



Panel: A Trader's Viewpoint: Gas Pricing in the Face of Global Oversupply & Regional Shortage Concerns

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Our Panelists

Frank van Doorn, Head of Trading,
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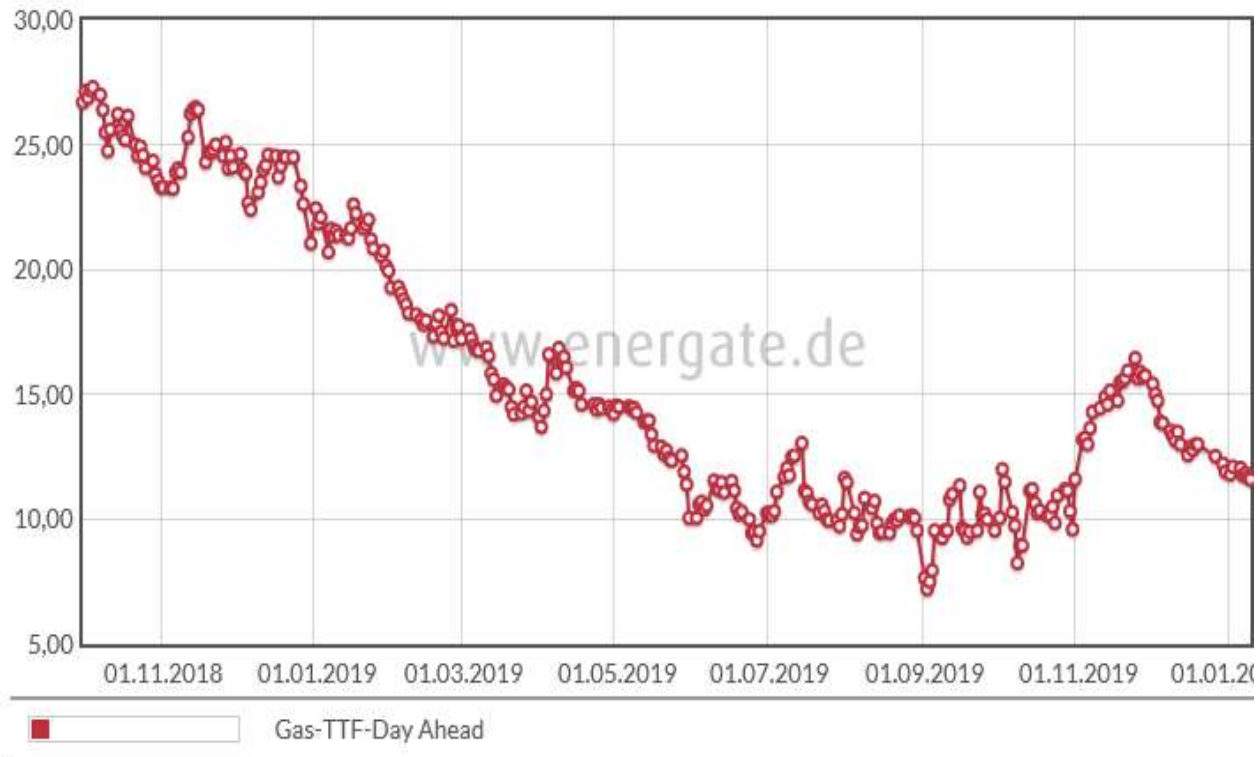
Dietrich Hoffmann, Head of Gas
Origination, RWE Supply & Trading

Tomas Piterka, Senior Trader, CEZ

Price action seen since October 2018: 'lower for longer' ?

