



AGH Bulletin

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World News

- Energy players and stakeholders are gathered in Houston this week for CERAWEEK conference themed Navigating a Turbulent World: Energy, Climate and Security. Energy transition steals the limelight.
- Cheniere Energy expects to ship more liquefied natural gas (LNG) to Asia this year.
- The Federal Energy Regulatory Commission (FERC) has authorized Freeport LNG Development LP to restart service on its final train and cleared the company to commission, cooldown and restart liquefaction on Train 1.
- Thailand has returned to the LNG spot market and so far been one of this year's strongest buyers in Southeast Asia to fill their natural gas supply deficit made by the country's declining domestic production and lower pipeline imports from Myanmar. Their imports, already on the rise, have increase by more than 30% year/year to a record 8.74 million tons (Mt) in 2022, according to Kpler data.
- Argentina's state-controlled energy firm YPF and Malaysia's PETRONAS to make a final decision next year on whether to invest in the first phase of a massive \$60 billion natural gas project in Argentina.

Source: Reuters, Natural Gas Intelligence, 9th March

Home News

- PETRONAS has inaugurated the LNG bunkering business with long term partner, Tiger Gas. This followed the completion of its maiden ship-to-ship bunkering operation of approximately 500 tonnes of LNG for Tiger Gas's Tiger Maanshan, the world's largest dual deck cargo ship. (The Star, 9th March)
- The Ministry of Economy plans to finalise and present the Energy Transition Roadmap, which translates the National Energy Policy into energy transition projects to be led by large, medium and small companies, within three months. (The Edge 6th March)
- Asia Gas Hub to launch region's first digital gas trading platform in June 2023 (The Malay Mail, 3rd March)

MONEY **malaymail**

Asia Gas Hub to launch region's first digital gas trading platform before June-end



AGH chief executive officer Faris Mustaffa said that at launch, GasX is expected to be used by at least 17 local natural gas players that have import and shipping licences for the commodity. — Picture by Choo Choy May

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Asia Gas Hub (AGH) shall be launching the first phase of its natural gas exchange – named GasX – before the international energy conference Energy Asia begins on June 26. GasX is aimed to be used by at least 17 local natural gas players that have import and shipping licences for the commodity.

GasX provides an over-the-counter (OTC) trading facility designed to digitalize the Malaysian natural gas market. It increases liquidity, price discovery and allows for more transparent, efficient and active gas trading in Malaysia, attracting a bigger pool of players, helping the market to reach its higher potential to become the region's benchmark.

<https://www.malaymail.com/news/money/2023/03/03/asia-gas-hub-to-launch-regions-first-digital-gas-trading-platform-before-june-end/57803>

GLOBAL HIGHLIGHTS – LNG & Natural Gas

Snapshot as of 10 March 2023

Asia Pacific/India ¹

- US's top LNG producer, Cheniere Energy said it expects to ship more LNG to Asia this year, after European customers took the lion's share of 2022 cargoes. The company had shipped a total of 638 cargoes in 2022, with slightly over 70% delivered to Europe.
- There is a spot offer of LNG for July delivery from an anonymous producer at a price of USD13.50/Mmbtu, however the response is not very encouraging.
- An anonymous buyer in the market has counter-offered at a price of USD13.20/Mmbtu, source from the Industry expert.
- Abu Dhabi National Oil Company (ADNOC) has closed a prompt selling tender last Tuesday for late March delivery. No details on the tender results.
- GAIL of India had also closed a purchase tender for July delivery. No details on tender result but price from participants is expected at the low USD13/Mmbtu, according to traders.

AGH Commentary

There is a flurry of spot activities pointing to market hovering around low to mid USD13/Mmbtu.

Europe ²

Natural Gas Prices Further Dip in Europe

- Research from Morgan Stanley finds wholesale gas prices could be set to fall further as a strong pipeline of Liquefied Natural Gas (LNG) supplies could see Europe overstocking on gas during the summer. The findings come as the benchmark Title Transfer Facility (TTF) contract for April delivery falls to 41.29/MWh or about USD12.80/Mmbtu on March 9, the lowest level for the month-ahead contract seen since August 20, 2021
- High inventory level, mild winter and EU winter demand cut has kept the prices low.
- Russia's ruptured undersea Nord Stream gas pipelines are set to be sealed up and mothballed as there are no immediate plans to repair or reactivate them. Nord Stream 1 and Nord Stream 2, each consisting of two pipes, were built by Russia's state-controlled Gazprom to pump 110 billion cubic metres (bcm) of natural gas a year to Germany under the Baltic Sea.

AGH Commentary

Market seems to remain bearish in Europe.

