



argus

argusmedia.com

International perspectives on energy prices

IFIEC Europe Energy Forum 2018

Matthew Monteverde

16 May 2018



London
Houston
Singapore
Moscow
Dubai
New York
Portland
Calgary
Santiago
Bogota
Rio de Janeiro
Beijing
Shanghai
Tokyo
Sydney
Astana
Kiev
Cape Town
Riga
San Francisco
Washington

Market Reporting

Consulting

Events

illuminating the markets

A nighttime city skyline is reflected in a body of water. A glowing blue line starts from the bottom left, curves across the water, and ends near the right side. The text 'Three lessons' is in the top left, and 'illuminating the markets' is in the bottom left. In the bottom right, there is a list of services: 'Market Reporting', 'Consulting', and 'Events'.

Three lessons

illuminating the markets

Market Reporting

Consulting

Events

A nighttime photograph of a city skyline, likely New York City, with numerous skyscrapers illuminated against a dark sky. The lights are reflected in the water in the foreground. A glowing blue line, resembling a stylized path or a data visualization, curves across the water from the bottom left towards the right side of the frame.

Summer 2018: not a storage problem, a gas problem?

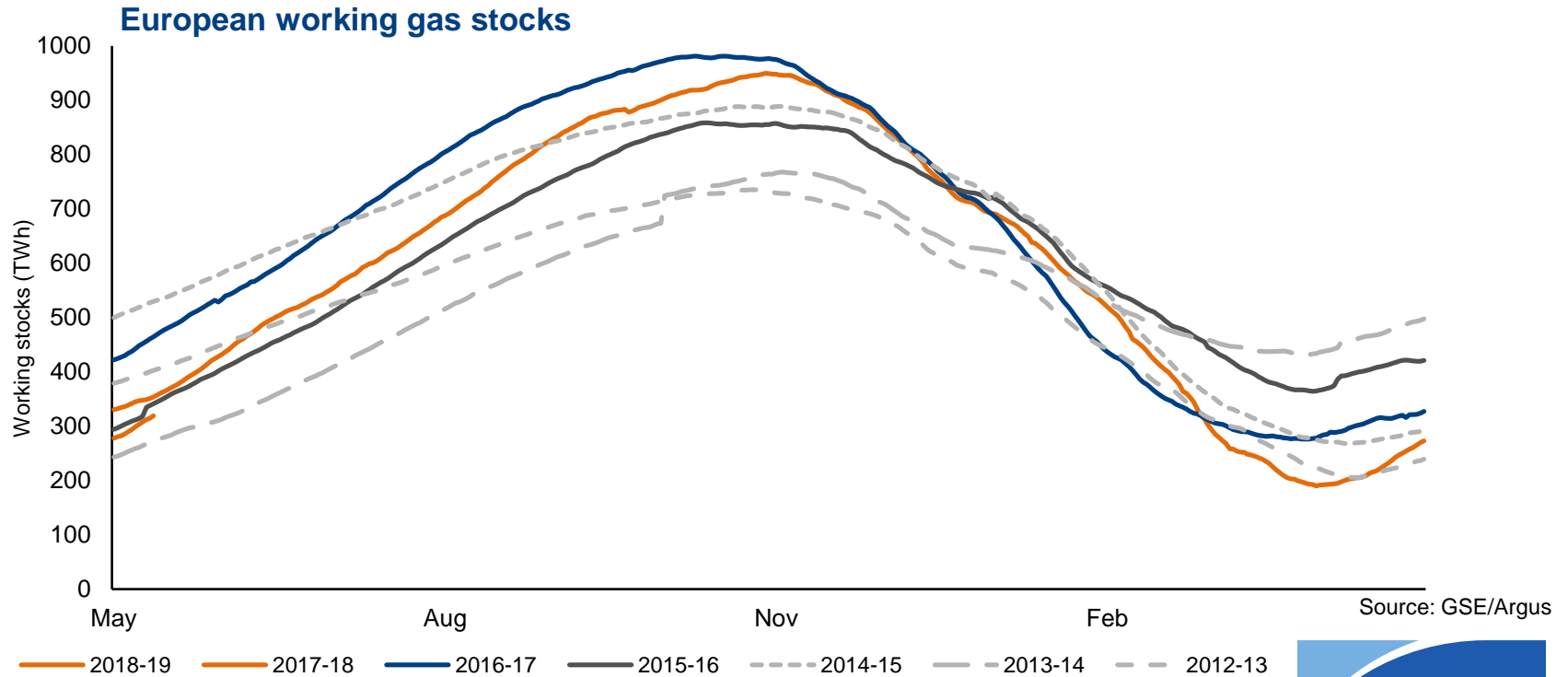
illuminating the markets

Market Reporting

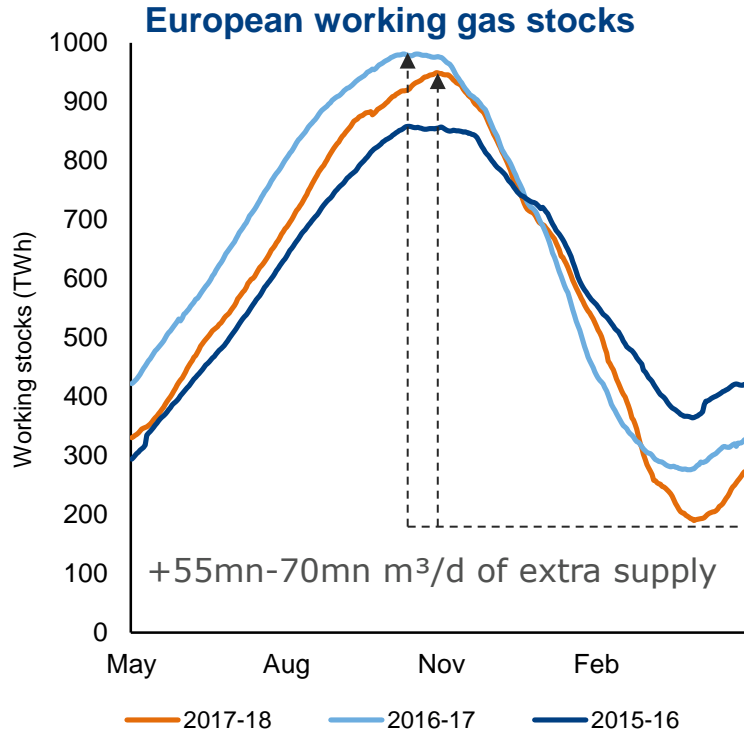
Consulting

Events

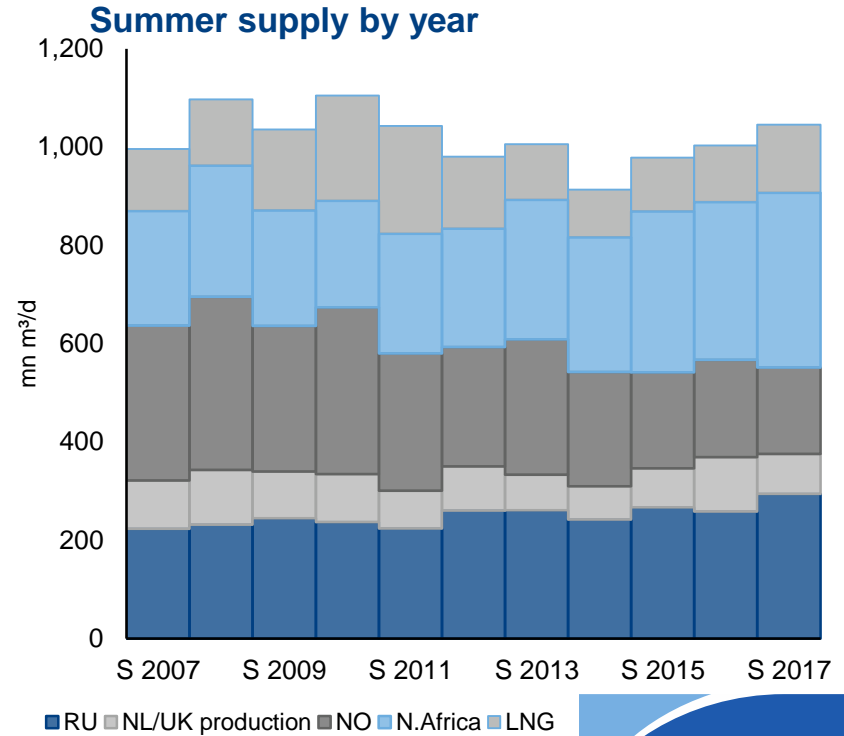
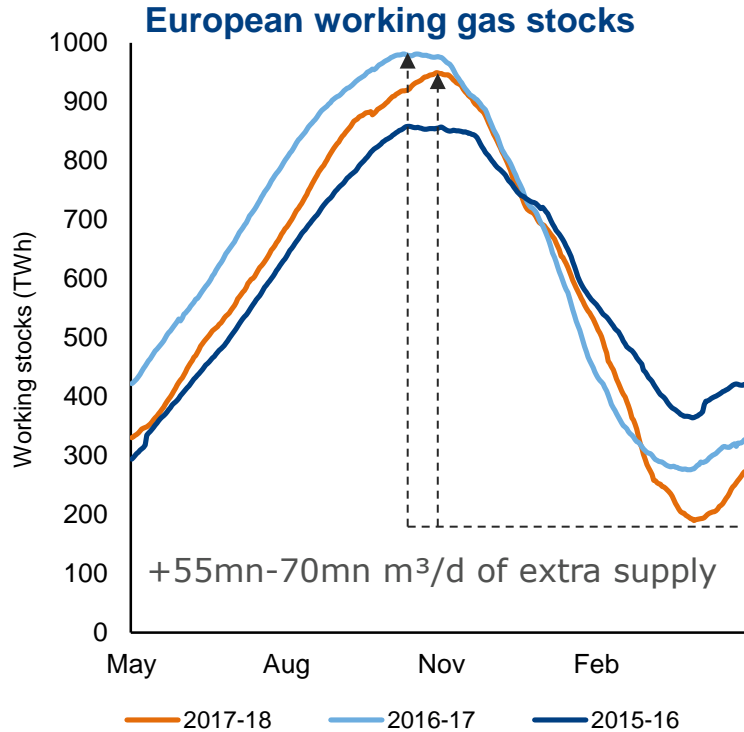
Storage depleted by late cold snap



