



Friday, Feb 19, 2016

SET

Open: 1,295.01

High: 1,320.23

Low: 1,274.48

Close: 1,319.19

Volume: 5,729,430

Change: 22.8258

Change %: 1.77

Change %: 1.332,7269

Change %: 5.3502

Change %: 3.5601

Change %: 1.7901

Change %: 62.6032

AGH Bulletin



No. 7/2023
Published on 14 April 2023

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World News

Vitol Is Delivering First LNG Cargo To The Philippines

1. Vitol Asia, a supply and trading unit of Energy trader Vitol is delivering the first cargo of LNG to the Philippines in mid-April. This cargo will be used to cool down the floating storage unit, Ish, and commission the country's first LNG import terminal in Batangas Bay near Manila.
2. The LNG power generation from the 1,200 MW Ilijan power plant is expected to significantly augment the net dependable power generation capacity of the country in the face of rapidly increasing post pandemic demand.
3. Under long term contract with Ad-Noc, this first cargo was loaded a few days ago in Das Island, UAE on the 161,900-cbm LNG vessel, Golar Glacier and to be supplied to San Miguel Global Power.

(Source: LNG Prime News, 3 April 2023)

China's Sinopec To Take Stake In Qatar's North Field East

1. China's Sinopec will take a 5% stake in the equivalent of one of Qatar's North Field East LNG train with capacity of 8 MTPA.
2. North Field is part of the world's biggest gas field, which Qatar shares with Iran. The Iranian part of the field is known as the South Pars field.
3. The agreement makes Sinopec the first Asian buyer to take a stake in the project.
4. Last November both companies have signed a deal in which Qatar Energy agreed to supply 4 MTPA of LNG for 27 years. The agreement was part of an "integrated partnership" and indicated that it could also acquire a stake in Qatar's North Field expansion export facility. facility.

(Source: Reuters, 13 April 2023)

LNG Developer Tellurian Seeks Japan, India Investment In U.S Project

1. The proposed Driftwood LNG Terminal in the state of Louisiana is slated to begin production in 2027, with an annual capacity of roughly 11 MTPA in the first phase.
2. Japanese and Indian are showing interest. Tellurian however, plans to retain a majority stake, seeks investment from two to three companies.
3. Annual capacity of 11 millions tonnes represent more than 10% of LNG demand in Japan. Increasing imports from the U.S would help to ensure a stable supply for Japan.

(Source: Nikkei Asia, April 11 2023)

LNG Freight Charges as of 31st March - 14 April 2023 (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, April 2023

[Home](#)

UZMA Pens LNG Supply Pacts

1. Manila-listed Uzma's 70%-owned subsidiary, Uzma LNG, has entered into an agreement with ND Paper Malaysia for the supply of LNG via a virtual pipeline.
2. The LNG supply agreement is for two years starting on March 15, 2023, until March 14, 2025. The value of the contract is more than 70mn ringgit for year one subject to LNG supplied and the prevailing market price at the time of delivery.
3. ND Paper is a subsidiary of Nine Dragons Paper, a company listed in Hong Kong with headquarters in Dongguan City, Guangdong, China. It is the second-largest paper manufacturing group worldwide in terms of production capacity and China's leading paper producer. (Source : Natural Gas World, 31st March 2023)

Asia Gas Hub (AGH) Taps Into COMET's CG Hub To Power GasX Marketplace

1. As part of a larger overall strategy to open-up the natural gas market in Malaysia, AGH will implement a customized version of CG Hub to serve as the marketplace for buyers and sellers to post, negotiate and execute transaction for domestic natural gas, launching in June of this year.
2. The CG Hub provides the GasX marketplace with:
 - A centralized Hub (dashboard) for bids and offers all members can view
 - List customized details or needs for each transaction, all captured in the audit trail
 - Notifications to all members when a new deal is posted
 - Ability to click to execute or begin a bilateral negotiation
 - Receive an automated transaction confirmation
 - Comprehensive audit logs meet a variety of compliance and regulatory standards(Source : The Edge, 10 April 2023; Business Today, 10 April 2023)

