

World News

Competition Heating Up For Asian LNG Market

1. Alaska's Qilak LNG plans to export 4 MTPA of LNG from 2028 to Asian markets. The company sees growing Asian demand as good business for market expansion outside US.
2. The main existing competitor in the Pacific for Qilak LNG will be volumes from Yamal LNG of Russia. Yamal has a technical capacity of 16.5 MTPA, with at least 20-30 shipments from the Novatek-led Yamal LNG project bound for Asia last year.
3. LNG Canada, which is 25% owned by PETRONAS, whose liquefaction trains will be capable of producing up to 14 MTPA by late 2025 will also be Qilak LNG's newest competitor for Asian Market. LNG Canada is targeting supply to Asian markets.
(Source: Trusted Energy Intelligence, 23 March, 2023)

More LNG Terminal Imports Development in South-East Asia

1. The Philippines has planned to gradually replace declining volumes from the Malampaya deepwater field with LNG imports. The field located in the northwest of the island of Palawan, by 2027 may no longer be commercially viable. Six LNG import terminals with a combined capacity of 21.7 MTPA have been approved by the government. A 5.3 MTPA FSRU in Batangas is expected to start this year, while another FSRU project with capacity of 3MTPA is slated to start operation this year.
2. Vietnam has been progressing its LNG plans by constructing several projects. A Thi Vai LNG import facility, operated by PetroVietnam is expected to receive its first LNG cargo for summer delivery. A second terminal, Hai Linh has finished construction, but no start date has been confirmed.
(Source: Natural Gas Intelligence, 23 March 2023)

Gazprom Close To Maximum Gas Supply for China

1. Russian's Gazprom expects to reach the maximum planned level of gas supplies to China. The gas supply through the Power of Siberia pipeline will soon reach the contractual annual volume of 38 billion cubic meters.
2. China's energy import from Russia hiked more than 30 percent throughout the previous year, reaching USD18.6 Billion.
(Source : AmwalAlghad.com, 29 March, 2023)

French Strikes Hit LNG Import

1. Strikes that hit France for more than three weeks against the overhaul of government pensions has caused LNG deliveries to three LNG terminals to stop.
2. Deliveries of LNG to Engie subsidiary Elengy's three terminals have been blocked since 7 March.
3. Force Majeure was declared at Fluxys' Dunkirk LNG Terminal in Northern France after disruptions resumed Tuesday, 28 March morning, which lasted until early Wednesday 29 March , restricting delivery capacity to 70 gigawatt-hours per day.
(Source : Investing. Com, 29 March, 2023)

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Energy Transition Roadmap Presentation by Economy Minister

1. Malaysia Economy Minister, YB Rafizi Ramli shall present the country's Energy Transition Roadmap on 31 June to boost the National Energy Policy by having energy transition projects held by large, medium and small companies. (Source : Bernama.com, 20 March 2023)

Gas Malaysia Declares 8.62 sen Final Dividend for FY2022

1. Amounting to RM10.68Million, the dividend will be payable on 15 June. This raises the group's total payout for FY2022 to 22.76 sen per share or RM292.24 Million.
2. Gas Malaysia's net profit for FY2022 surged 56.05% to RM389.54Million from RM249.62 Million a year ago, driven by higher revenue, finance income and contribution from JV companies. (Source : The Edge, 21 March 2023)

LNG Freight Charges as of 31 March (USD/Mmbtu)

Export Region	Japan/Korea	China/Taiwan	West India	Malacca
Qatar	▼ 1.23	▼ 1.08	▼ 0.32	▼ 1.05
Bintulu	▼ 0.58	▼ 0.36	▼ 0.69	▼ 0.10
Singapore	▼ 0.62	▲ 0.40	▼ 0.52	▼ 0.05
Malacca	▼ 0.72	▼ 1.86	N/A	N/A

(Source : Industry March 2023)

GLOBAL HIGHLIGHTS – LNG & Natural Gas

Snapshot as of 31 March 2023

Asia Pacific/India ¹

- 1) The JKM spot price for delivery in May has fallen since the previous week from USD13/Mmbtu to USD12.11/Mmbtu for this week, sources from Industry.
- 2) However, the JKM forward price by Platts shows a slight increase for May delivery which is USD12.53/Mmbtu as of 29th March 2023.
- 3) Nonetheless, the assessment was disputed by traders due to sluggish demand from North Asian buyers this week.
- 4) The above view is supported by data from Shanghai Petroleum & Natural Gas Exchange (SHPGX) that LNG spot to China is hovering at USD11.7/Mmbtu. This indicates that spot price is already below USD12/Mmbtu.
- 5) High inventory level and the very mild winter conditions are the main reasons for the weak market.
- 6) The industry is also observing demand situation in Europe which is volatile due to the strike issue in France and EU's latest decision to extend the supply cut until March 2024.