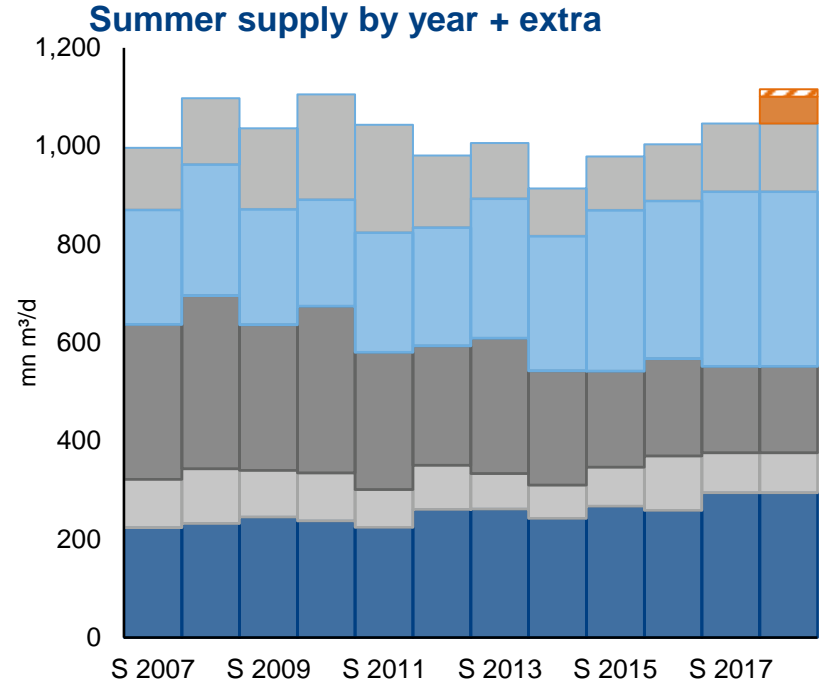
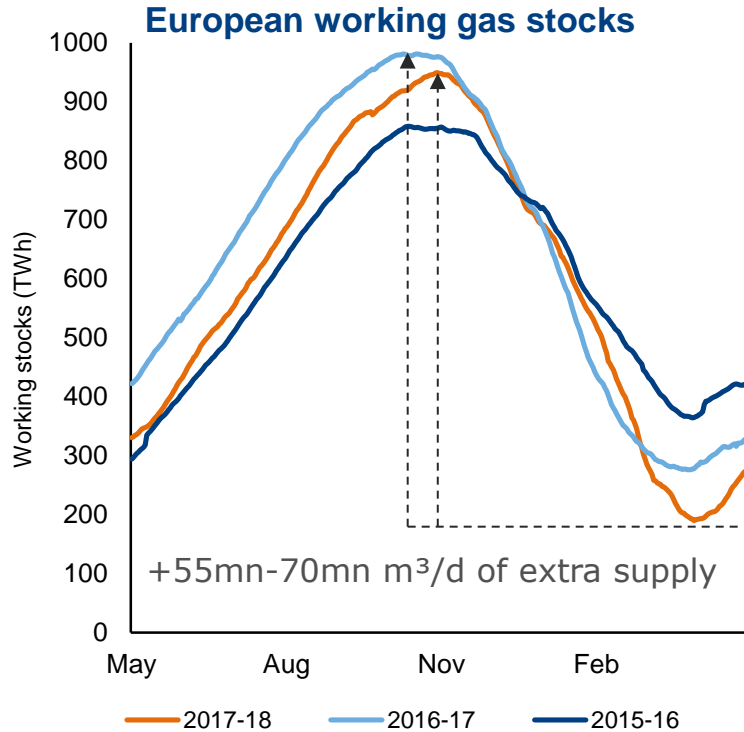
Storage depleted by late cold snap



What will it take to fill storage?

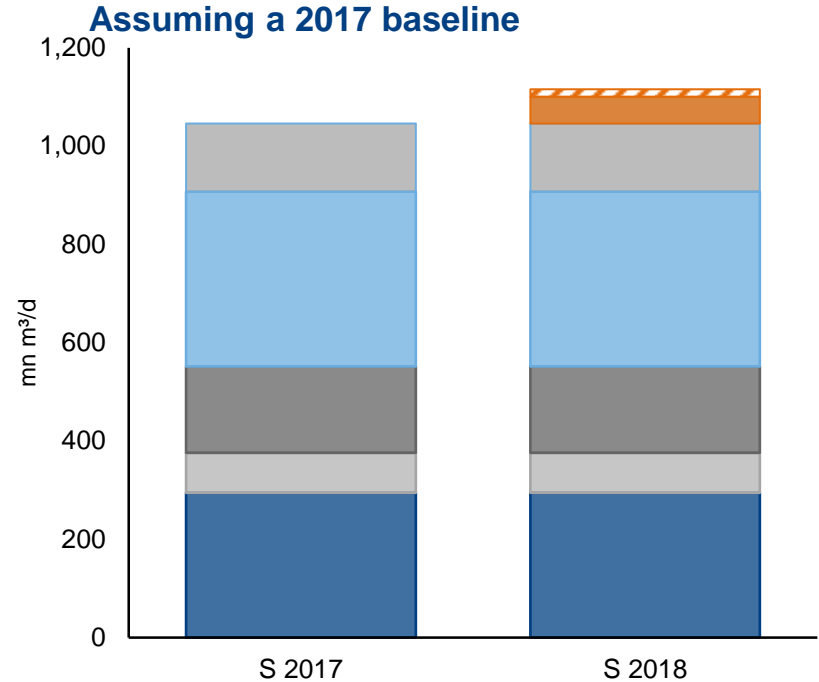
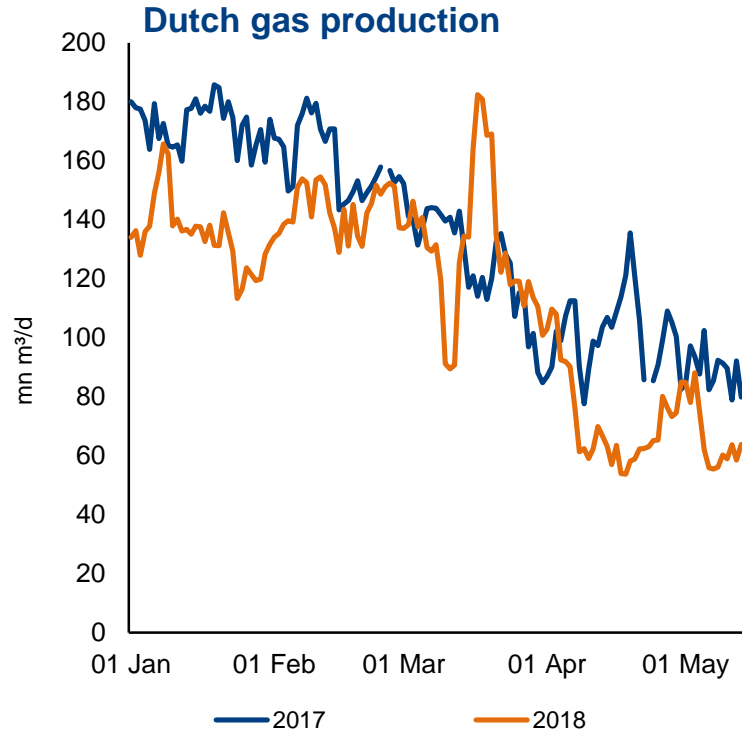


Finding extra supply from limited sources

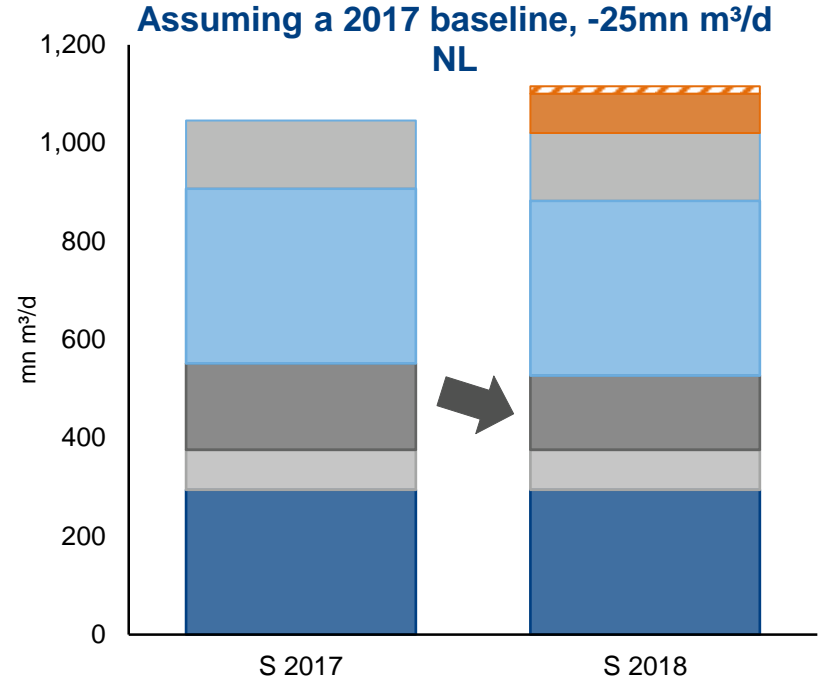
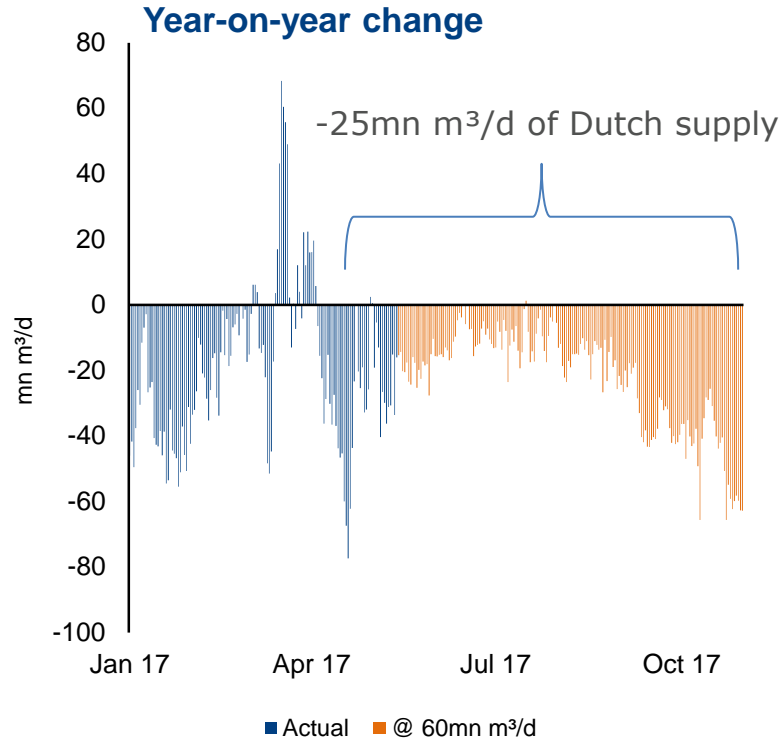