PETRONAS To Restart Operations At LNG Terminal By Quarter 1 2024

1. PETRONAS aims to restart one of its LNG terminals currently under force majeure by the first quarter of 2024. Nonetheless, the facility's restart is subject to approval from local authorities.
2. In October 2022, PETRONAS declared force majeure on gas supply to MLNG Dua due to a pipeline leak caused by soil movement at its Sabah-Sarawak Gas Pipeline.
3. The disruption had fuelled fears of a supply shortage to customers, including Japanese utilities, but PETRONAS has said it would continue efforts to provide alternate supplies. (Source: CNA; Reuters, 12 April 2023)

PETRONAS Wish To Extend LNG Long Term Contract With Its Japanese Customers.

1. PETRONAS reiterated its wish to extend its long-term contract with Japanese customers. Discussions on that matter are ongoing.
2. Japan, Malaysia's top client, imported 12 Million Tonnes (MTPA) of LNG in 2022, up to 19 percent from 2021, according to Japan's trade data.
3. PETRONAS has highlighted that LNG supplies to Japan is not limited only from Bintulu, but to get a bit more supplies from LNG Canada project. PETRONAS has a 25% equity stake at that project which located in Kitimat, British Columbia.
4. The first phase of the project, set to be Canada's first LNG export terminal, is expected to begin shipments around 2025. (Source: CNA, 12 April 2023 & Reuters, 12 April 2023)

Asia Pacific/India ¹

- 1) The JKM spot price for May delivery is at USD12.60/MMBtu in the week to April 6 and steady from the previous week. Platts has also indicated the same level this week.
- 2) Traders however, was not convinced of the actual price bidded by both buyers and sellers. The actual is possibly at low USD12/MMBtu.
- 3) Buyers particularly in North Asia are still keeping high inventory level until winter, supported by situation in Europe that caused slow and sluggish demand in Asian market.
- 4) June's delivery does not show progressive also as price is hovering at USD12.65/MMBtu. Only July is started to show some positive side at the level of USD13.42/MMBtu this morning.
- 5) Traders in market has hinted that China is preparing for major purchase of LNG spot for August onward delivery for winter. The bulk of the purchase for the own consumption and to re-sell to third party, mainly in Europe.
- 6) If this happens, there will be a surge in prices due to large-scale purchases and competition from European buyers.

AGH Commentary.

Spot delivery for May, June and 1st half of July are showing no signs of price recovery in Asia Pacific.

Europe ²

- 1) Despite short-term bearish factors and relatively low natural gas prices for the nearest months, the longer-dated futures of Europe's benchmark prices have rallied in recent weeks, suggesting that the market is jittery about European gas supply for next winter.
- 2) The front-month futures at the TTF hub, the benchmark for Europe's gas trading, were at \$47.64 (€43.65) per megawatt-hour (MWh) (RM67.74 per MMBtu) as of 11a.m. GMT on Tuesday. The nearest futures prices have been lingering around that range for weeks, as the winter ended, the weather turned warmer, and stockpiles at Europe's gas storage sites are at their highest for an end to a winter period for a decade.
- 3) However, the December futures, at \$63.31 (€ 58) per MWh on Tuesday, have rallied by 9% in the last two weeks, per Bloomberg data, suggesting continued concerns about refilling European storage ahead of next winter and uncertainty about France's nuclear fleet availability.
- 4) If demand for LNG in Asia, particularly China, picks up with the Chinese reopening, Europe may have to pay up for spot supply to beat competition from the Asian market ahead of next winter.