AGH Commentary

Asia Pacific is showing no sign of LNG spot supply prices to recover.

Europe ²

European Gas Climbs as French Strikes Raise Supply Concerns

- 1) On March 24, the benchmark price of European natural gas, the Dutch TTF front month, fell below €40 per megawatt hour to €39.55 per megawatt hour for the first time since 2021.
- 2) European natural gas prices edged higher amid continued strikes in France, which have disrupted operations at the nation's energy facilities. Benchmark Dutch front-month futures settled 0.5% higher at €42.75 per megawatt hour, erasing an earlier decline.
- 3) The French government's proposal to reform the pension scheme from 62 years to 64 years have caused strikes across the country resulting in uncertain conditions for the gas market

AGH Commentary

Incidents in France causing the surge and volatility in Europe gas prices.

Sources:

¹ Platts, Industry

² The Edge, 28 March 2023; OilBulletin 29 March 2023

GLOBAL HIGHLIGHTS – LNG & Natural Gas Outlook as of 31 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	-	-	13.60	60.12	-	-
May	▼ 12.70	56.13	▲ 13.59	60.08	▼ 2.11	9.32
June	▲ 13.48	59.57	▲ 13.73	60.69	▼ 2.36	10.43
July	▲ 13.96	61.67	▲ 13.78	60.91	▼ 2.64	11.64
Aug	▲ 14.48	63.97	▲ 13.90	61.44	▼ 2.68	11.85
Sep	▲ 14.76	65.21	▲ 14.22	62.84	-	-
Oct	▲ 15.16	67.00	▲ 15.24	67.33	▲ 2.75	12.14
Nov	▲ 16.68	73.71	▲ 16.75	74.04	▲ 3.14	13.86
Dec	▲ 17.81	78.71	▲ 17.33	76.60	▲ 3.61	15.96

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	▼ 61.80	-	▼ 65.81
May	▼ 61.55	▼ 58.76	▼ 64.64
June	▲ 61.38	▲ 58.82	▼ 63.96
July	▲ 61.12	▲ 58.78	▲ 63.30
Aug	▲ 60.76	▲ 58.40	▲ 62.73
Sep	▲ 60.58	▲ 58.22	▲ 62.26
Oct	▲ 59.95	▲ 57.90	▲ 61.83
Nov	▲ 59.63	▲ 57.47	▲ 61.44
Dec	▲ 59.34	▲ 57.21	▲ 61.06

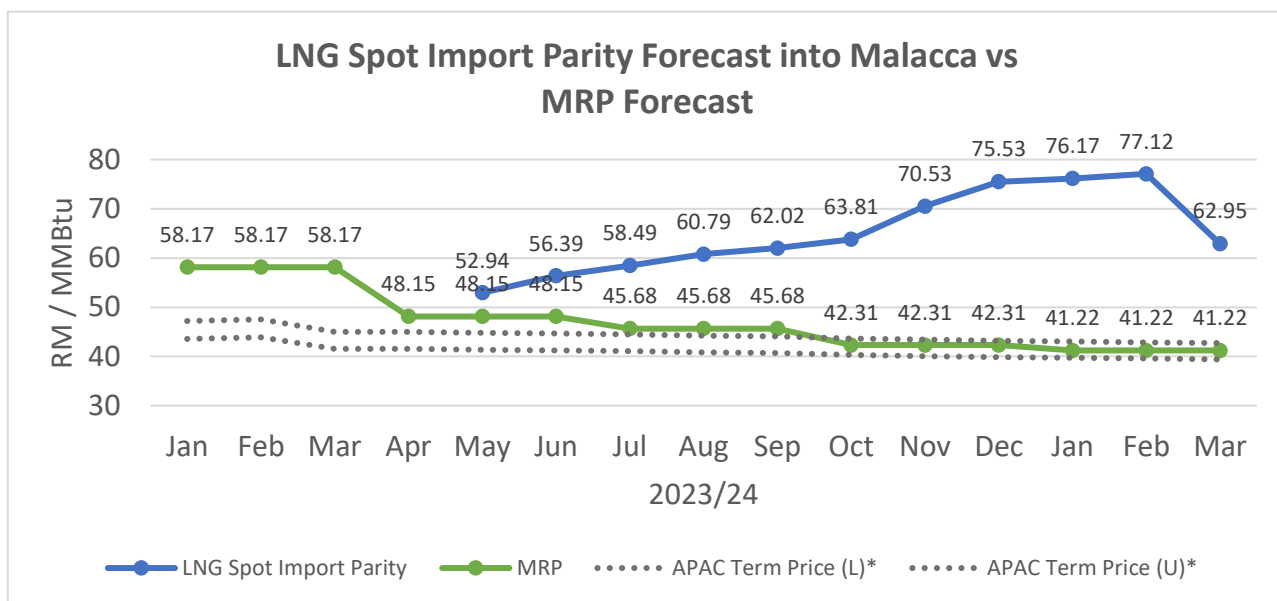
Source: CME Group Market Data, ICE Energy Report