■ RU
 ■ NO
 ■ LNG
 ■ NL/UK production
 ■ N.Africa
 ■ Extra

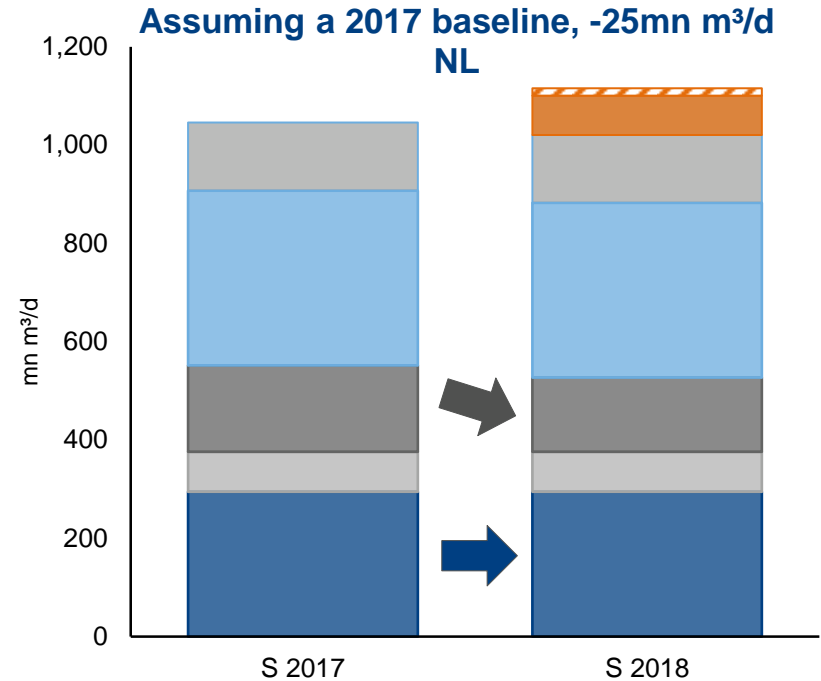
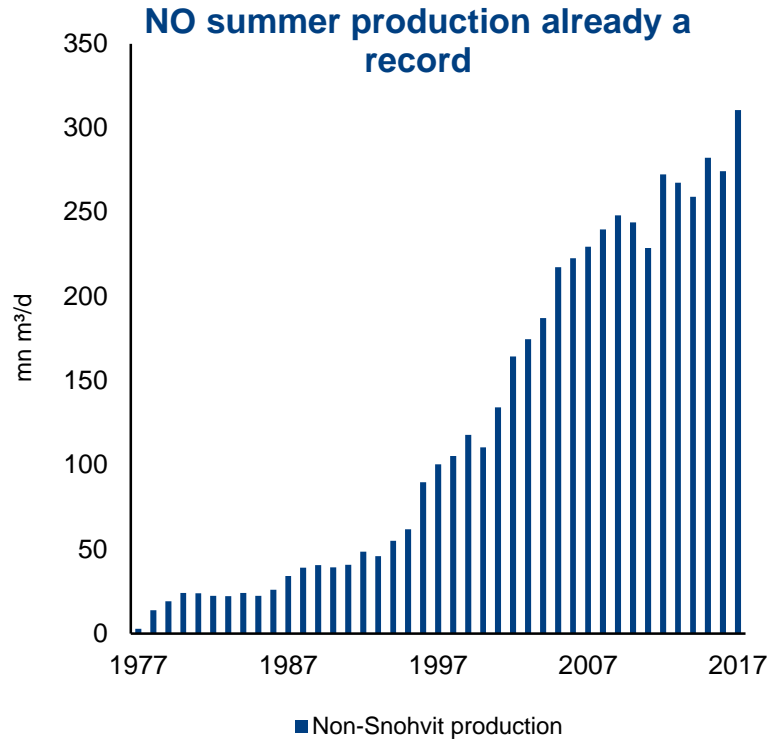
The Netherlands?



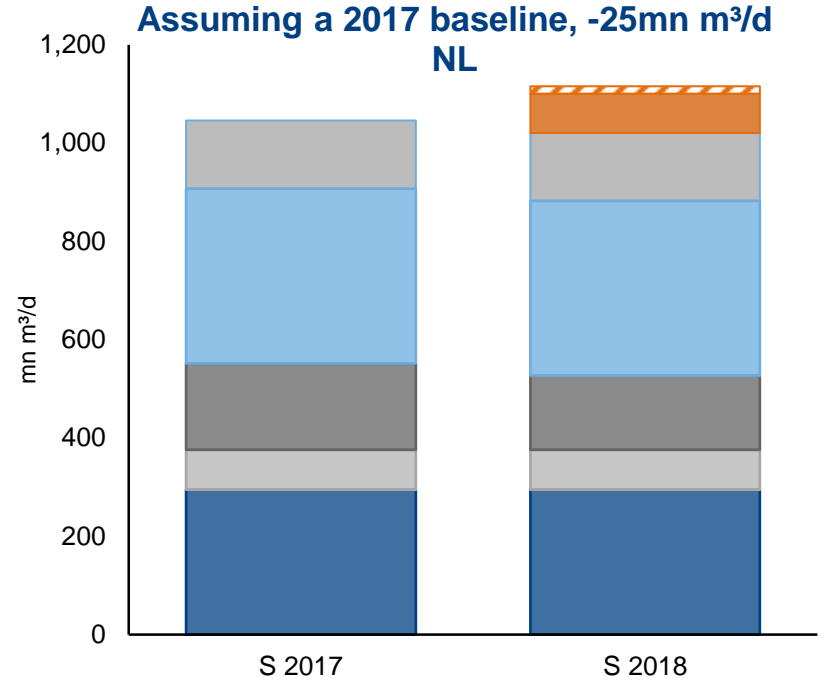
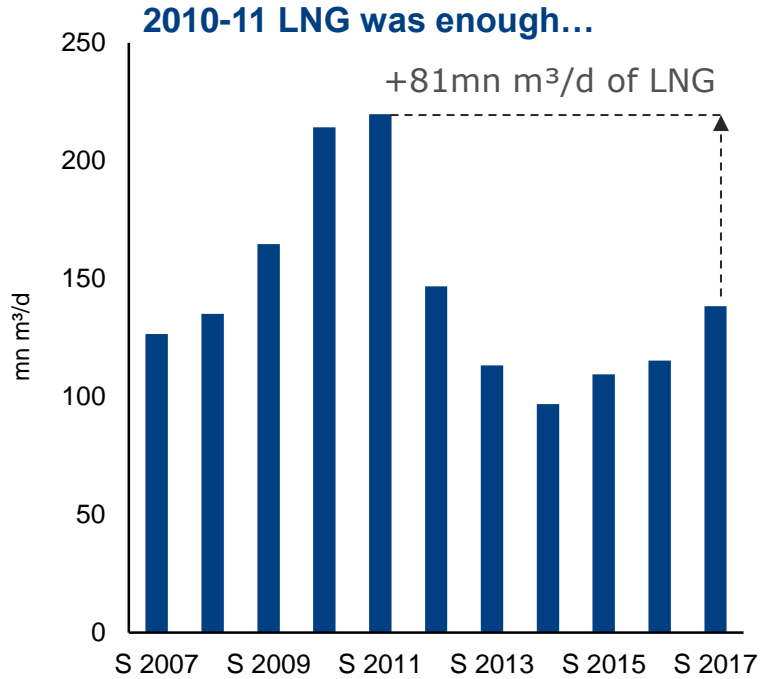
The Netherlands?



Norway?



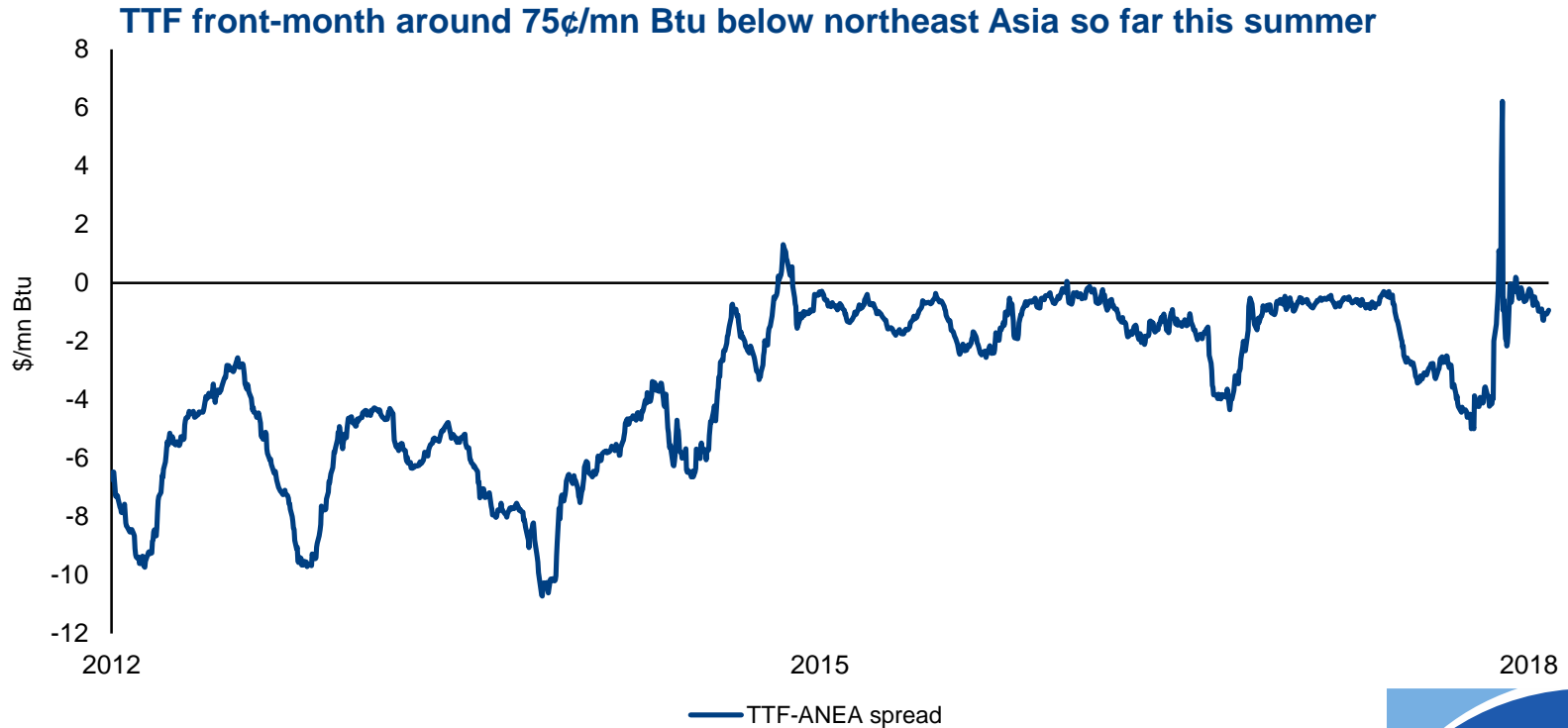
LNG?