AGH Commentary

There is some concerns over incoming winter LNG supply in Europe

Sources:

¹ Platts, Industry

² OilPrice.com, 13 April 2023

GLOBAL HIGHLIGHTS – LNG & Natural Gas Outlook as of 14 April 2023

Global Gas Future Index

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	-	-			-	-
May	▼ 12.61	55.46	▼ 13.58	59.77	▼ 2.01	8.83
June	▼ 12.66	55.73	▼ 13.69	60.26	▼ 2.20	9.67
July	▼ 13.42	59.07	▼ 13.82	60.82	▼ 2.43	10.70
Aug	▼ 14.18	62.42	▲ 14.11	62.10	▼ 2.49	10.97
Sep	▲ 15.06	66.29	▲ 14.65	64.60	2.47	10.86
Oct	▲ 15.96	70.23	▲ 15.91	70.03	▼ 2.56	11.26
Nov	▲ 17.98	79.13	▲ 18.11	79.71	▼ 2.95	12.99
Dec	▲ 19.04	83.81	▲ 18.77	82.64	▼ 3.41	14.99
Jan 24	19.29	84.89	18.99	83.60	3.65	16.06
Feb 24	19.43	85.53	19.01	83.69	3.56	15.69
Mar 24	16.33	71.86	18.69	82.28	3.27	14.39

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	▲ 68.00	-	▼ 65.75
May	▲ 67.40	▲ 64.65	▲ 69.10
June	▲ 66.84	▲ 64.57	▲ 70.39
July	▲ 66.22	▲ 64.28	▲ 69.77
Aug	▲ 65.63	▲ 63.83	▲ 68.93
Sep	▲ 64.99	▲ 63.33	▲ 68.19
Oct	▲ 64.45	▲ 62.72	▲ 67.53
Nov	▲ 64.04	▲ 62.20	▲ 66.93
Dec	▲ 63.56	▲ 61.65	▲ 66.34
Jan 24	62.80	▲ 61.92	65.75
Feb 24	62.42		65.24
Mar 24	62.07		64.79

Source: CME Group Market Data, ICE Energy Report

GLOBAL HIGHLIGHTS – LNG & Natural Gas Outlook as of 14 April 2023

Regional Coal Future Index

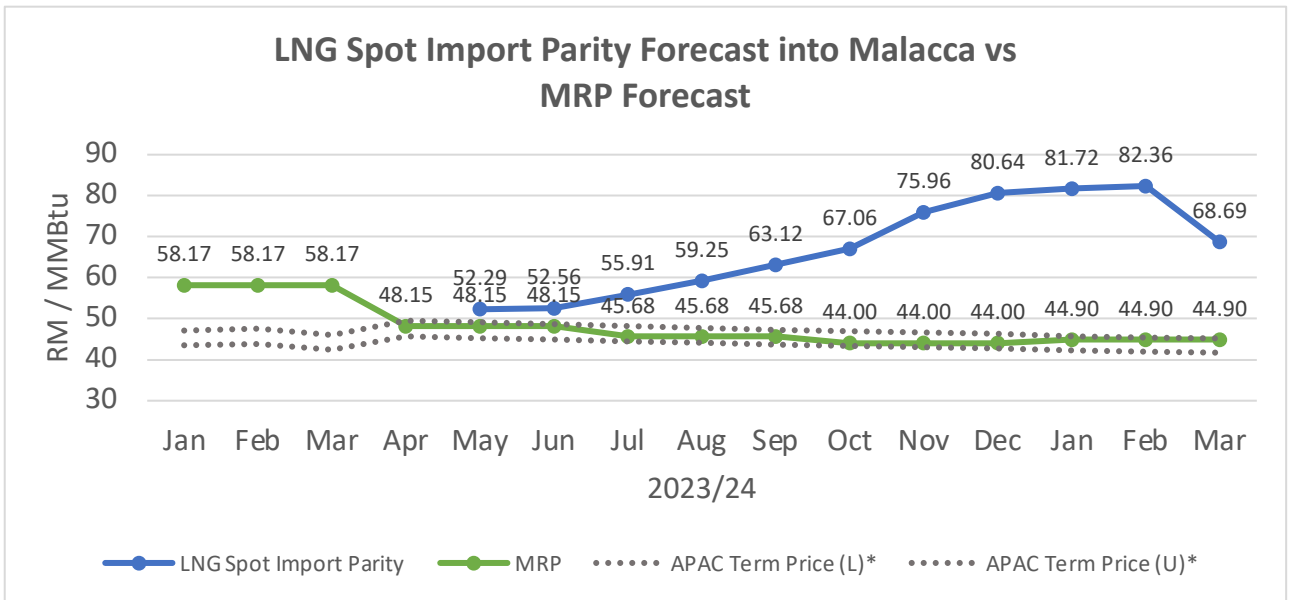
Month 2023	Indonesia Coal Index (ICI) 4		ICE Newcastle Coal Index	
	USD/ MMBtu	RM/ MMBtu	USD/ MMBtu	RM/ MMBtu
Mar	-	-	-	-
Apr	3.07	▼ 13.51	▲ 6.87	30.25
May	3.07	▼ 13.51	▼ 7.02	30.92
June	3.07	▼ 13.51	▼ 7.17	31.56
July	2.99	▼ 13.16	▼ 7.04	31.00
Aug	2.99	▼ 13.16	▼ 7.14	31.45
Sep	2.99	▼ 13.16	▼ 7.32	32.22
Oct	2.97	▼ 13.08	▼ 7.48	32.93
Nov	2.97	▼ 13.08	▼ 7.40	32.56
Dec	2.97	▼ 13.08	▼ 7.28	32.04
Jan 24	2.52	11.10	7.33	32.36
Feb 24	2.52	11.10		
Mar 24	2.52	11.10		