Sources:

¹ Reuters, 9th March

² Pound Sterling Live, Reuters; 9th March

GLOBAL HIGHLIGHTS – LNG & Natural Gas Outlook as of 10 March 2023

Global Gas Future Price

Month 2023	JKM Platts Future		TTF Natural Gas Future		CME HH Future	
	USD/ MMBtu	RM/ MMBtu	USD/ MMBtu	RM/ MMBtu	USD/ MMBtu	RM/ MMBtu
Apr	13.94	62.91	13.60	61.40	2.54	11.48
May	13.51	60.88	13.69	61.69	2.68	12.09
June	13.80	62.05	13.83	62.16	2.92	13.14
July	14.09	63.17	13.89	62.28	3.13	14.05
Aug	14.38	64.34	14.00	62.66	3.16	14.15
Sep	14.72	65.77	14.25	63.68	3.13	13.98
Oct	15.09	67.42	14.93	66.71	3.22	14.36
Nov	16.25	72.60	16.12	72.03	3.58	16.00
Dec	17.16	76.16	16.61	73.72	3.98	17.67

Source: ICE Energy Report , CME Group Market Data

Global Crude Future Benchmark Snapshots in RM per MMBtu

Month 2023	Brent (ICE)	WTI (NYMEX)	JCC (ICE)
Apr	65.21	61.04	68.89
May	64.83	61.02	67.55
June	64.54	60.92	66.51
July	64.17	60.57	65.63
Aug	63.73	60.18	64.87
Sep	63.33	59.65	64.24
Oct	62.98	59.47	63.78
Nov	62.65	59.08	63.33
Dec	61.88	58.31	62.46

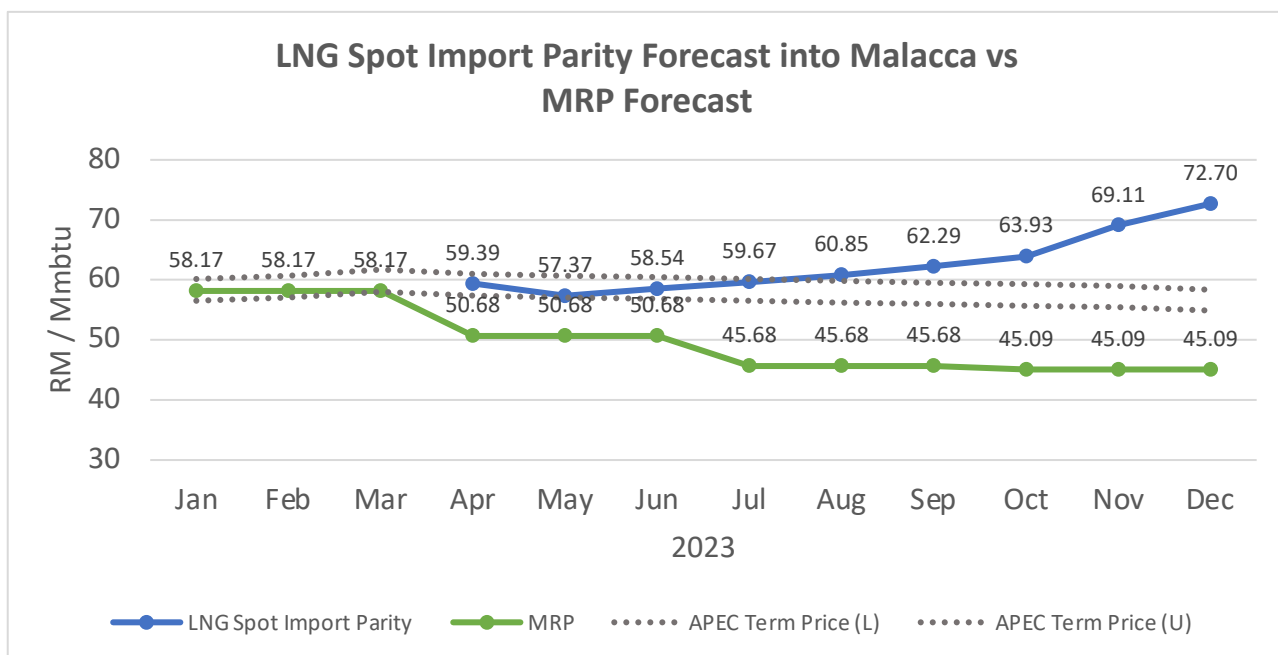
Source: CME Group Market Data, ICE Energy Report

