

OPIS Asia LNG Price Report

A daily report on landed LNG prices

DES CHINA INDEX:

\$7.300/MMBtu (Mar)

↑ 0.100

DES NORTHEAST ASIA PRICES (\$/MMBtu)

MONTH	PRICE	CHANGE	
March	7.300	0.100	↑
1H Mar	7.500	0.100	↑
2H Mar	7.100	0.100	↑
1H Apr	6.700	0.200	↑
2H Apr	6.300	0.200	↑

DES CHINA (TIANJIN) PRICES (\$/MMBtu)

MONTH	PRICE	CHANGE	
March	7.300	0.100	↑
1H Mar	7.500	0.100	↑
2H Mar	7.100	0.100	↑
1H Apr	6.700	0.200	↑
2H Apr	6.300	0.200	↑

DES CHINA (DAPENG) PRICES (\$/MMBtu)

MONTH	PRICE	CHANGE	
March	7.300	0.100	↑
1H Mar	7.500	0.100	↑
2H Mar	7.100	0.100	↑
1H Apr	6.700	0.200	↑
2H Apr	6.300	0.200	↑

FOB GULF COAST NUMBERS (\$/MMBtu)

PERIODS	1-15 DAY	16-30 DAY	31-45 DAY	46-60 DAY
Differential	1.934	2.270	2.094	1.930
NG Price	3.398	2.863	2.841	2.841
Assessment	5.332	5.133	4.935	4.771

Assessment Rationale

[1H MAR] Survey range: \$6.00-7.70/MMBtu.

[2H MAR] Survey range: \$6.00-7.50/MMBtu. Vitol bought a cargo at TTF Mar+\$0.60/MMBtu

[1H APR] Survey range: \$5.00-6.85/MMBtu. DGI e-offers set ceiling at \$7.75/MMBtu.

[2H APR] Survey range: \$5.00-6.75/MMBtu.

Market Commentary

Market Highlights

- Petrochina sold Mar 24-28 cargo at TTF Mar +\$0.60/MMBtu to Vitol.
- Guangzhou Gas seeks Mar 6-10 cargo.
- CNOOC seeks Mar 11-20 and Apr 17-19 cargoes.
- GSPC seeks Feb 16-Mar 3 cargo.
- Angola issues March sell tender.
- TTF rallies, raising offer levels.

Prices Up

Prices nudged higher after strong European gas prices raised deal levels and offers on a trading platform. The emergence of at least three buy tenders also lent some support to Asian prices, which had fallen for three consecutive trading sessions before today.

Chinese national oil company (NOC) and trading house Petrochina sold a Mar. 24-28 cargo on the platform at a 60¢/MMBtu premium to the Dutch TTF March index to trading house Vitol. Vitol's bid called for a 3.6 Tbtu cargo with gross heating value (GHV) of 1,070-1,180 Btu/scf to Tianjin, China.

Japanese trading house Diamond Gas International also offered a Mar. 30-Apr 1 and Apr. 2-4 cargo at \$7.75/MMBtu each, up by 90¢ from its identical offers on Feb. 5. Both cargoes will load from Cove Point, with a size flexibility between 3.30-3.60 Tbtu and a 1,020-1,120 GHV range.

Outside of the trading platform, more March supply came from producer Angola LNG who launched a sell tender with a flexible March delivery date, due to close on Feb. 10, with bids staying valid until Feb. 11.

Strong Eurogas

European gas prices rallied today as a deep freeze engulfs much of Northern Europe. The March TTF contract had surged by 9.63% to €20.150/Mwh while the April contract had climbed by 5.883% to

€18.250/Mwhl by 11.33 am GMT.

The contracts had closed Friday's session at €18.38/Mwh and €17.236/Mwh, respectively, up by just around 1.40% from the previous trading session despite carbon prices reaching record highs on Feb. 4.

With TTF soaring, all eyes on today's Asian LNG swaps settlements tonight as they face upward pressure from a worsening arbitrage spread that has already prompted sellers to raise physical offer levels today, traders said.

On Friday, March Asian LNG had nudged down by a miniscule 0.3% to close at \$8.324/MMBtu, while April had gained 2.4% to close at \$6.50/MMBtu.

Chinese Demand

Two Chinese buyers issued buy tenders today, further stoking bullish sentiments that had largely stemmed from the derivative side today.

City gas distributor Guangzhou Gas is seeking a Mar. 6-10 cargo via a tender closing tomorrow, right after it awarded a Mar. 1-6 cargo on Feb 5 at around \$7.40-7.50/MMBtu late last week.

NOC CNOOC also posted a buy tender for Mar. 11-20 and Apr. 17-19 delivery on the Shanghai Petroleum and Natural Gas Exchange (SHPGX), with offers due tomorrow.