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

Liquid Petroleum Gas (LPG) Future Index (Saudi Aramco)

Month 2023	Argus Propane Future Index		Mini Argus Butane Future Index	
	USD/ MMBtu	RM/ MMBtu	USD/ MMBtu	RM/ MMBtu
Mar	-	-	-	-
Apr	-	-	-	-
May	8.79	38.69	8.80	38.73
June	8.62	37.91	8.38	36.86
July	8.55	37.63	8.36	36.77
Aug	8.61	37.86	8.46	32.77
Sep	8.74	38.44	8.65	38.05
Oct	8.90	39.17	8.93	39.29
Nov	9.06	39.88	9.05	39.82
Dec	9.10	40.06	9.10	40.02
Jan 24	9.06	39.86	9.10	40.05
Feb 24	8.94	39.32	8.91	39.19
Mar 24	8.64	38.01	8.60	37.85

LOCAL HIGHLIGHTS – Domestic Forecast for MRP & LNG Import Parity as of 14 April 2023



Source: AGH Market Analysis

Month	Import Parity - MRP Spread	Change	APAC Term Ave - MRP Spread	Change
May-23	4.15	▼ -0.65	-0.96	▲ 4.10
Jun-23	4.41	▼ -3.83	-1.36	▲ 3.82
Jul-23	10.23	▼ -2.58	0.67	▲ 3.57
Aug-23	13.57	▼ -1.54	0.27	▲ 3.41
Sep-23	17.45	▲ 1.10	-0.18	▲ 3.09
Oct-23	23.06	▲ 1.57	1.12	▲ 1.46
Nov-23	31.96	▲ 3.74	0.83	▲ 1.40
Dec-23	36.65	▲ 3.43	0.49	▲ 1.26
Jan-24	36.82	▲ 1.87	-0.94	▼ -1.10
Feb-24	37.46	▲ 1.56	-1.21	▼ -1.21
Mar-24	23.79	▲ 2.06	-1.45	▼ -1.30

Source: AGH Market Analysis

Commentary

Average of APAC term price is now parallel with domestic MRP from May until December 2023. The spread between MRP and APAC is narrowing due to Brent strengthening and MRP lagging.

