

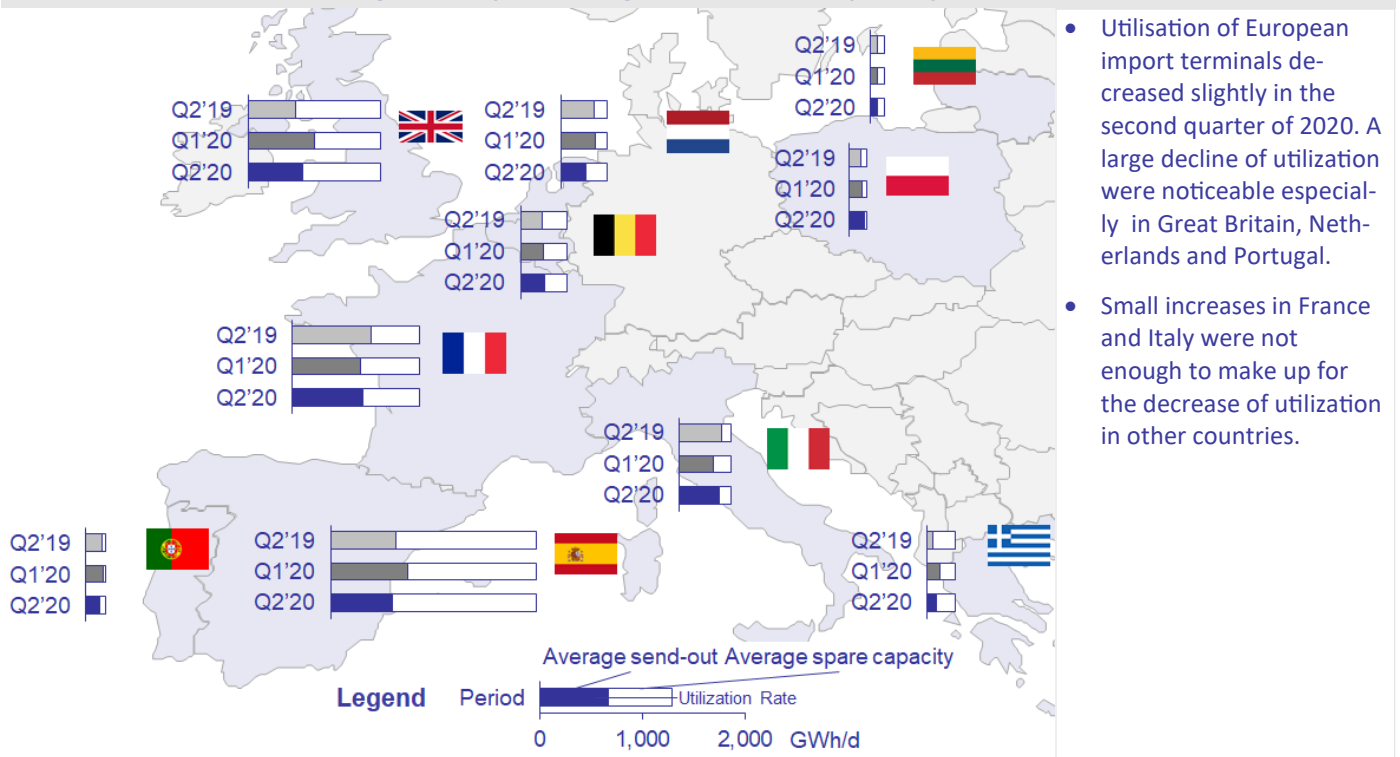
# LNG MARKET RADAR

23.07.2020

## KEY POINTS

- Utilisation of European LNG import terminals decreased slightly in the second quarter of 2020 compared to Q1. The price of natural gas dropped to a record low of 3.50 EUR/MWh at the end of May (TTF Front Month), meaning there were no economical incentives to ship LNG to Europe. An important driver for low gas prices and suppressed demand is the global recession due the corona crisis.
- Nevertheless, Europe remains the most important importer of U.S. LNG in 2020 (year-to-date). However, total gas deliveries into U.S. export facilities dropped recently. Within two months, these deliveries decreased by 50%. Also, the U.S. Energy Information Administration estimates the drop of LNG exports in June towards March around 50%.

