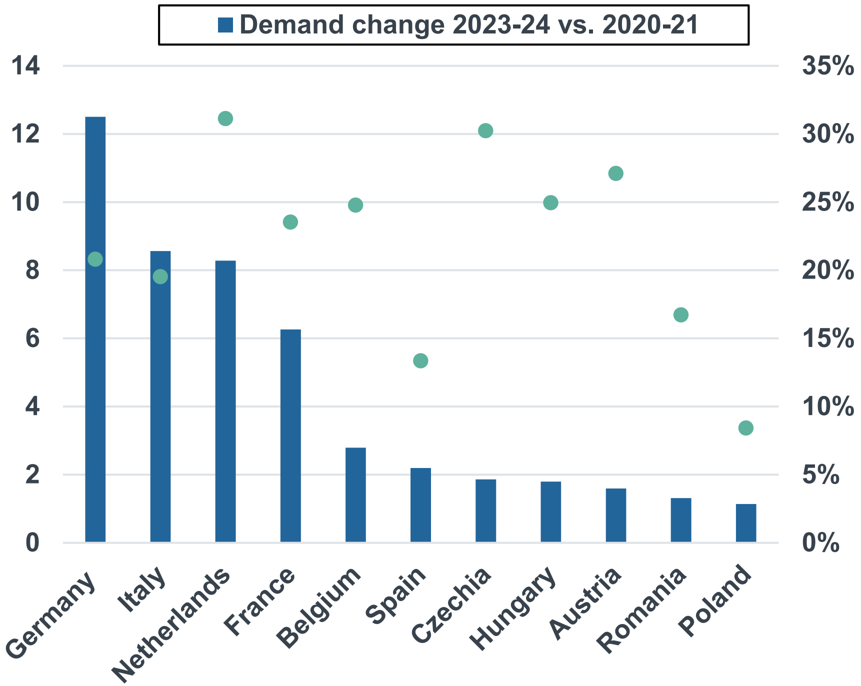
Mild winters and demand destruction have driven the loss in the last two years

Winter gas demand & TTF price, EU-27 (bcm, $/MMBtu)



Source: ENTSOG, Eurostart ICE, Kpler

Gas demand change winter 23-24 vs. winter 20-21 (bcm, %)