In October 2018, the LNG influx started & prices went South

GAS-TTF-DAY AHEAD

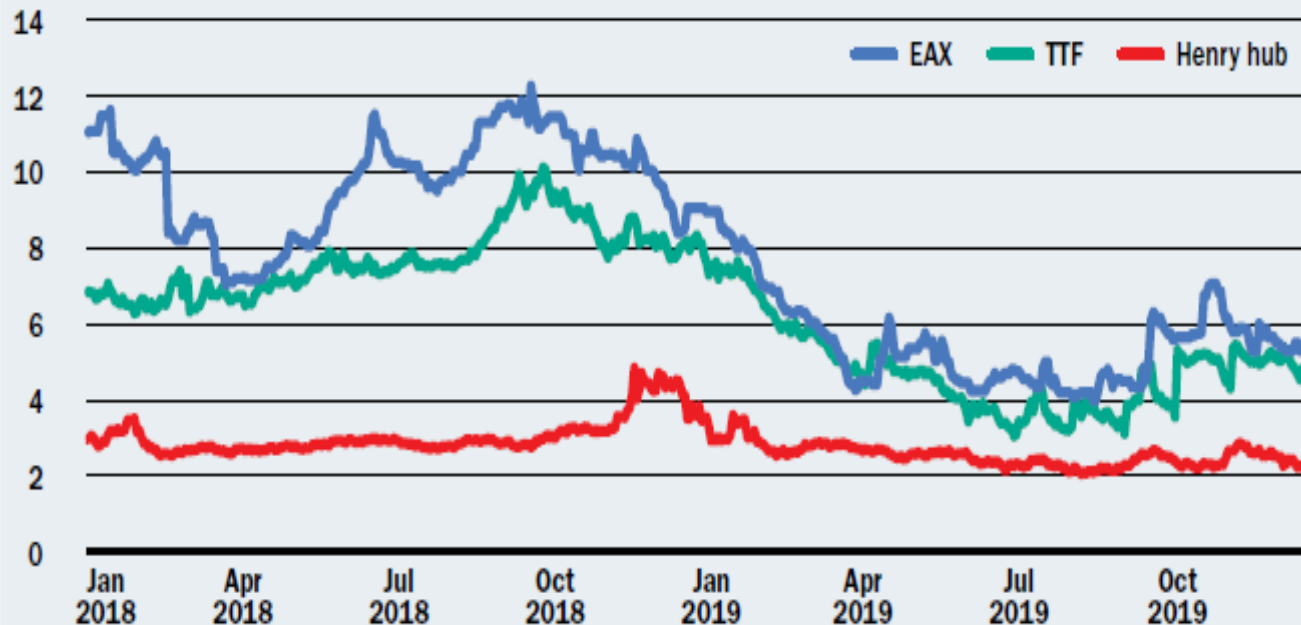


Source: <https://www.energate-messenger.de/markt/preise/62809>

Global oversupply of LNG is the simple explanation, but let's talk about spreads and correlation/ between HH, EAX and TTF

OVERSUPPLY DRIVES GLOBAL PRICE CONVERGENCE IN 2019

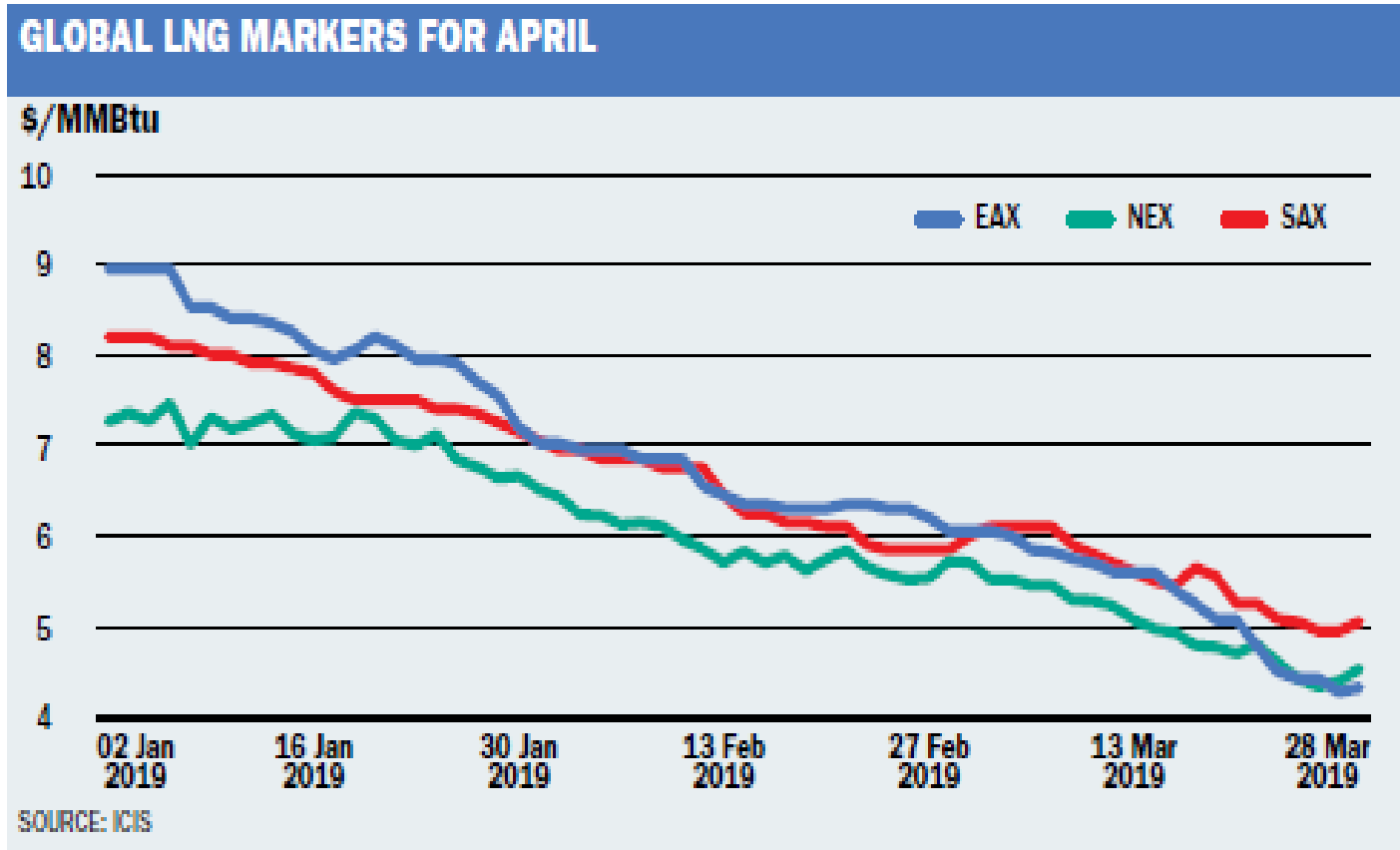
Month+1 (\$/MMBtu)