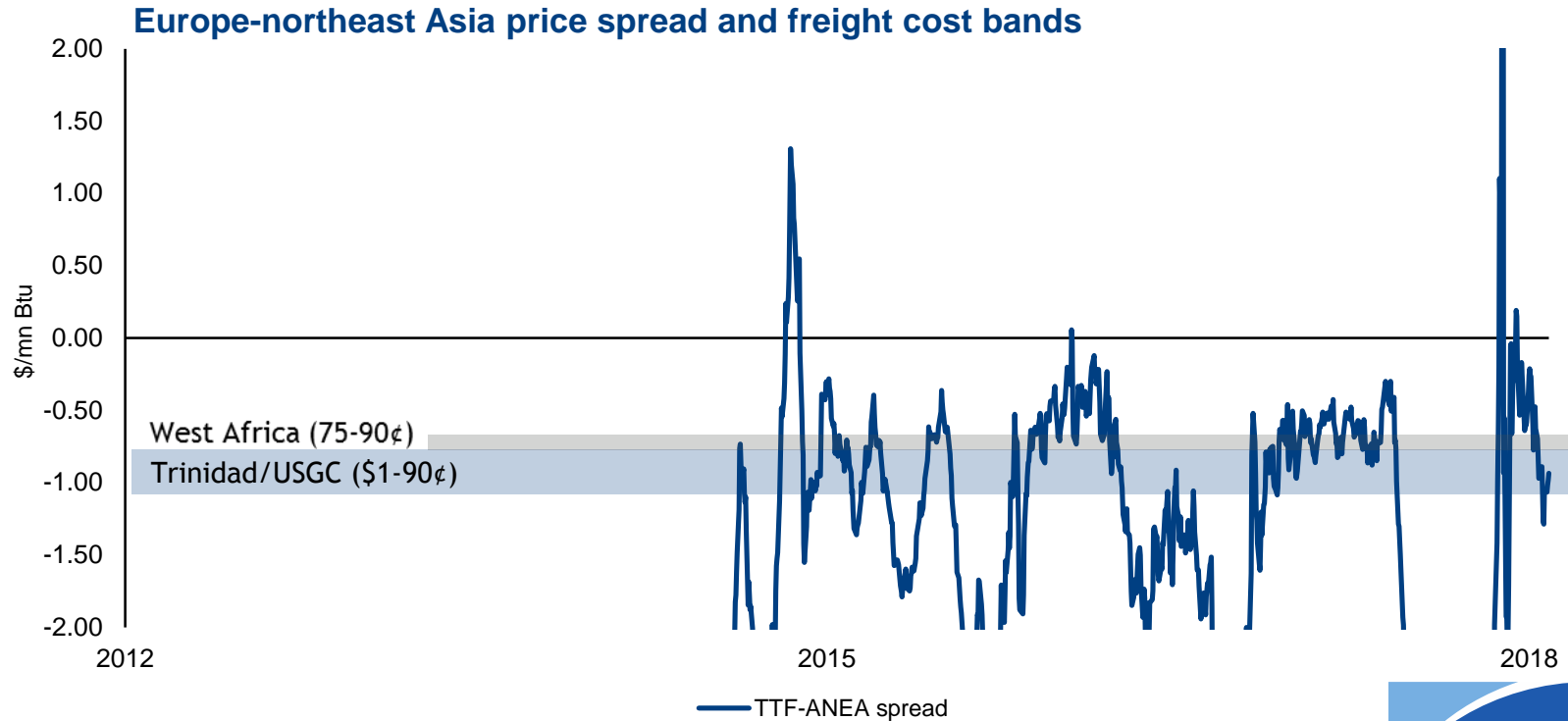
■ Non-Snohvit production ■ @ 60mn m³/d

■ NO ■ N Africa ■ UK/NL ■ RU ■ LNG ■ Extra

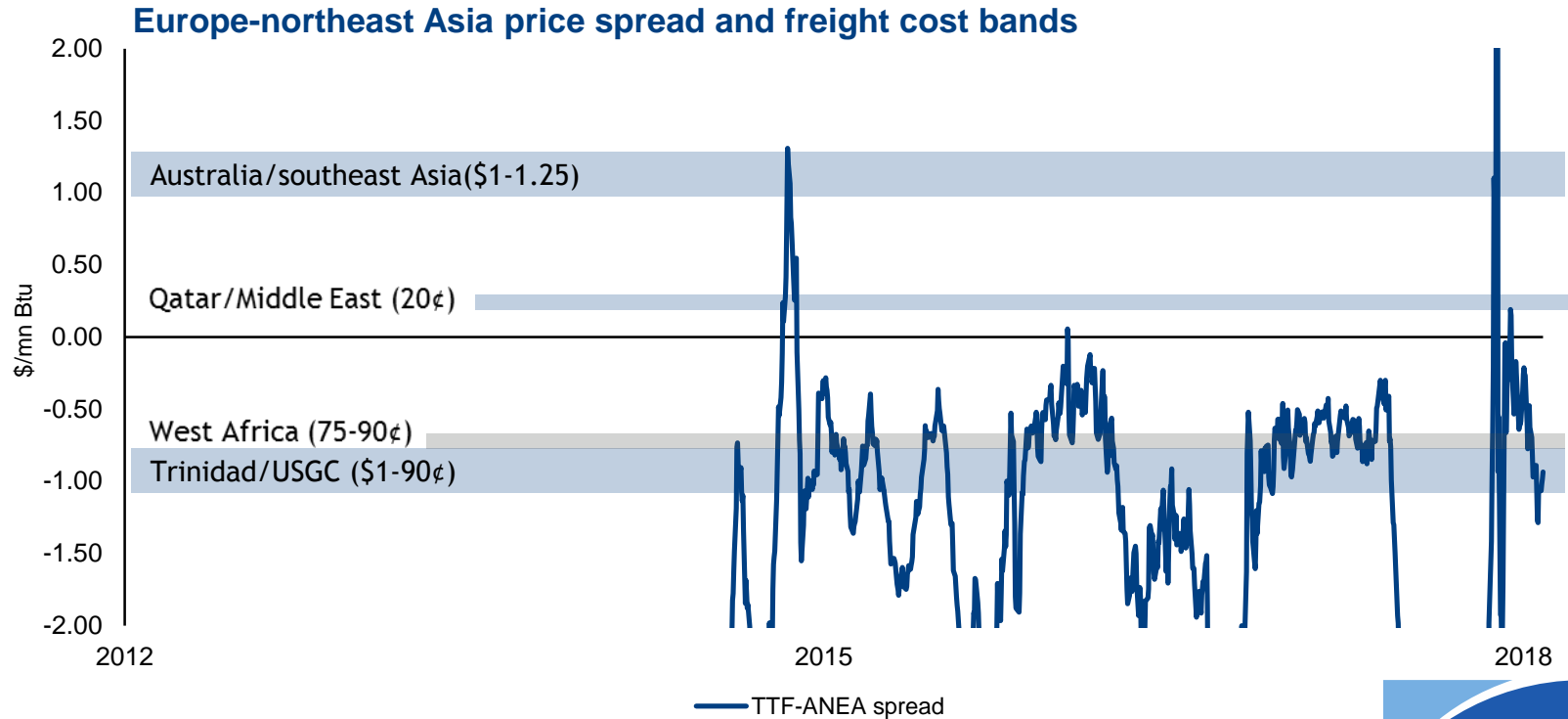
The effect on price – Europe still below Asian-LNG



And LNG shipping is not free (mostly)



And LNG shipping is not free (mostly)



A nighttime city skyline is reflected in a body of water. A glowing blue line curves across the water's surface. The text "We need to talk about China" is overlaid on the left side.