Regional Coal Future Index

Month 2023	Indonesia Coal Index (ICI) 4		ICE Newcastle Coal Index	
	USD/ MMBtu	RM/ MMBtu	USD/ MMBtu	RM/ MMBtu
Mar	-	-	-	-
Apr	3.07	13.56	6.75	29.85
May	3.07	13.56	7.04	31.11
June	3.07	13.56	7.20	31.84
July	2.99	13.21	7.25	32.04
Aug	2.99	13.21	7.27	32.14
Sep	2.99	13.21	7.39	32.65
Oct	2.97	13.13	7.57	33.46
Nov	2.97	13.13	7.68	33.93
Dec	2.97	13.13	7.73	34.16

Sources: ICI, www.cmegroup.com; ICE Newcastle Coal index, www.barchart.com

LOCAL HIGHLIGHTS – Domestic Forecast for MRP & LNG Import Parity as of 31 March 2023



Source: AGH Market Analysis

Month	Import Parity - MRP Spread	Change	APAC Term Ave - MRP Spread	Change
May-23	4.79	▼ -1.61	-5.06	▼ -1.52
Jun-23	8.24	▲ 0.71	-5.18	▼ -1.28
Jul-23	12.81	▼ -0.73	-2.90	▼ -3.97
Aug-23	15.11	▼ -0.43	-3.14	▼ -3.93
Sep-23	16.34	▲ 0.49	-3.27	▼ -4.11
Oct-23	21.50	▲ 2.04	-0.34	▼ -4.87
Nov-23	28.22	▲ 1.36	-0.57	▼ -4.97
Dec-23	33.22	▲ 1.32	-0.77	▼ -4.85
Jan-24	34.95	▼ -2.00	0.16	▼ -6.23
Feb-24	35.90	▲ 0.96	0.00	▼ -6.29
Mar-24	21.73	▲ 0.57	-0.15	▼ -6.15

Source: AGH Market Analysis

Commentary

Average of APAC term price is now below domestic MRP from May until December 2023 and the spread is further falling due to Brent is getting lower & MRP is lagging. The MRP for Q2 2023 is already priced at RM48.15.

LOCAL HIGHLIGHTS – Peninsular Gas Utilities (PGU) Gas Volume Updates as of 31 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 31 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 Gas Market Survey

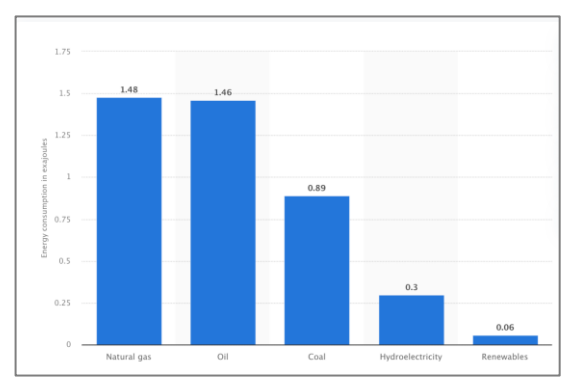
We are currently conducting a survey on the importance of gas in Malaysia. We appreciate your response.

Survey link:
<https://forms.office.com/r/wbdzX5wLaB>



2 Statistics

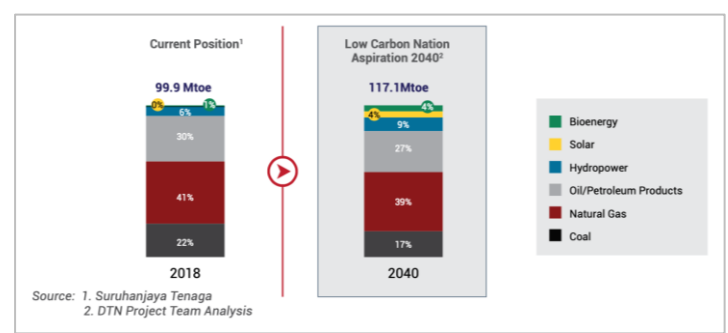
In 2021, Malaysia consumed the most energy from natural gas resources, with 1.48 exajoules, followed by oil as the second highest with 1.46 exajoules consumed in the same year. Renewable energy sources made up 0.06 exajoules of all the primary energy consumption in Malaysia.



Source: Statistica 2023

3 Energy Mix

To meet the target of **Low Carbon Nation Aspiration 2040**, Natural Gas is still targeted to be the highest and plays an important role at 39% of energy mix, reducing only 2% from 41% in 2018.



Source: National Energy Policy 2022-2040

END OF REPORT