Source: ENTSOG, Eurostat,, Kpler

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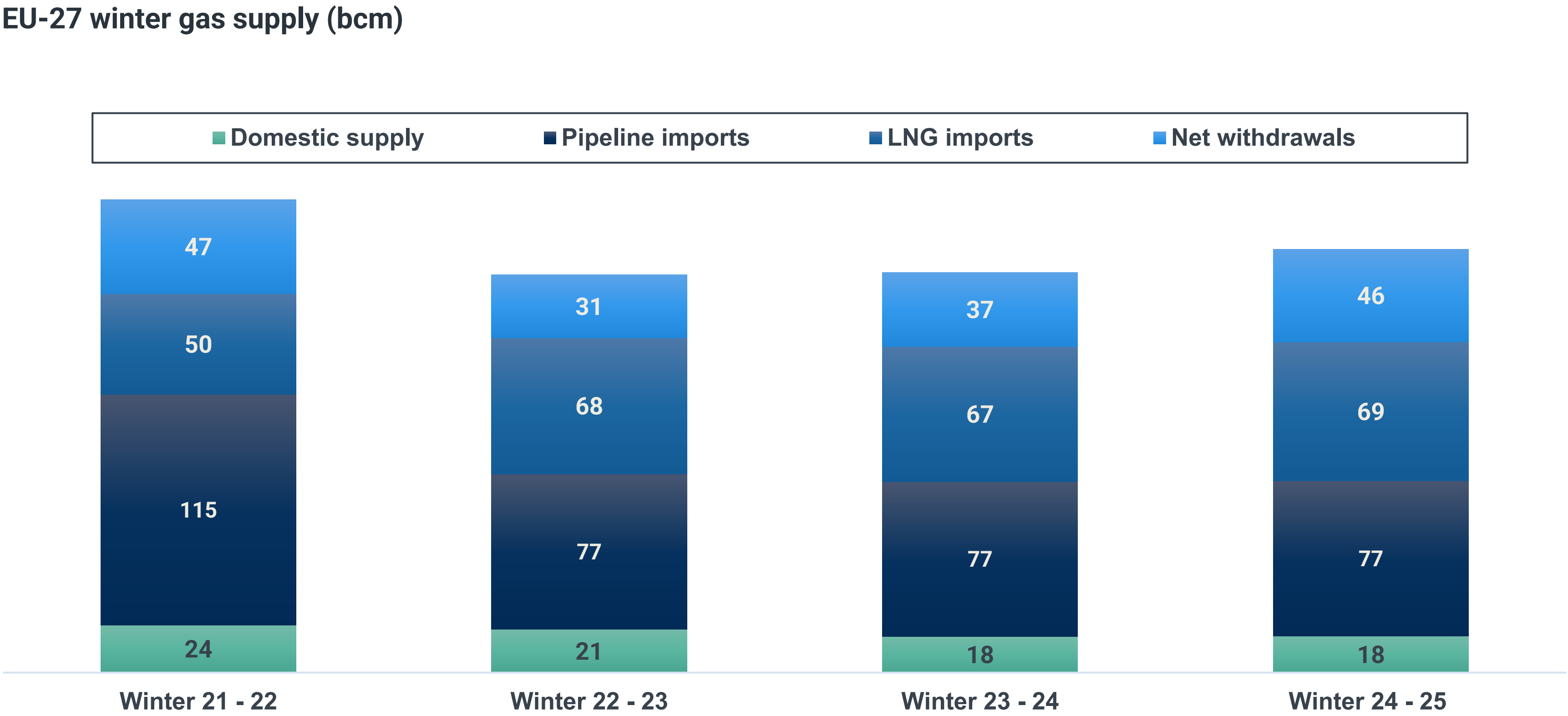
A colder winter in 2024-2025 will tighten the EU-27 balance

Market balancing is expected to be facilitated by larger storage withdrawals

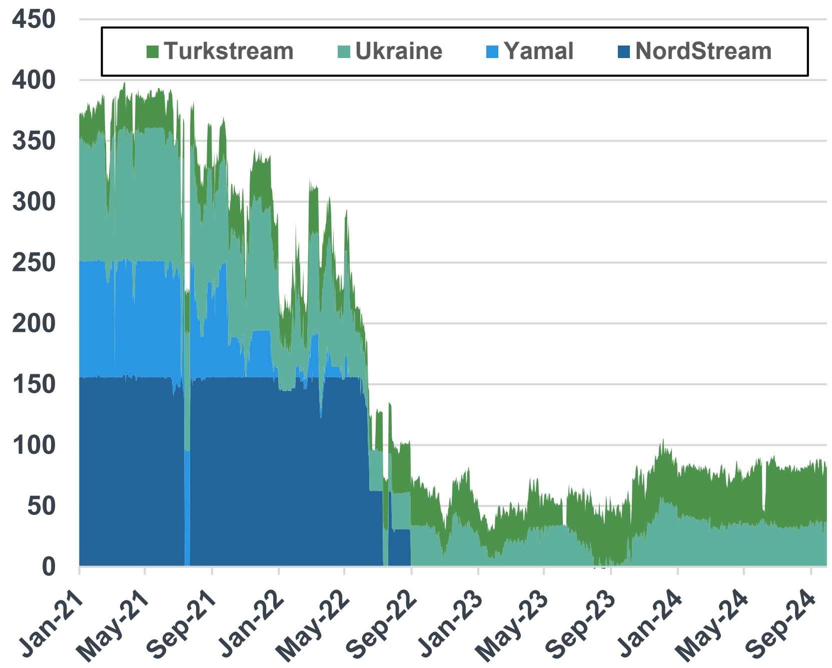


Source: ENTSOG, Eurostat,, Kpler

January 2025: Russian pipeline flows via Ukraine expected to cease

Russian pipeline supply expected to be lost from 1 January 2025, around 3.4 bcm between Jan-March 2025