We need to talk about China

| illuminating the markets

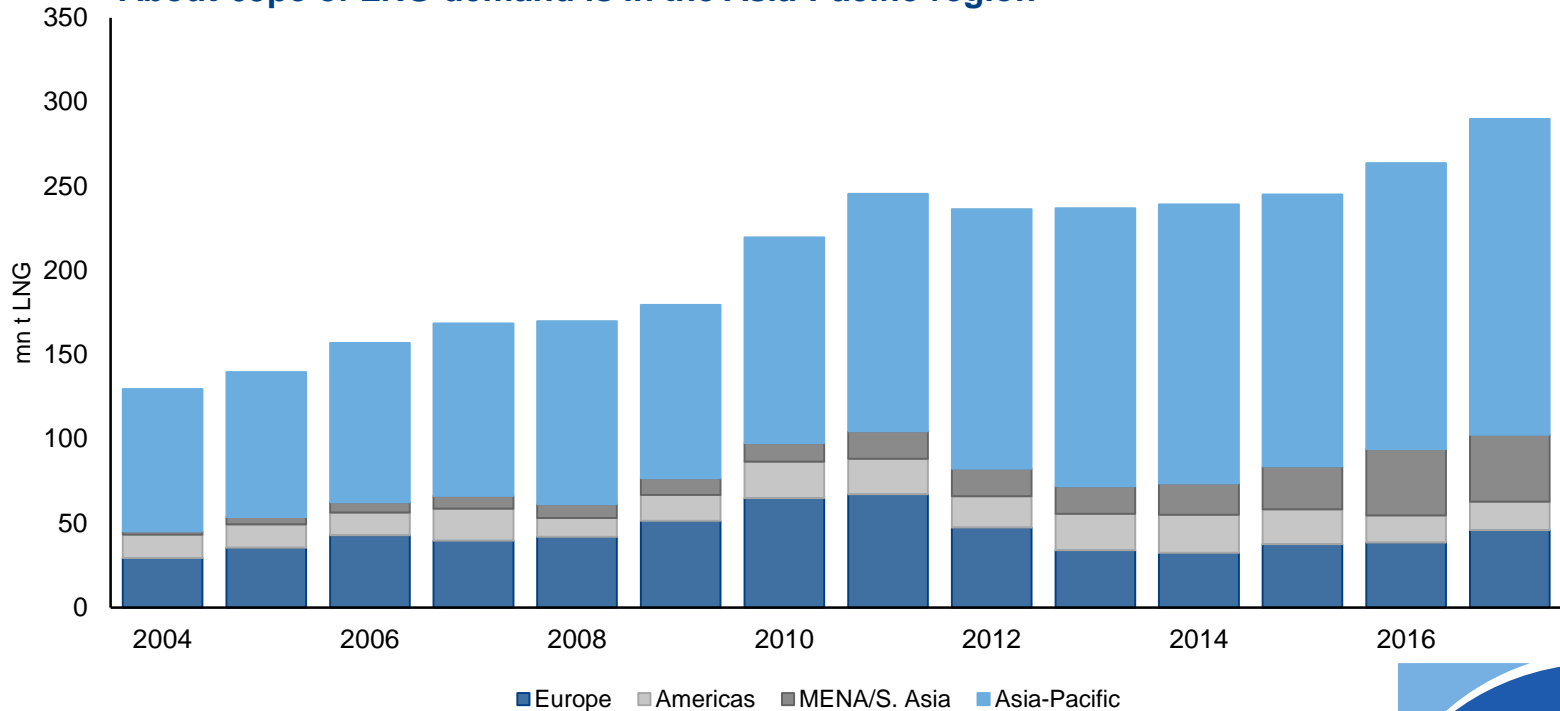
Market Reporting

Consulting

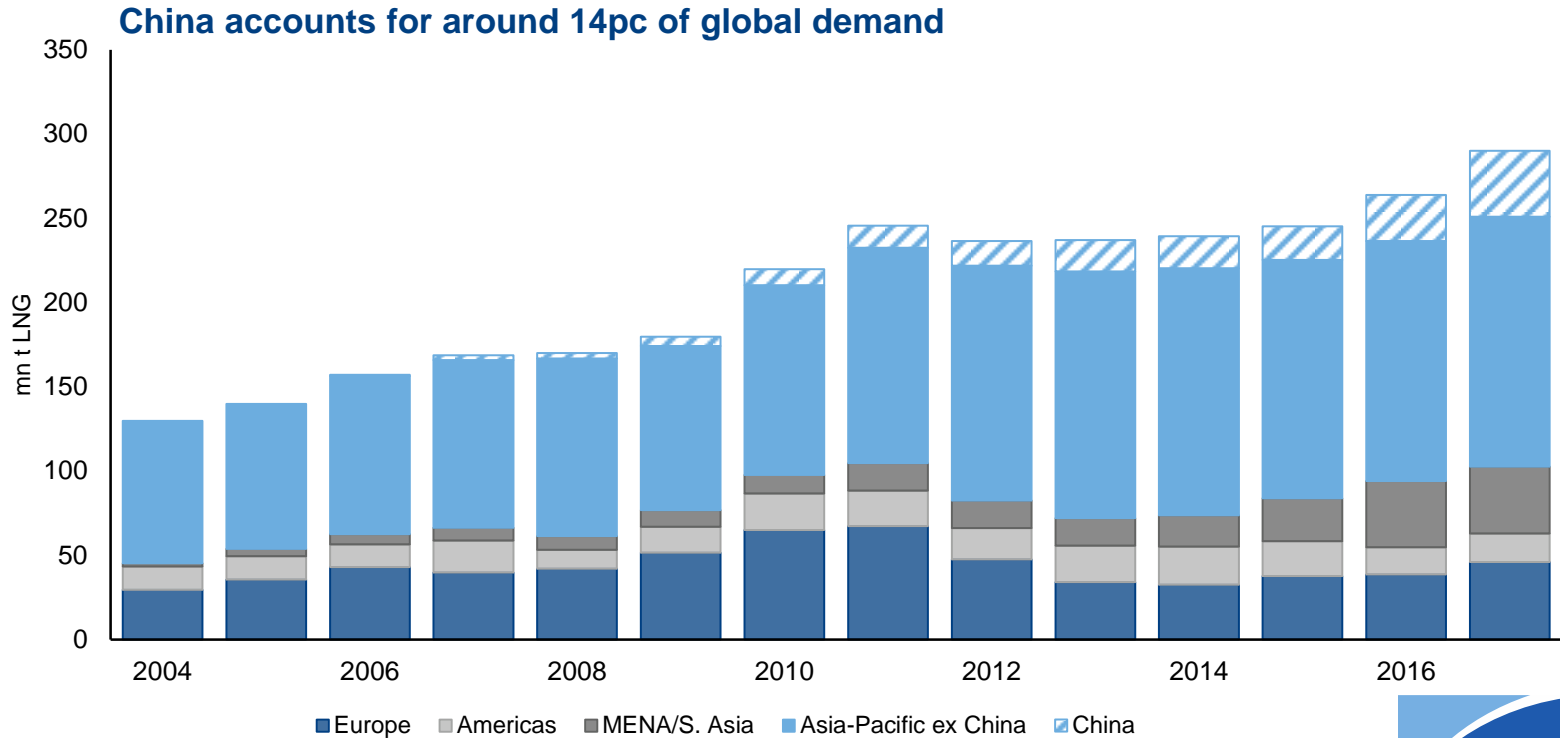
Events

Global demand is asymmetric

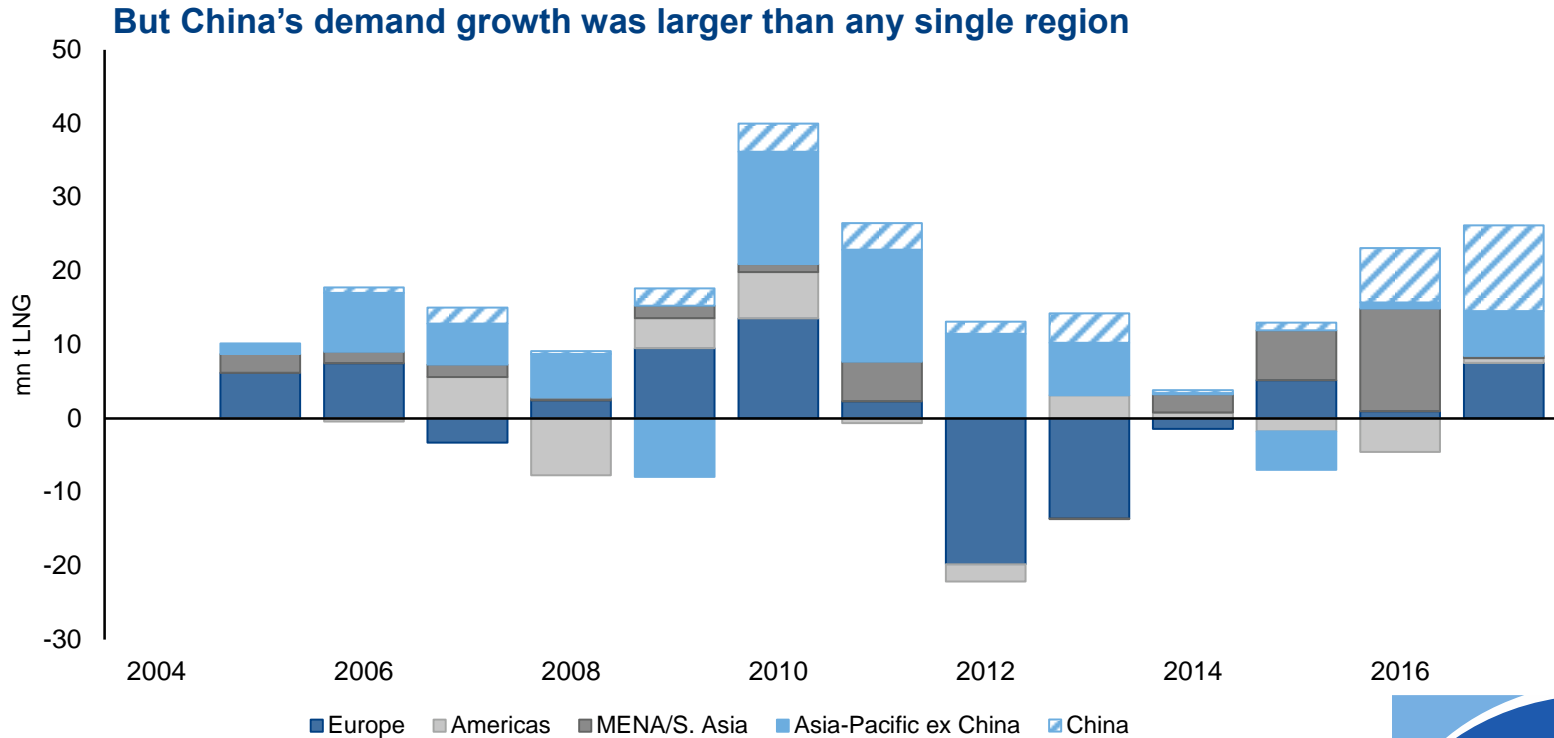
About 65pc of LNG demand is in the Asia-Pacific region