SOURCE: ICIS, NYMEX

Source: ICIS Heren, GIF 26.23 of 20 December 2019

September 2019: South-America more attractive than Europe but... unlike Europe, they had no storage to pick up supplies beyond demand



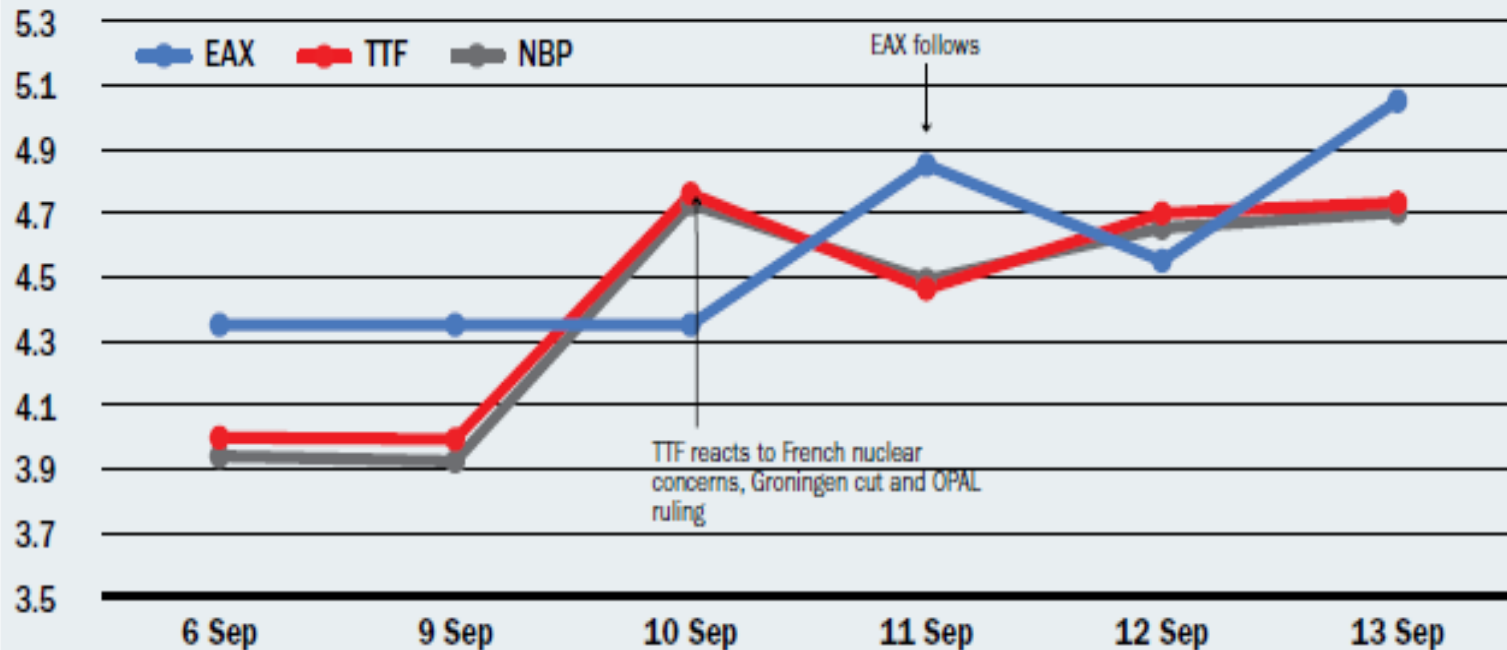
Source: ICIS Heren, GLM 15.13

September 2019: first time ever, EAX responds to TTF

Is that the ultimate proof of a global gas market?

