

LNG WORLD MARKET UPDATE

May 17, 2018

CFTC Staff Issues Report Assessing Market Impacts of LNG; Expected LNG Surplus Evaporates, Scramble for New Projects Looms; Natural Gas Demand Outlook Most Attractive Among Fossil Fuels; South Korea Confirms Push to Revitalize LNG Bunkering. Subscription options for this report are available at the bottom of this email. Please contact AGDC External Affairs at externalaffairs@agdc.us with questions.

Natural Gas

HH Spot Price
\$2.84 (\$/MMBtu)
May 14 close

Weekly Change
↑\$0.10 (3.65%)

Trend

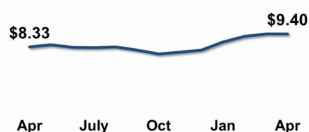


Source: [EIA](#)

LNG Import Price

Japan
\$9.40 (\$/MMBtu)
May 2018

Trend



CFTC Staff Issues Report Assessing Market Impacts of LNG

(CFTC, May 16) - Staff of the Market Intelligence Branch of the Division of Market Oversight of the U.S. Commodity Futures Trading Commission (CFTC) today issued a report assessing the market impacts from expanding liquefied natural gas (LNG) trade and exports. In 2016, the U.S. transitioned from being a net importer to a net exporter of LNG. In aggregate, U.S. LNG export plants in operation and under construction have a capacity of 10 Bcf/day, which is about 13% of current U.S. dry production. [Read more.](#)

Expected LNG Surplus Evaporates, Scramble for New Projects Looms

(Reuters, May 16) - Wood Mackenzie analysts Saul Kavonic and Nicholas Browne, speaking on Tuesday on the sidelines of the APPEA conference, said LNG surplus was likely to be as little as 10 million tonnes in the early years of the 2020s. Kavonic and Browne also said that by 2025 the market was likely to switch to an annual deficit of about 50 million tonnes, and there simply aren't enough projects being approved to meet the potential supply gap. [Read more.](#)

Natural Gas Demand Outlook Most Attractive Among Fossil Fuels

(LNG Industry, May 17) - Reuters are reporting that,

according to Goldman Sachs, demand for natural gas will top other fossil fuels in the long term on the back of rising number of electric vehicles and as new emission standards could see new vessels adopting alternative fuels. Demand for gas is expected to rise 1.7% per year in the period to 2035, four times faster than in case of oil, based on an average from the International Energy Agency and the Energy Information Administration. [Read more.](#)

[South Korea Confirms Push to Revitalize LNG Bunkering](#)

(LNG World News, May 17) - According to a statement by the South Korean Ministry of Oceans and Fisheries, the government will back the order of two 200,000-ton bulk carriers scheduled to operate on South Korean and Australian routes. It is also looking to build the LNG bunkering infrastructure in ports such as Busan and Ulsan that is currently lacking, and will also provide port fee reductions for LNG fueled freighters. [Read more.](#)