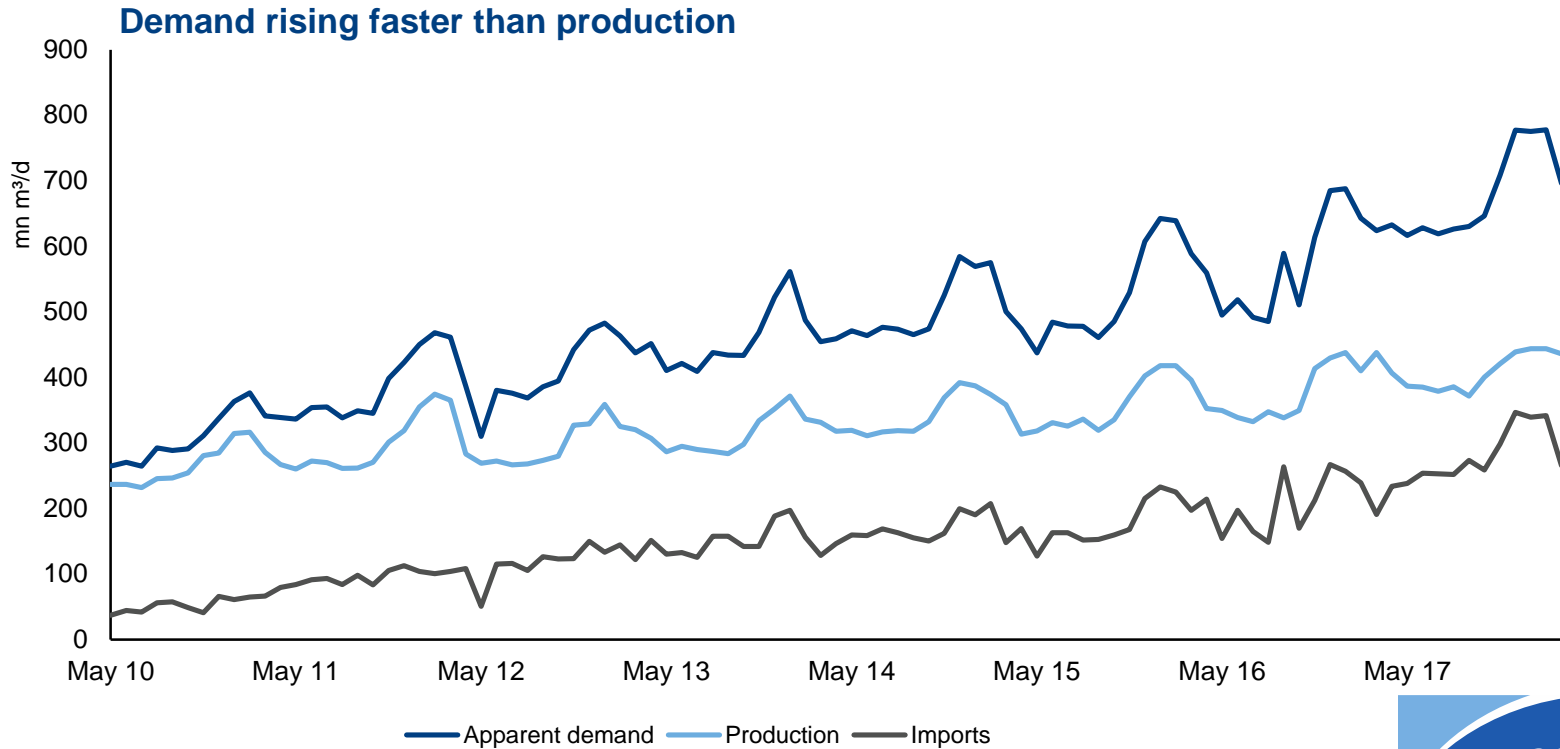
Global demand is asymmetric



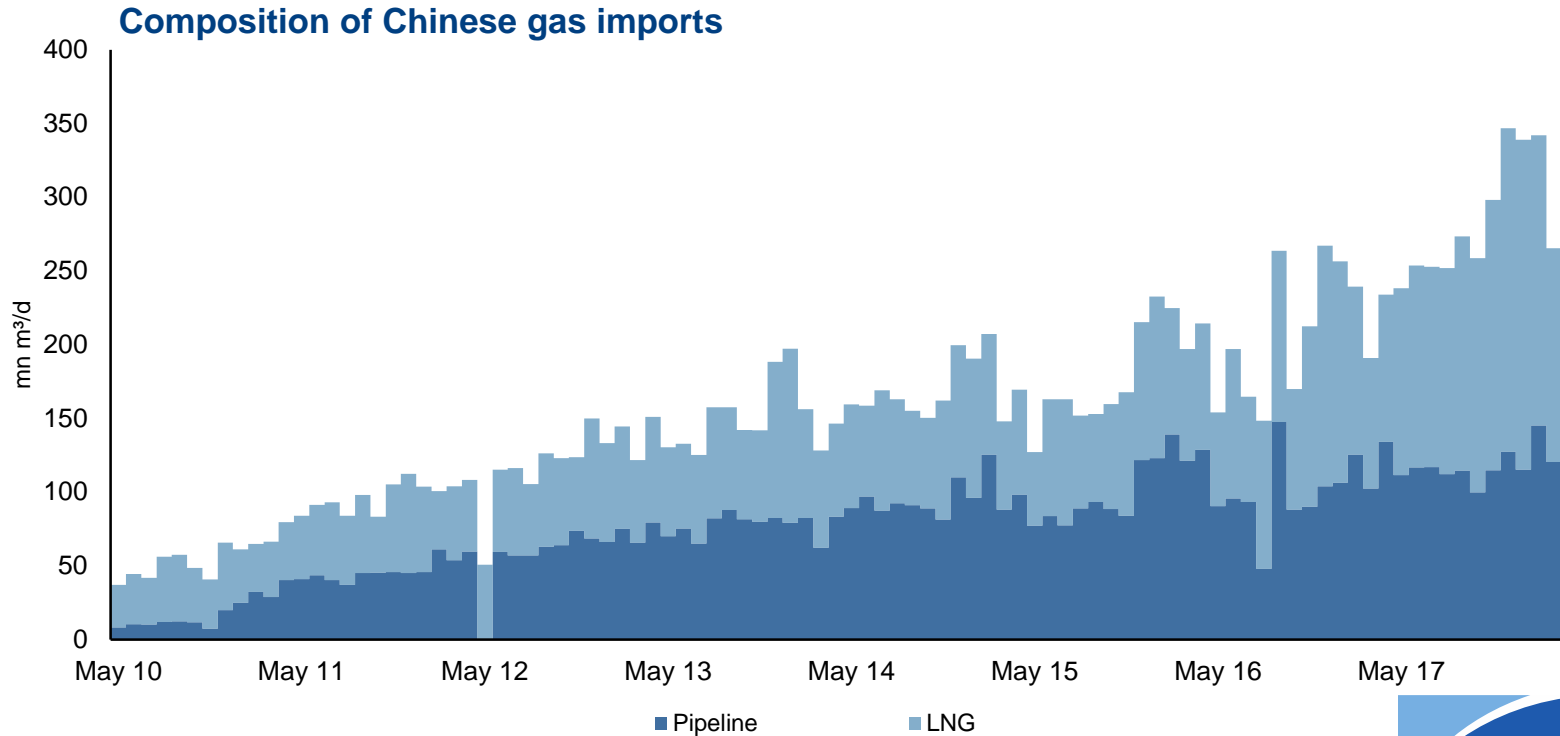
Global demand growth tilts heavily towards China