ASIAN SPOT PRICE TAKES DIRECTION FROM EUROPE

\$/MMBtu

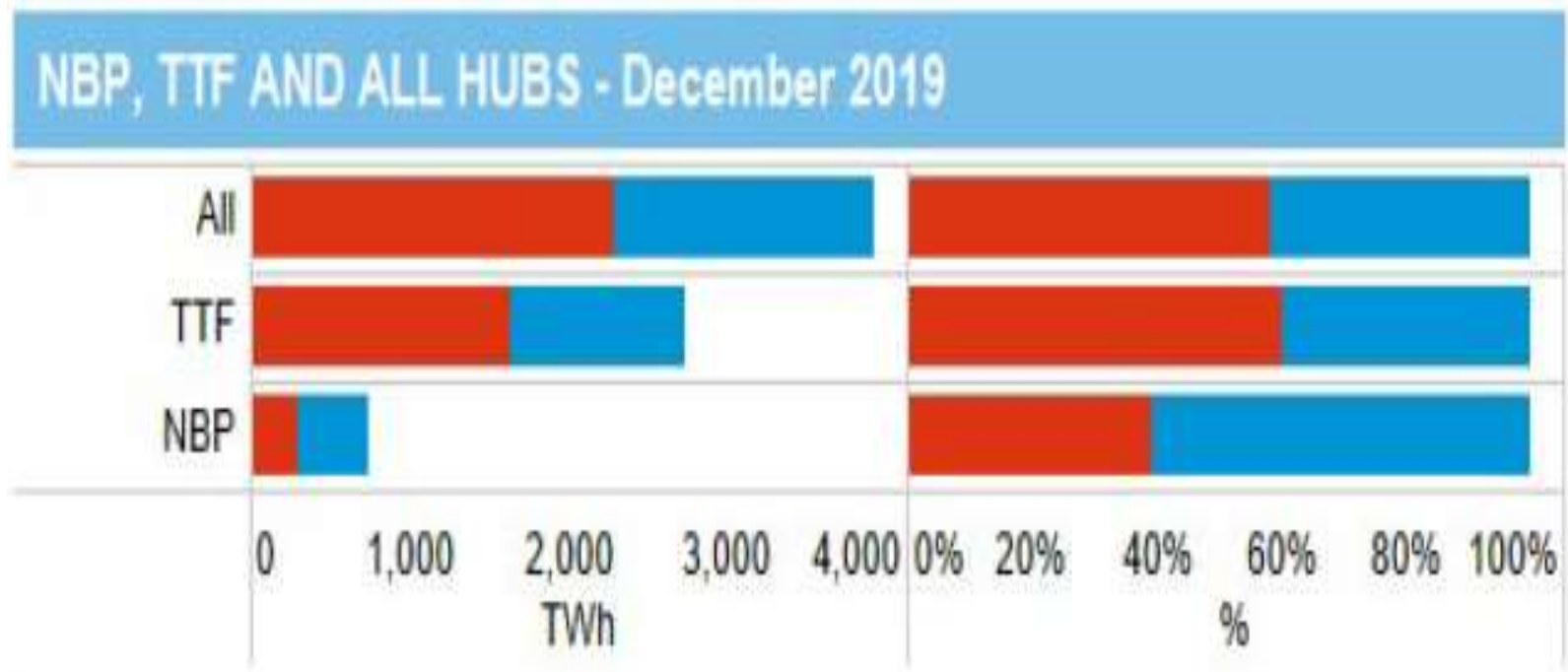


SOURCE: LNG Edge

Source: ICIS Heren, GIF 26.19 of 15 October 2019

How have concerns of supply constraints (Ukrainian transit extension and accelerated Groningen shutdown) affected prices to the contrary?

TTF widely used despite Groningen – how come?



Source: ICIS Heren, GIF 27.01 of 15 January 2020

Ukraine: spreads 2019 vs. 2020 (Qs, MA, DA) – moderate and collapsing once the deal was done