It is unclear if more Chinese buyers will pop up for last-minute shopping before going off for the Lunar New Year holidays, which starts this Thursday in China.

Indian Demand

Traders are also keeping a close eye on demand from India as they noted how low spot volumes at the start of the winter could have led to low inventories at Dahej Terminal, particularly for energy firms such as Indian Oil Corp and Gujarat State Petroleum Corp, traders said.

GSPC, which has just picked up two 2H Feb cargoes, is due to close a new buy tender seeking a cargo for delivery to Dahej over Feb. 16 to Mar. 3.

So far, BPCL and IOC have each snagged two March cargoes but traders are watching them for more potential demand for the month, now that spot prices are off the highs of the winter at close to \$40/MMBtu in northeast Asia.

IOC, for example, had to arrange for a two-port discharge for an

early February delivery cargo to avoid paying for an additional cargo due to exorbitant prices in December and January, traders said. This could be seen from the itinerary of LNG vessel Wilpride, which has just docked at Dahej LNG terminal for a second discharge today after it had earlier unloaded some molecules at Ennore LNG terminal, ship tracking data showed.

Meanwhile, it is unclear if Reliance will need to seek spot LNG parcels after it successfully bid for nearly two-thirds (4.8 mmscmd) of the 7.5 mmscmd of incremental gas from its own KG-D6 block, an ultra-deep-water gas field off the coast of India.

Indian players have largely not begun procuring for April as well, which leaves them the option to pick up some of the month's cargoes soon, before prices rise further.

Tenders

DATE	ISSUER	LOCATION	TYPE	LAYCAN START	LAYCAN END	CARGO	INCO TERMS	CLOSING DATE	VALIDITY DATE	RESULTS	NOTES
8-Feb	GSPC	Dahej	Buy	16-Feb	3-Mar	1	DES	9-Feb	9-Feb		
8-Feb	Angola LNG		Sell	March - flexible DW	March - flexible DW		FOB/DES	10-Feb	11-Feb		
8-Feb	Guangzhou Gas	Jinwan Terminal, Zhuhai	Buy	6-Mar	10-Mar	1	DES	9-Feb	9-Feb		
8-Feb	CNOOC		Buy	11-20 Mar	17-19 Apr	2	DES	9-Feb			Via SHPGX
2 Feb	Petronas	Bintulu, T9	Sell	Load: 21 Mar	Load: 21 Mar	1	FOB	2-Feb	2-Feb	Heard closed at low \$7.00/MMBtu FOB	
2 Feb	Guangzhou Gas		Buy	1 Mar	6 Mar	1	DES	4 Feb	5 Feb	Heard closed at \$7.40-7.50/MMBtu.	
2 Feb	Komipo and S-Oil		Buy	End Mar	End Mar	1	DES	29-Jan		Heard closed at high \$7.00/MMBtu.	Joint tender, bought via Aramco
2 Feb	Shell		Sell	13-Apr	17-Apr	1	DES	4-Feb			
2 Feb	Oman LNG		Sell	20-Mar	22-Mar	1	DES				
2 Feb	Freeport LNG		Sell	June	Dec	6	FOB	10 Feb			
2 Feb	Donggi Senoro LNG		Sell	26-Apr	27-Apr	1	DES	4-Feb	5-Feb	Highest bid heard at 20-30¢ discount to an index	To trading house
1 Feb	BPCL	1. Dahej 2. Kochi	Buy	1. 14 Mar (2.8Tbtu)	2. 18-19 Mar (3.2 Tbtu)	2	DES	2-Feb	3-Feb	Heard closed at \$7.55-7.70/MMBtu.	To Glencore and Gunvor.
1 Feb	GSPC	Dahej	Buy	26-Feb	28-Feb	1	DES	2-Feb	3-Feb	Heard closed at ~\$7.60/MM Btu.	
1 Feb	IOC	Dahej	Buy	16-Feb	16-Feb	1	DES	3-Feb	3-Feb	Heard closed below \$7.50/MMBtu.	
1 Feb	Retender: KPC	Kuwait	Buy	mid Feb	mid Feb	1	DES	1-Feb	1-Feb	Heard closed at low \$9.00/MMBtu.	
29-Jan	Darwin LNG		Sell	Load: 10 Mar	DW: 18-22 Mar	1	FOB/DES	4-Feb		Heard awarded between \$6.30-6.50/MMBtu	on FOB, to portfolio.
27-Jan	Oman LNG		Sell	9-Mar	11-Mar	1	FOB/DES	27-Jan			Loads end-Feb
27-Jan	European utility		Buy	1H March	1H March	1	DES	27-Jan	27-Jan	Heard awarded at low \$9.00/MMBtu.	

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