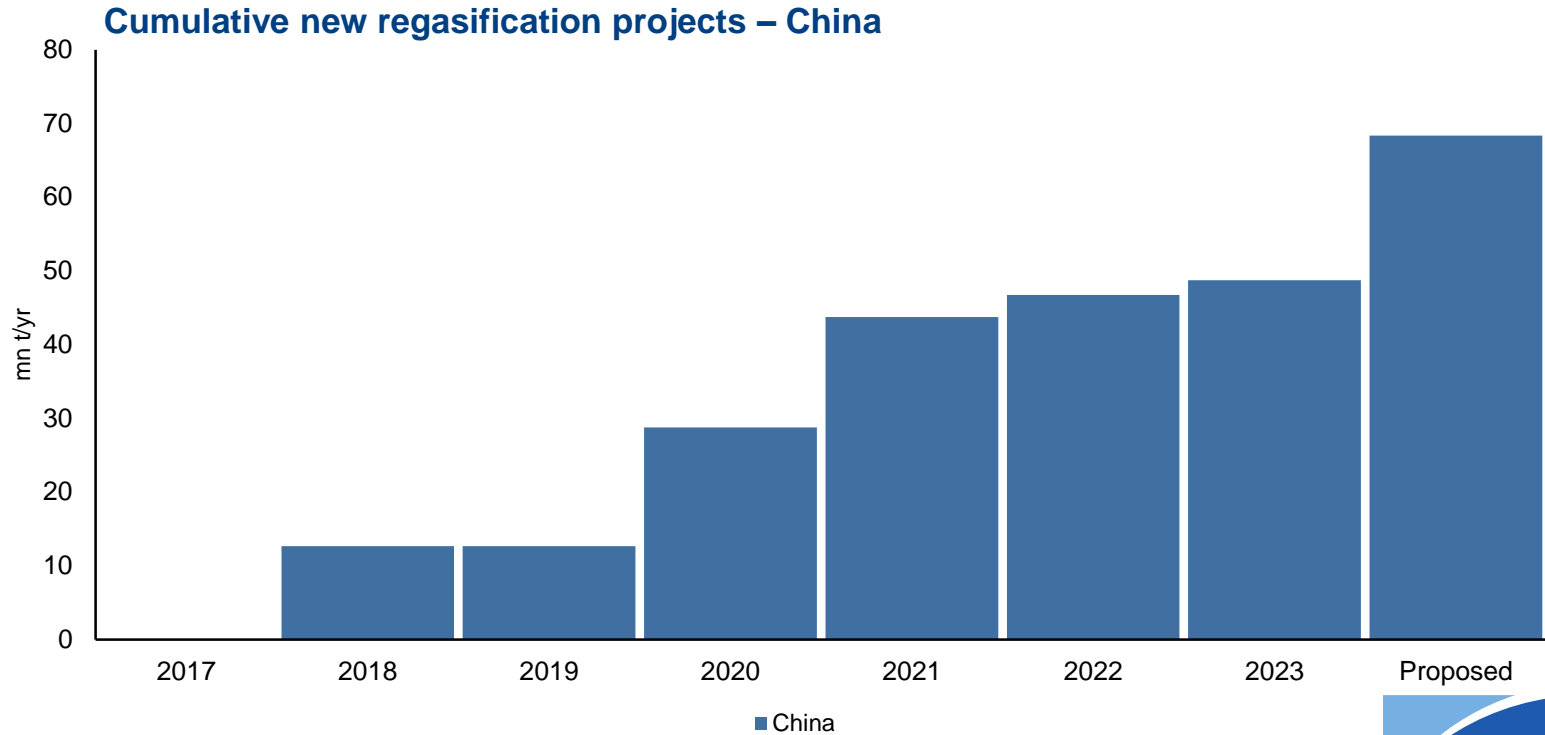
Chinese apparent demand is increasing



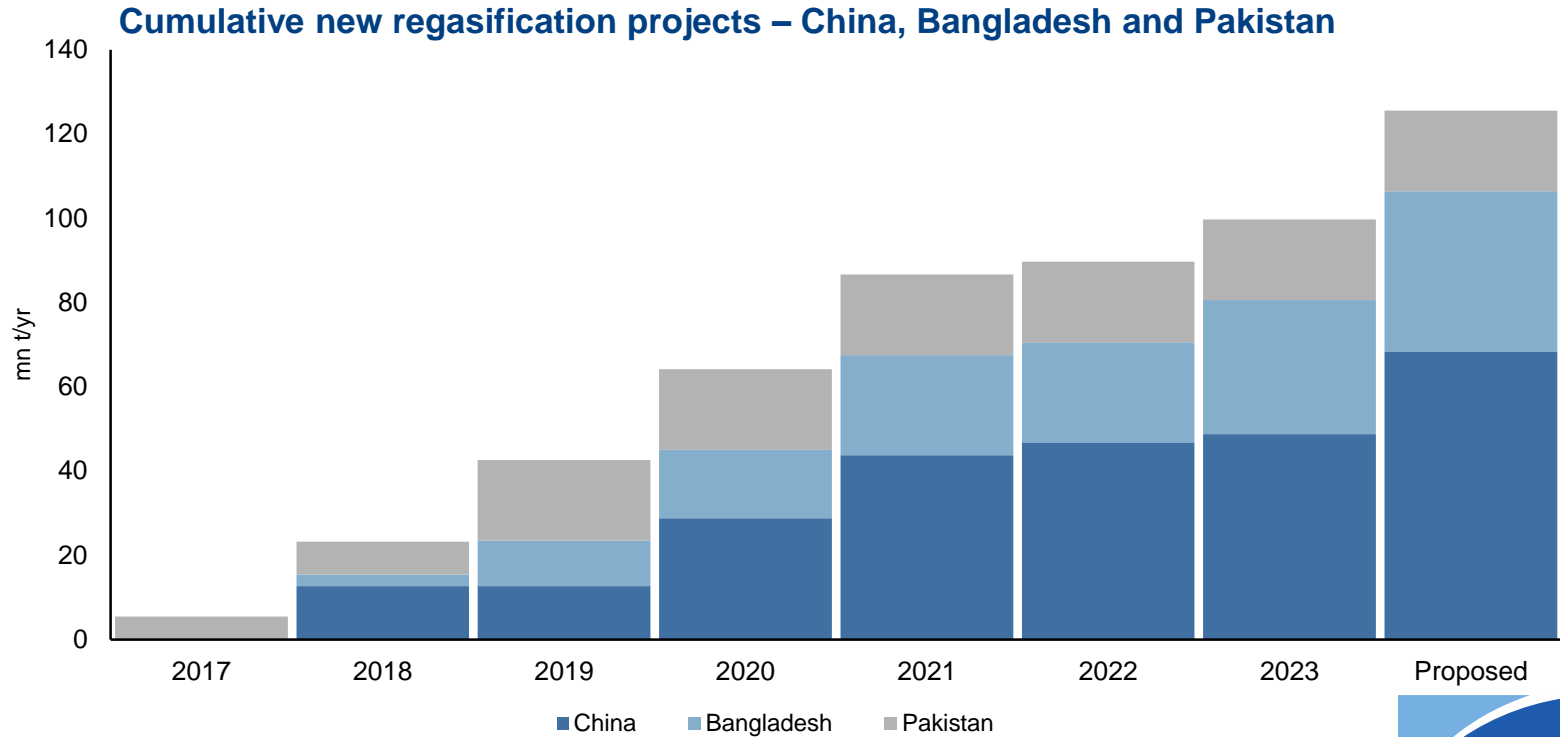
LNG imports now more than half the total



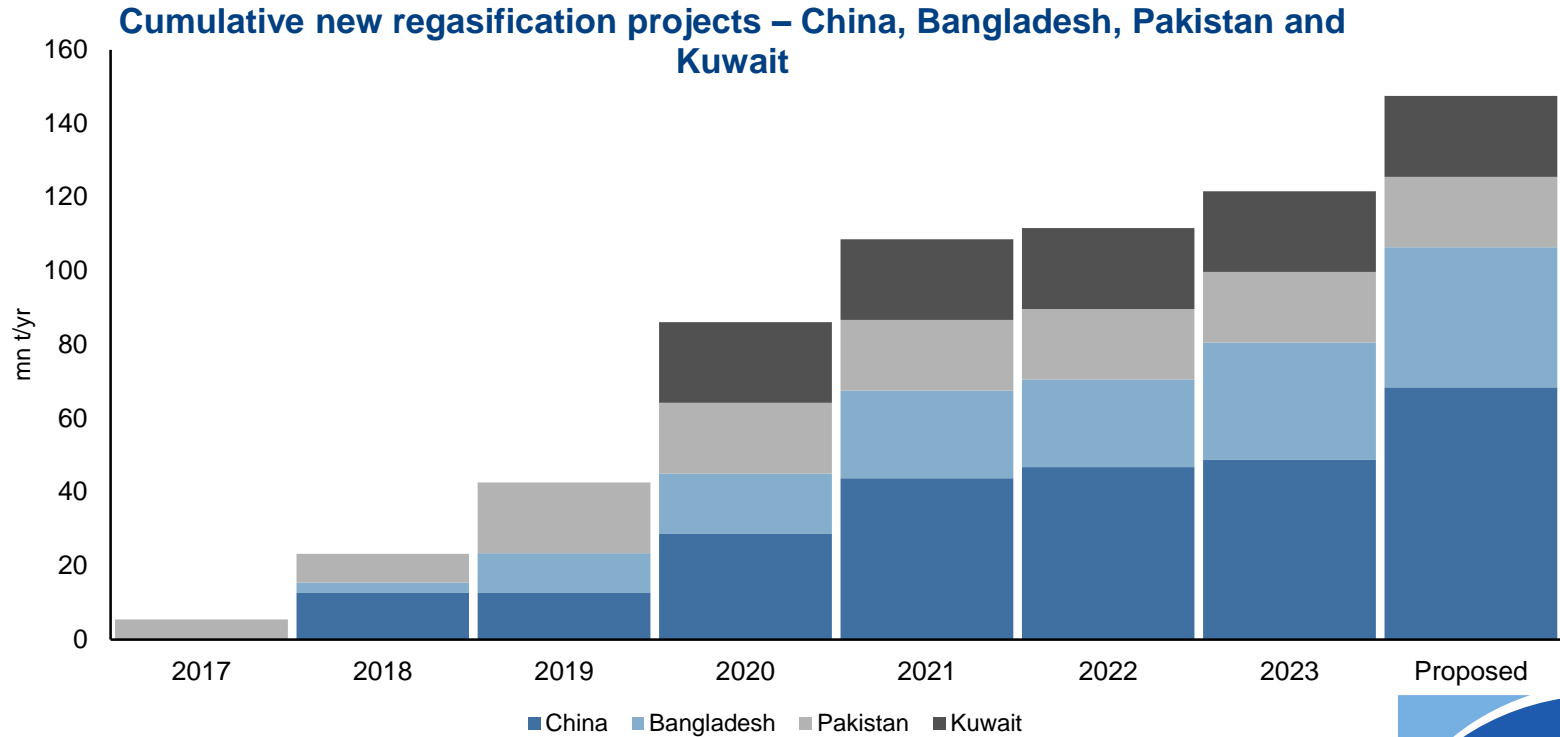
How quickly can demand grow?



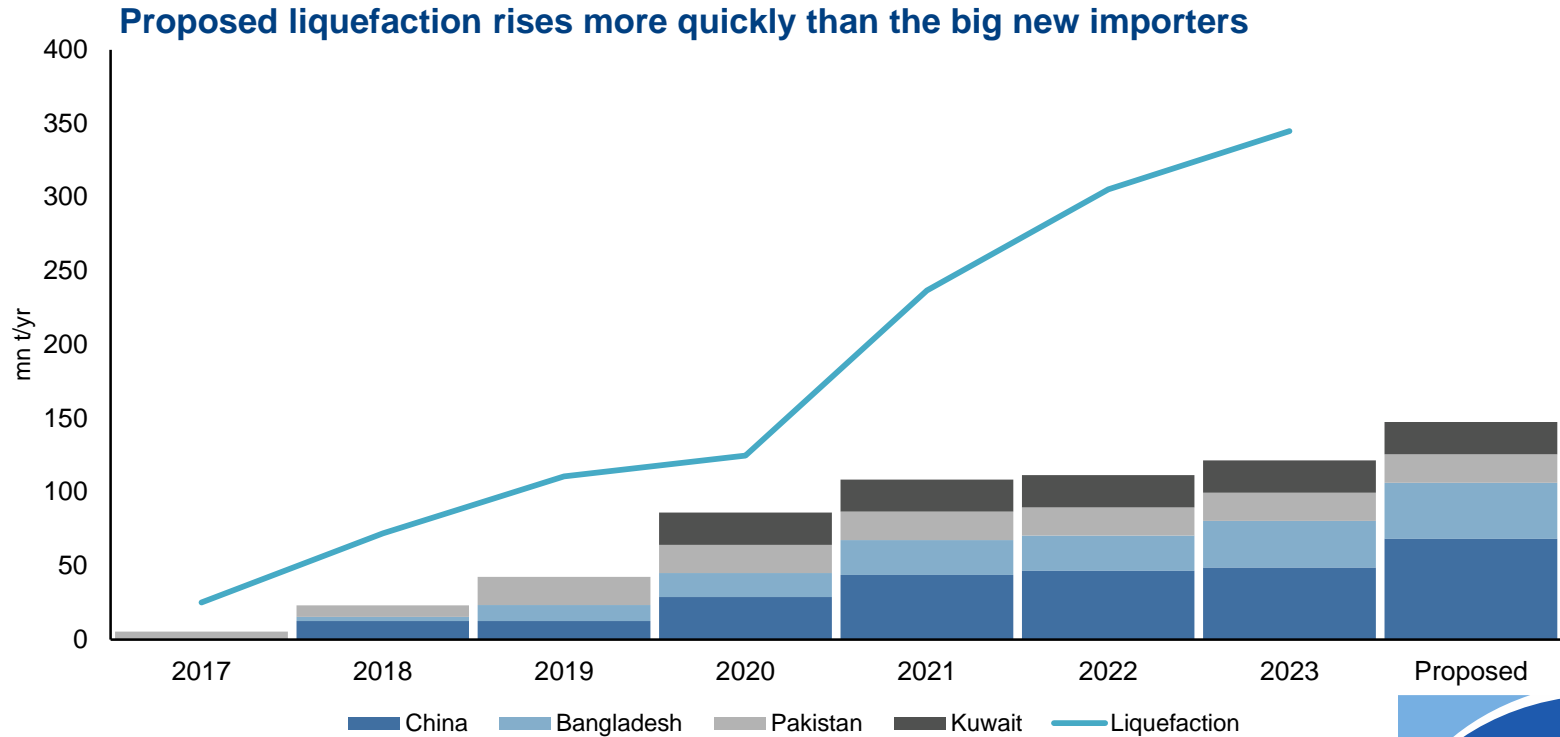
How quickly can demand grow?



How quickly can demand grow?



And what about supply?



A nighttime city skyline is reflected in a body of water. A glowing blue line curves across the water's surface. The text "And we need to talk about Russia" is overlaid in white.