Coal Future Price

Month 2023	Coal CIF ARA Future Quotes		ICE Rotterdam Futures	
	USD/MMBtu	RM/MMBtu	USD/MMBtu	RM/MMBtu
Mar	4.60	20.77	4.57	20.62
Apr	4.52	20.38	4.44	20.04
May	4.55	20.51	4.46	20.09
June	4.58	20.59	4.48	20.16
July	4.61	20.66	4.51	20.22
Aug	4.63	20.74	4.55	20.37
Sep	4.68	20.92	4.60	20.54
Oct	4.73	21.13	4.67	20.85
Nov	4.78	21.35	4.69	20.95
Dec	4.82	21.37	4.76	21.12

Sources: Coal (API2) CIF ARA (ARGUS-McCloskey), www.cmegroup.com; ICE Rotterdam Coal Future Prices, www.barchart.com

LOCAL HIGHLIGHTS – Domestic Forecast for MRP & LNG Import Parity as of 10 March 2023



Source: AGH Market Analysis

Month	Import Parity - MRP Spread	Change %	Import Parity - APAC Term Ave Spread	Change %
Apr-23	▲ 8.71	▼ -16.49%	▲ 0.20	▼ -75.17%
May-23	▲ 6.69	▼ -33.32%	▼ -1.53	▼ -305.24%
Jun-23	▲ 7.86	▼ -32.11%	▼ -0.13	▼ -104.76%
Jul-23	▲ 13.99	▼ -17.45%	▲ 1.30	▼ -61.37%
Aug-23	▲ 15.17	▼ -15.59%	▲ 2.81	▼ -41.10%
Sep-23	▲ 16.61	▼ -14.09%	▲ 4.55	▼ -25.74%
Oct-23	▲ 18.85	▼ -12.62%	▲ 6.44	▼ -16.71%
Nov-23	▲ 24.03	▼ -17.29%	▲ 11.86	▼ -23.37%
Dec-23	▲ 27.61	▼ -13.92%	▲ 16.07	▼ -17.91%

Source: AGH Market Analysis

Commentary

The differential between the Import Parity and MRP is narrowing due to the Import Parity prices going down and oil prices going up

LOCAL HIGHLIGHTS – Peninsular Gas Utilities (PGU) Gas Volume Updates as of 10 March 2023

There is no change in available capacity from last week

Northern Region			
State	Exit CITY GATE (CG)/Metering Station (MS)	Available Capacity	
		MMscf/d	MMBtu/d
Perlis	Tambun Tulang CG	10.97	11375.89
	Ayer Puteh CG	30.92	32064.04
	TTPC MS	55.86	57926.82
Kedah	Pondok Labu CG	19.21	19920.77
	Kulim Hi Tech CG	75.18	77961.66
	Sungai Petani CG	20.44	21196.28
	Pokok Sena CG	20.86	21631.82
	PFK MS	16.25	16851.25
	NUR MS	200.97	208405.89
	Prai CG	24.97	25893.89
Penang	TNB Prai MS	98.28	101916.36
	TNB Gelugor MS	23.35	24213.95
	Prai Power MS	110.22	114298.14

Eastern Region			
State	Exit CITY GATE (CG)/Metering Station (MS)	Available Capacity	
		MMscf/d	MMBtu/d
T'gganu	Kerteh CG	0.89	922.93
	Teluk Kalong CG	8.68	9001.16
	Kerteh 3 CG	96.3	99863.1
	Kerteh 2 CG	3.79	3930.23
	TNB Paka MS	208	215696
	YTL Paka MS	139.16	144308.92
	CUF Kerteh MS	105.52	109424.24
Pahang	CUF Gebeng MS	125.84	130496.08
	Gambang CG	0.49	508.13
	Gebeng CG	29.51	30601.87
	Gebeng 2 CG	68.6	71138.2
	PCEMSB MS	8.46	8773.02
	PCASB MS	7	7259
	Aromatic KR2 MS	3.3	3422.1
	PCOGD MS	50.51	52378.87
	PERWAJA MS	50.88	52762.56
	MTBE NG MS	11.6	12029.2
	PDH MS	8.4	8710.8
	BASF Fuel	8.29	8596.73
	BASF Feedstock	2.1	2177.7
	Idemitsu MS	9.83	10193.71
	Titan MS	37.78	39177.86
Genting Sayen MS	47.95	49724.15	



Source: PETRONAS Gas Berhad

LOCAL HIGHLIGHTS – Peninsular Gas Utilities (PGU)