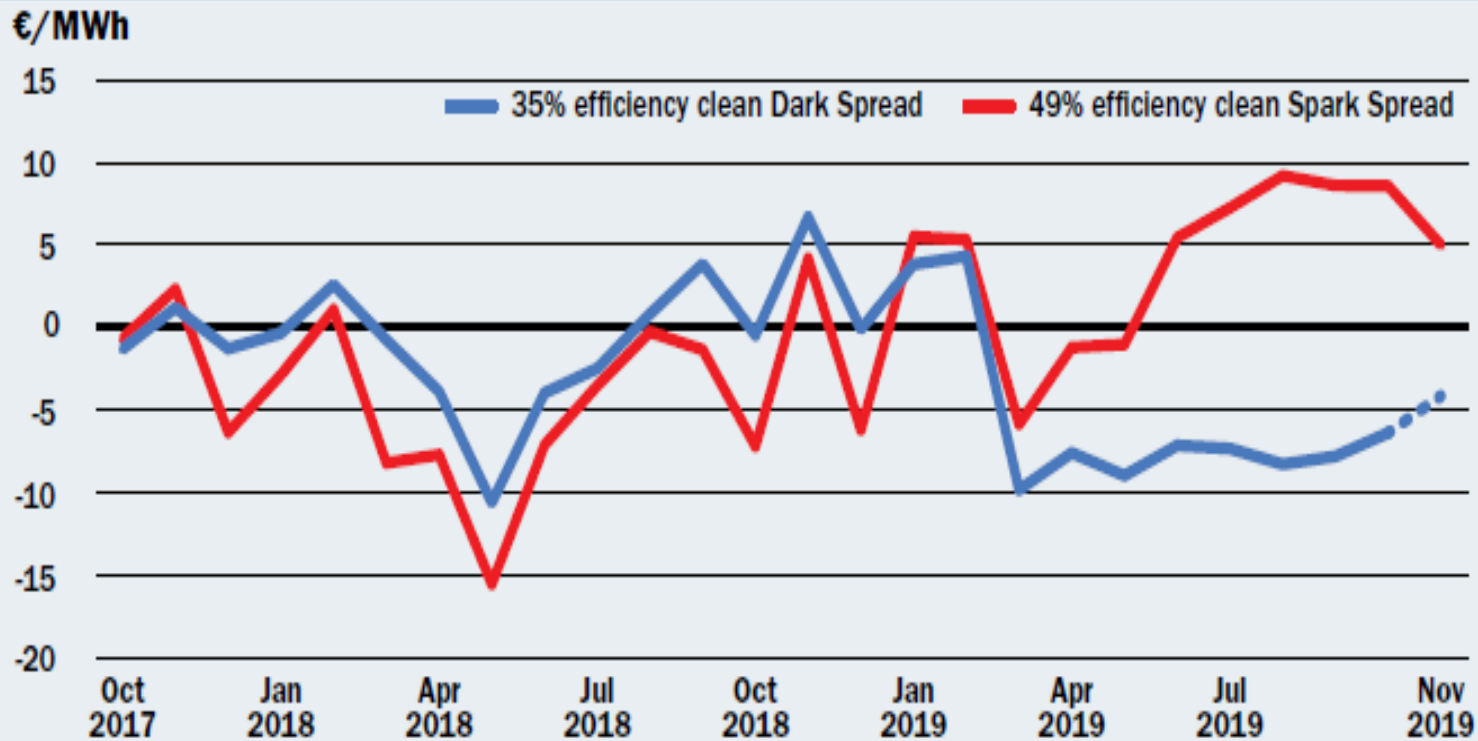
GAS-TTF-DAY AHEAD



Source: <https://www.energate-messenger.de/markt/preise/62809>

With low gas prices and high carbon prices, we saw accelerated coal-to-gas switching