MRP = Malaysia Reference Price used for domestic market

LOCAL HIGHLIGHTS – Peninsular Gas Utilities (PGU)

Gas Volume Updates as of 14 April 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'gaganu	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
	PCMSB 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



IBR Base Average Tariff of GMD Natural Gas Distribution System

Year	2023	2024	2025
Rebate RM/GJ/Day	0.038	N/A	N/A
RM/GJ/Day	1.535	1,573	1.573

IBR : Incentives Based Regulation

GMD : Gas Malaysia Distribution (owner & operator of gas distribution line)

GJ : Gigajoules

RM : Ringgit Malaysia

LOCAL HIGHLIGHTS – Peninsular Gas Utilities (PGU)

Gas Volume Updates as of 14 April 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

Source: PETRONAS Gas Berhad

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
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

IBR Tariff for Peninsular Gas Utilization

Year	2023	2024	2025
RM/GJ/Day	1.061	1.063	1.063

IBR Tariff for Regassification Facilities

Facilities	RGTSU	RGTP
RM/GJ/Day	3.455	3.165

IBR : Incentives Based Regulation

GJ : Gigajoules

RM : Ringgit Malaysia

RGTSU : Regas Terminal Sungai Udang, Malacca

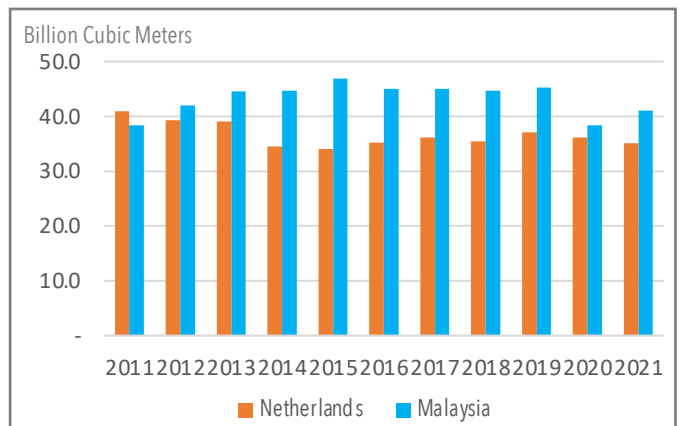
RGTP : Regas Terminal Pengerang

FUN FACTS

1 NatGas Domestic Demand

Malaysia's domestic demand of natural gas has been higher than Holland since 2012.

Source: BP Statistics



2 ChatGPT Let's ask...

How is Malaysia effected by a sluggish European natural gas market?

A sluggish European natural gas market can have both direct and indirect effects on Malaysia, although the impact may not be as pronounced as in the case of the broader European market. Here are some potential effects:

Limited export opportunities: As Malaysia is a significant exporter of liquefied natural gas (LNG), a sluggish European natural gas market may result in reduced demand for LNG exports. This could lead to lower export revenues for Malaysia and potentially affect the country's balance of payments.

Impact on energy prices: A slowdown in the European natural gas market could lead to a decline in global natural gas prices. While this might benefit Malaysia as an importer of natural gas, it could hurt the profitability of the country's natural gas export sector.

Market diversification: A sluggish European natural gas market may prompt Malaysia to seek alternative export markets for its natural gas, such as countries in Asia, the Middle East, or Africa. This diversification strategy could be beneficial in the long run but may require additional investments in infrastructure and marketing efforts.

Geopolitical implications: European natural gas market dynamics often involve geopolitical factors, such as tensions between Russia and Europe. These factors can have indirect effects on Malaysia, as they can influence global natural gas prices and the stability of the international energy market.

Investment in alternative energy sources: A sluggish European natural gas market might encourage Malaysia to invest more in alternative and renewable energy sources, such as solar, wind, and hydropower, to reduce its reliance on natural gas exports and strengthen its energy security.

Shift in global energy policies: A slowdown in the European natural gas market may lead to a shift in global energy policies, focusing more on renewable energy and energy efficiency. This could create new opportunities for Malaysia to develop and export clean energy technologies, products, and services.

In summary, a sluggish European natural gas market can have both direct and indirect effects on Malaysia, particularly in terms of export opportunities, energy prices, and market diversification. However, it could also present opportunities for Malaysia to invest in alternative energy sources and capitalize on the global shift towards cleaner energy solutions.

END OF REPORT