Russian pipeline flow to EU-27 by route (mcm/d)



Selected sources of EU gas supply

Source: ENTSOG, Kpler

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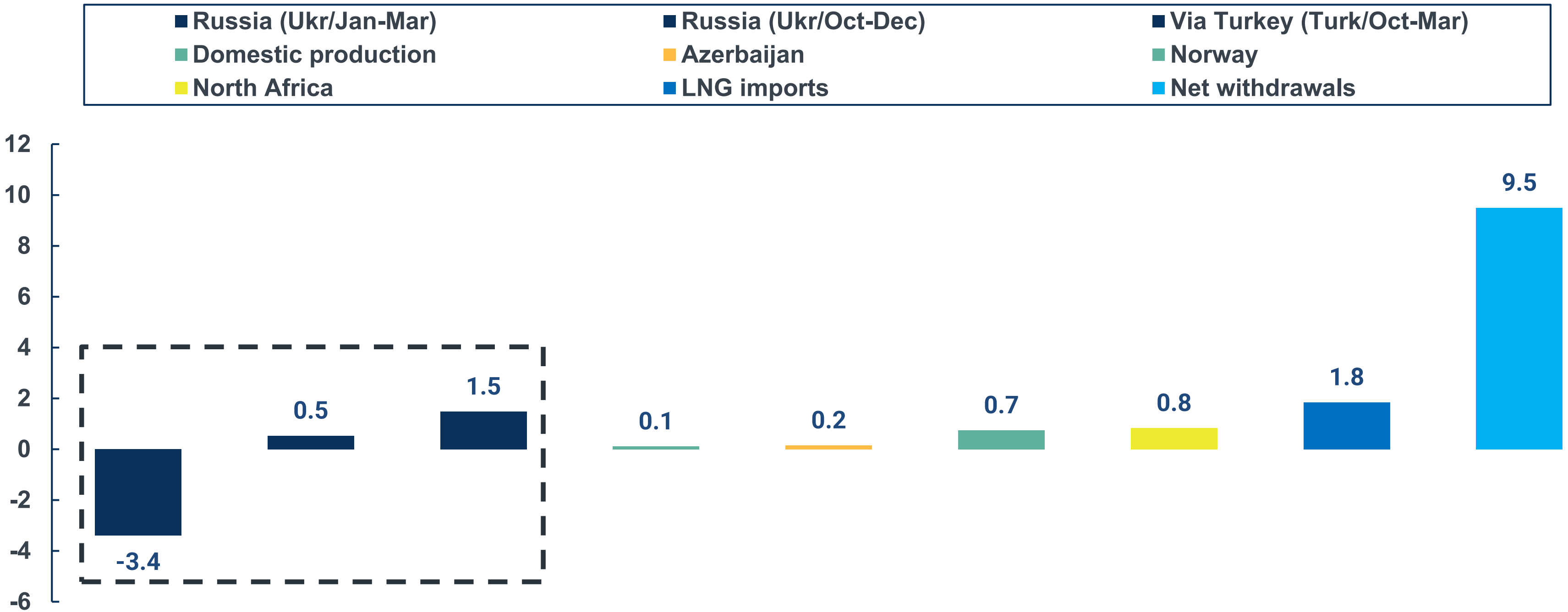
Coping with the loss of Russian supply during winter

Pulling all the available strings

Year-on-year change in the EU-27 winter supply mix (bcm)