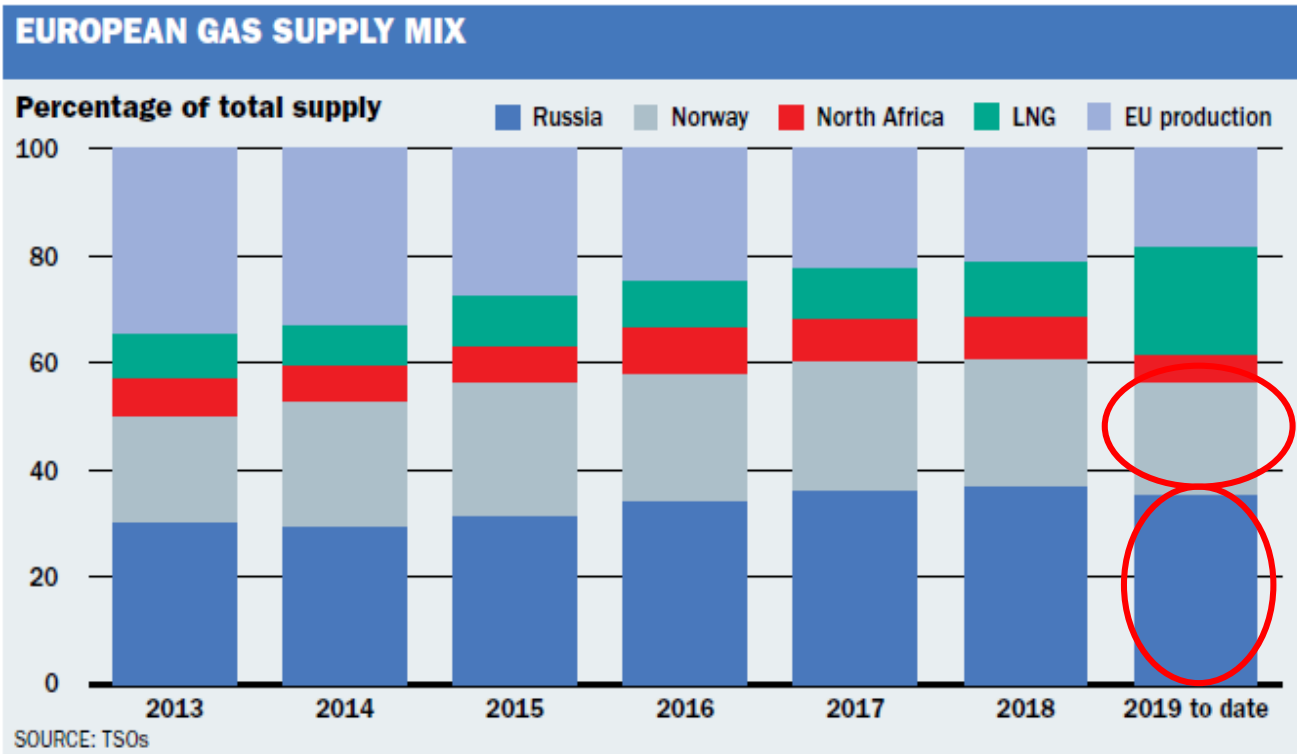
GERMAN SPARK TO DARK SPREADS HAVE WIDENED INDICATING GREATER GAS PLANT MARGINS



SOURCE: ICIS

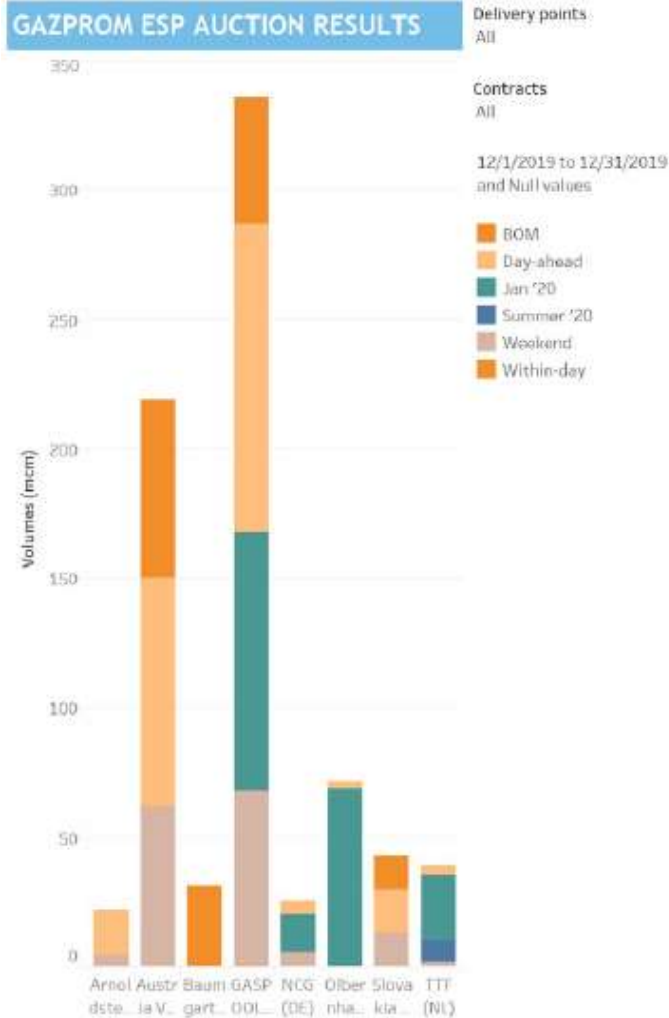
Source: ICIS Heren, GIF 26.23 of 20 December 2019

How are pipeline suppliers responding to low prices caused by LNG influx? Norway down, Russia stable?