## Average European Regasification Capacity Utilization

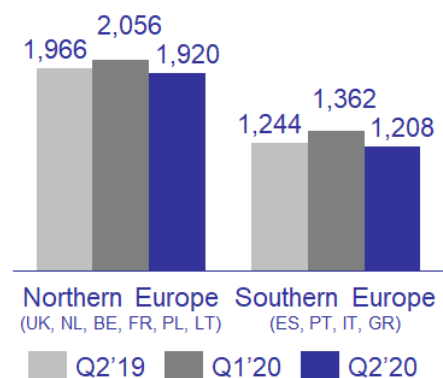


Source: Gas LNG Europe (GLE), Team Consult Analyse; Data until June 30, 2020

## Average send-out of European Regasification Facilities

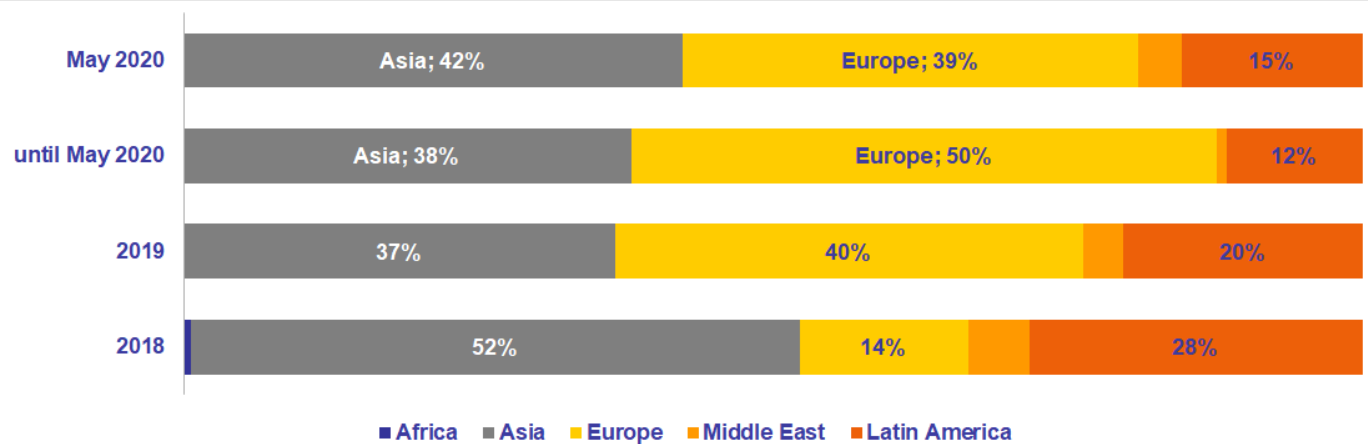
- In May, the average send-out of European regasification facilities dropped down by around 15 % towards April.
- After many years, the growth of LNG deliveries to Europe has stopped abruptly.
- This is true for Northern Europe as well as for Southern Europe.

## Average send-out (in GWh/d)



Source: Gas LNG Europe (GLE), Team Consult Analyse

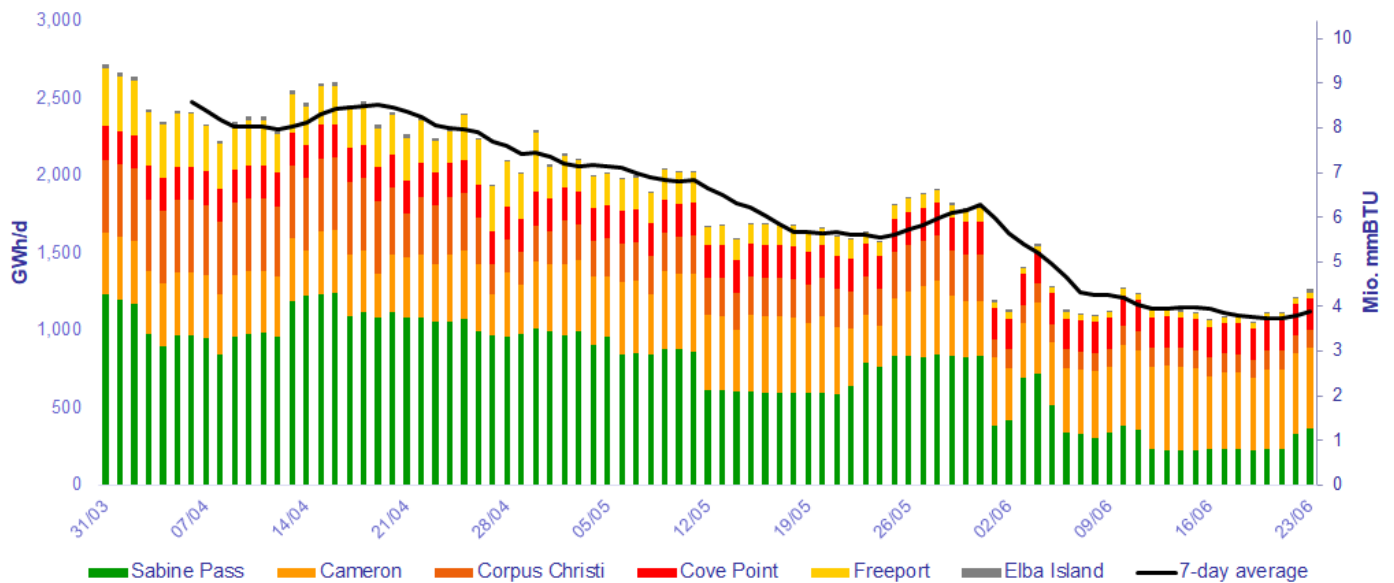
## Distribution of U.S. LNG exports by regions



Source: US Energy Department, Team Consult Analysis

- Despite the decrease in European LNG imports, Europe remains the largest importer of U.S. LNG in 2020 (year-to-date). In 2018, Asia received more than 50 % of U.S. LNG deliveries while Europe only imported around 14 %. Since then, Europe overtook Asia and is 2020 the most important buyer of LNG cargoes from the USA., despite that Asia exceeded the share of Europe in May 2020.
- For the first time since autumn 2019, there was no U.S. LNG delivered to Great Britain in April 2020.

## Total deliveries to U.S. export facilities



Source: Natural Gas Intel, Team Consult Analyse

- Since April, gas deliveries to U.S. export facilities decreased heavily. After total deliveries hit a record low of 3.61 million mmBTU/d on June 19<sup>th</sup>, the trend seems to have reversed to a moderate growth. The heaviest drop within a single day occurred on June 1<sup>st</sup>, when deliveries sank by around 33 %.
- Based on these figures, we expect U.S. exports will not recover in the short run.

### Imprint

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