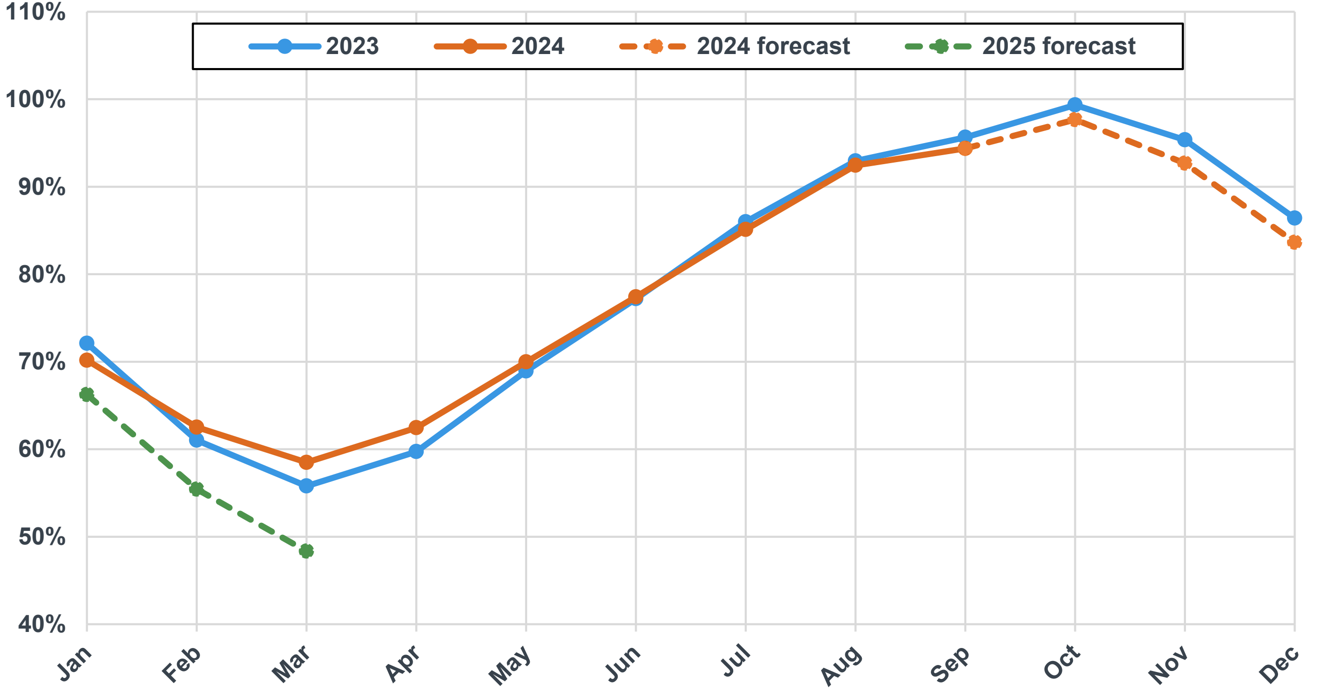


Source: ENTSOG, Eurostat, Kpler

EU underground gas storage to end winter 2024-25 at 48% full

Net withdrawal will accelerate after supply uncertainty regarding the transit agreement dissipates

EU-27 underground gas storage outlook (%)



Source: Kpler , GIE

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Conclusions

Upcoming winter to see tight LNG markets with low supply growth and higher LNG demand for heating

- Winter 2024-25 will see a **net LNG export growth of 2.5 mt** compared to 8.1 mt during winter 2023-24, with most growth coming from Indonesia and new projects in the Atlantic Basin

- **Project delays** remain a key risk for LNG supply additions being pushed later in 2025

- Most **new LNG capacity will come online in H2 2025**, led by the US and Canada

- **Global LNG demand growth to be limited** during winter 2024-25 except for Europe and Middle East

- **EU-27 winter gas demand to increase ~7% y/y**. LNG imports and pipeline supply will offset the loss of Russian pipeline gas in winter 2024-25.

- **EU underground gas storage will provide resilience,** particularly to the countries most exposed to the halt of flows via Ukraine. EU-27 storage levels to end winter at 48% full

Q&A

To reach out to the LNG and natural gas Insight team, please reach out to

insights@kpler.com