Gazprom's ESP Sales increased competition and kept prices at record lows

GAZPROM ESP AUCTION RESULTS

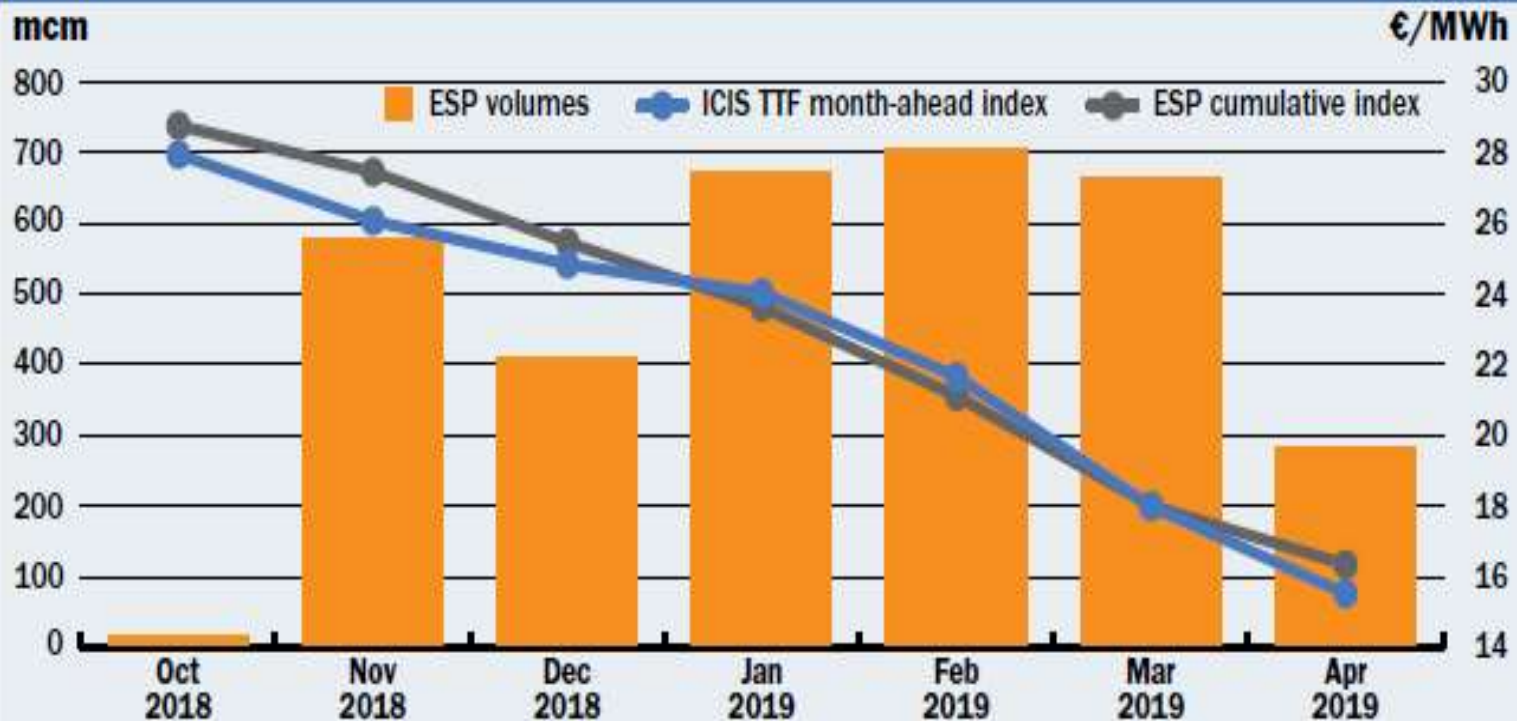


Source: Gazprom Export

Source: ICIS Heren, GIF 26.23 of 20 December 2019

Gazprom's ESP Sales trailing traded prices on multiple traded products

GAZPROM ONLINE PLATFORM PRICES FOLLOW TTF HUB MOVEMENTS

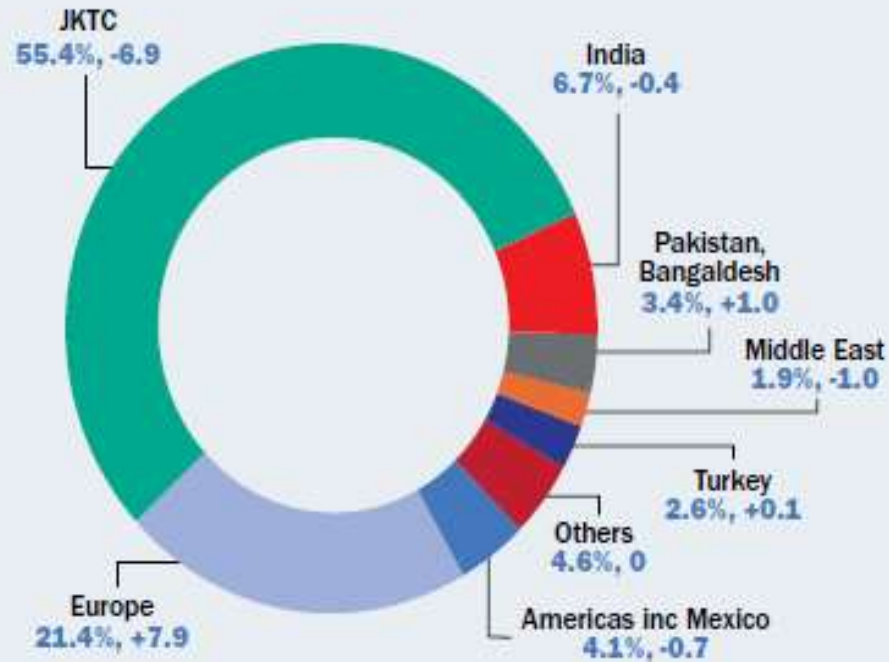


SOURCE: Gazprom Export, ICIS price assessments

Source: ICIS Heren, GIF 26.07

Europe's global LNG share 2019 at record high