Gas Volume Updates as of 10 March 2023

There is no change in available capacity from last week

Central Region			
State	Exit CITY GATE (CG)/Metering Station (MS)	Available Capacity	
		MMscf/d	MMBtu/d
Klang Valley	KLIA CG	0.06	62.22
	Dengkil CG	71.6666	74318.2642
	Puchong CG	14.64	15181.68
	Batu Tiga CG	37.76	39157.12
	GB3 MS	93.48	96938.76
	Connaught Bridge MS	186.77	193680.49
	GDC KLIA MS	1.9	1970.3
	PNGV KLIA 1	0.47	487.39
	PNGV KLIA 2	0.7	725.9
	PNGV KLIA 3	0.41	425.17
	Venator MS	7.6	7881.2
	S'gor	Serdang CG	76.4
Shah Alam CG		80.37	83343.69
Kapar CG		9.07	9405.59
Meru CG		95.42	98950.54
Bestari Jaya CG		8.74	9063.38
Kuala Langat Power Plant MS		50.35	52212.95
Serdang MS		174.67	181132.79
N.Sembilan	Kapar MS	268.04	277957.48
	Seremban CG	15.91	16498.67
	Seremban 2 CG	10.29	10670.73
	Bandar Baru Nilai CG	10.66	11054.42
	Tebong CG	25.23	26163.51
Port Dickson MS	230	238510	

Western Region			
State	Exit CITY GATE (CG)/Metering Station (MS)	Available Capacity	
		MMscf/d	MMBtu/d
Perak	Kamunting CG	20.96	21735.52
	Parit Buntar CG	18.47	19153.39
	Ayer Tawar CG	16.19	16789.03
	Hutan Melintang CG	47.86	49630.82
	Merbau CG	78.5	81404.5
	Tronoh CG	4	4148
	SEV Lumut MS	180.42	187095.54

Southern Region				
State	Exit CITY GATE (CG)/Metering Station (MS)	Available Capacity		
		MMscf/d	MMBtu/d	
Johor	Kluang CG	39.24	40691.88	
	Kulai CG	18.2	18873.4	
	Senai CG	114.96	119213.52	
	Pasir Gudang CG	237	245769	
	Plentong CG	74.2	76945.4	
	Tg Langsat CG	17.66	18313.42	
	Paya Rumput CG	14.11	14632.07	
	TNB Pasir Gudang MS	279.57	289914.09	
	Pengerang COGEN Power MS	111.61	115739.57	
	Southern Power Generation MS	20	20740	
	Plentong (Senoko) MS	145	150365	
	Plentong 2 (Keppel) MS	118	122366	
	M'cca	Alor Gajah CG	9.25	9592.25
		Tanjung Kling MS	50.01	51860.37
Tanjung Gemok MS		38.93	40370.41	
Teluk Gong MS		111	115107	
Panglima MS		25.31	26246.47	
EDRA Energy Sdn Bhd		210.21	217987.77	
Tangga Batu Refinery MS		32.66	33868.42	
Tangga Baru Cogen MS		12.34	12796.58	

Source: PETRONAS Gas Berhad

FUN FACTS

1 History

The **PETRONAS LNG Complex**, is one of the largest LNG production facility in one location spread over 276 hectares of land. PLC is located at Bintulu, Sarawak and forms the bedrock of our supply reliability, with a production capacity of approximately 30 million tonnes per annum.

Quick Facts:

- 9 production trains
- 29.3 million tonnes per annum (MTPA)
- More than 400 cargoes delivered annually



Source: www.petronas.com

2 ChatGPT Let's ask...

How do we develop a natural gas trading market in Malaysia

Developing a gas trading market in Malaysia involves several steps:

1. Assess the market demand and supply for gas: Analyze the current and future demand and supply of gas in Malaysia, including natural gas, liquefied natural gas (LNG), and other types of gas.
2. Identify potential buyers and sellers: Identify potential buyers and sellers of gas in Malaysia, including industrial companies, power plants, and other entities that use gas as a fuel.
3. Develop a regulatory framework: Develop a regulatory framework for gas trading in Malaysia, including licensing requirements, market rules, and standards for quality and safety.
4. Establish trading platforms: Develop electronic platforms for gas trading, including online trading systems and trading floors.
5. Build infrastructure: Build the necessary infrastructure for gas trading, including pipelines, storage facilities, and transportation systems.
6. Educate and train market participants: Educate and train market participants on gas trading, including market rules, risk management, and trading strategies.
7. Promote the gas trading market: Promote the gas trading market in Malaysia, including marketing and public relations efforts to attract buyers and sellers to the market.
8. It's important to note that, this type of market development is a complex and highly regulated process. It's advisable to consult with experts in the field, such as gas industry experts, trading platform developers, and legal professionals, throughout the development process.

END OF REPORT