EUROPE'S RISE IN THE SHARE OF GLOBAL LNG DEMAND



Note: The chart shows the share of demand held by each region and the change in percentage points from 2018.

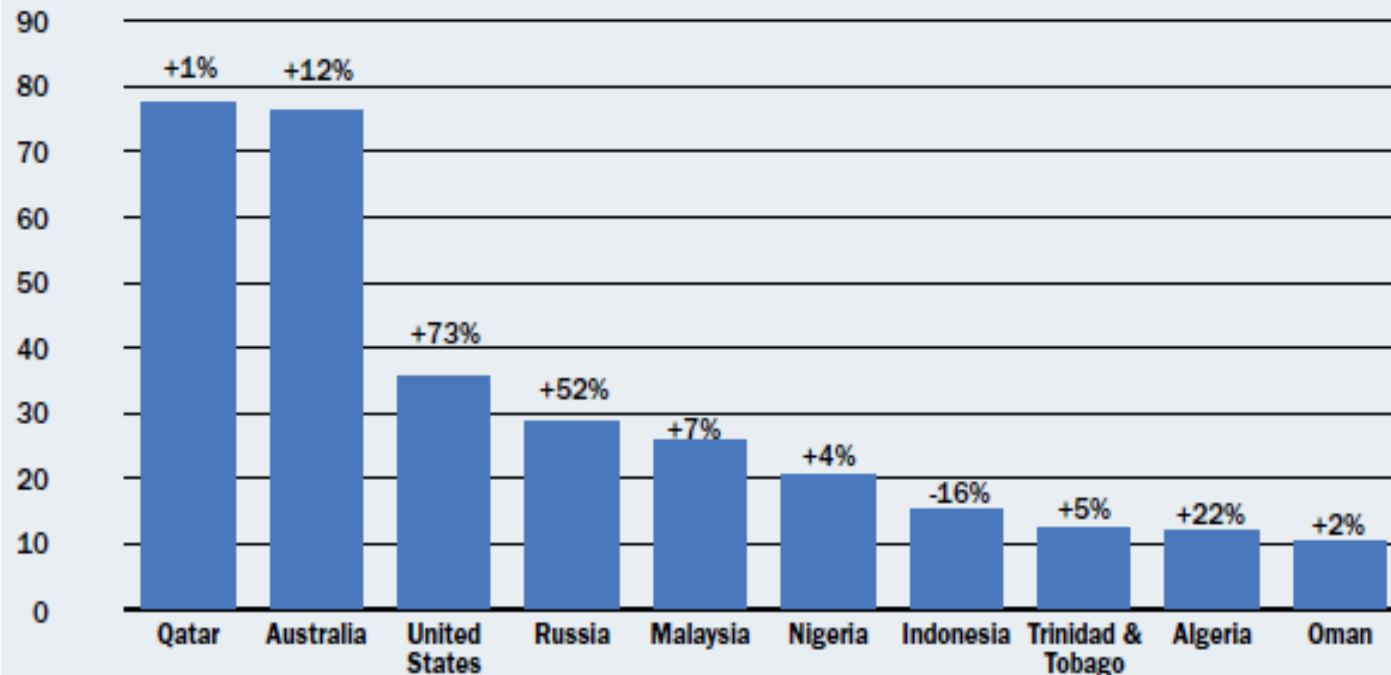
Source: ICIS Heren, GIF 27.01 of 15 January 2020

Ideological frenzy about alleged Russian pipeline gas dependency

Russia is #4 LNG supplier

QATAR IS NUMBER ONE LNG PRODUCER IN 2019

Production, m tonnes



SOURCE: LNG Edge

Note: Change refers to % change in production from 2018

Source: ICIS Heren, GIF 27.01 of 15 January 2020