And we need to talk about Russia

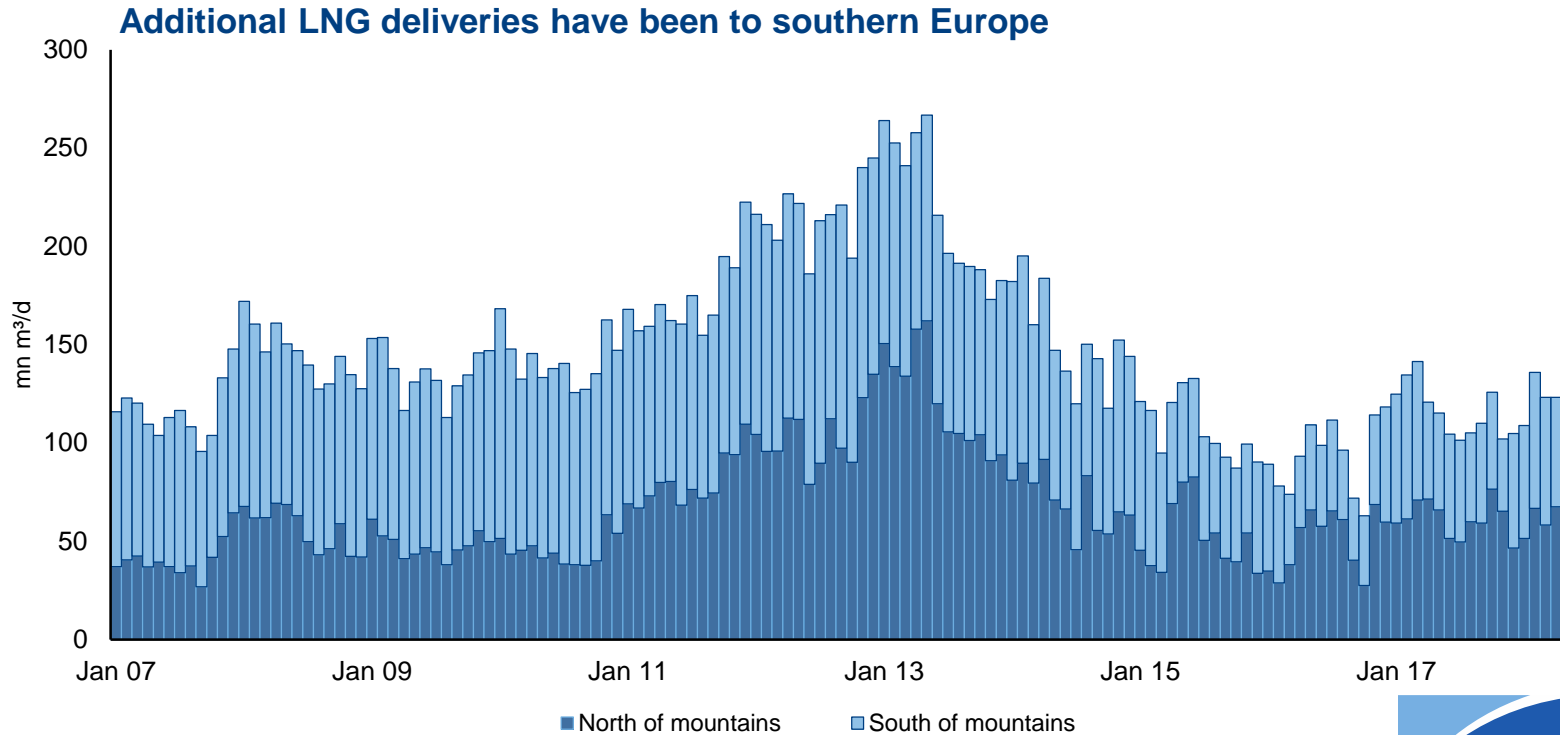
| illuminating the markets

Market Reporting

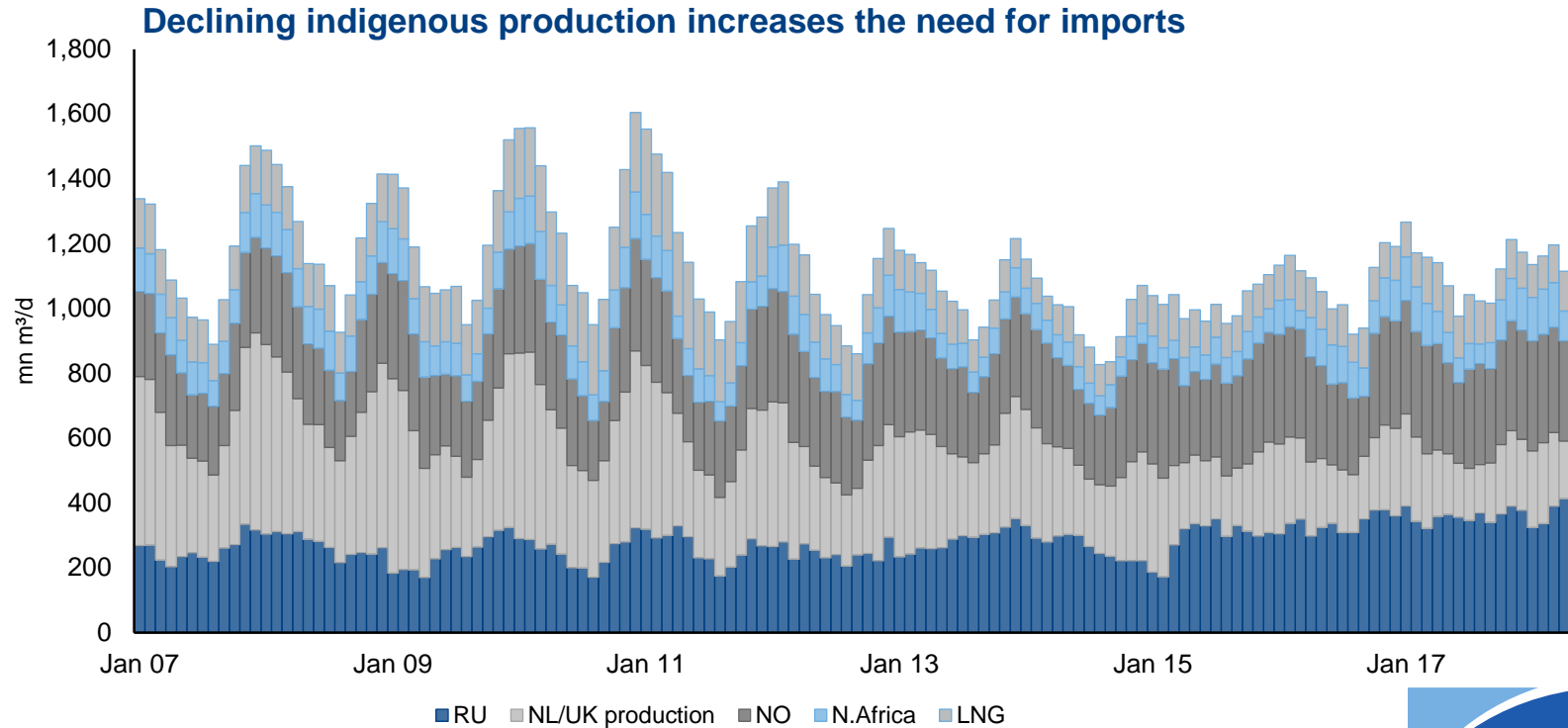
Consulting

Events

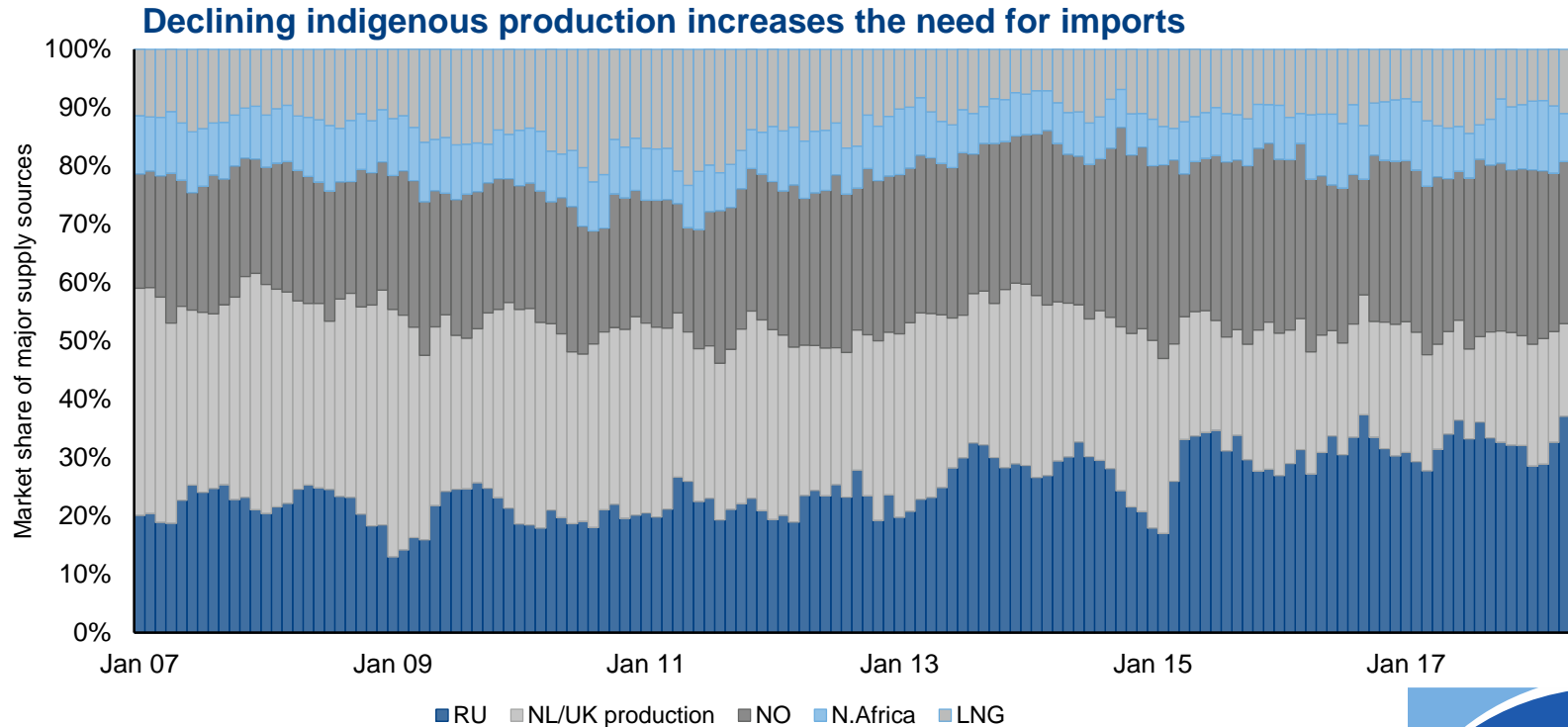
What LNG wave?



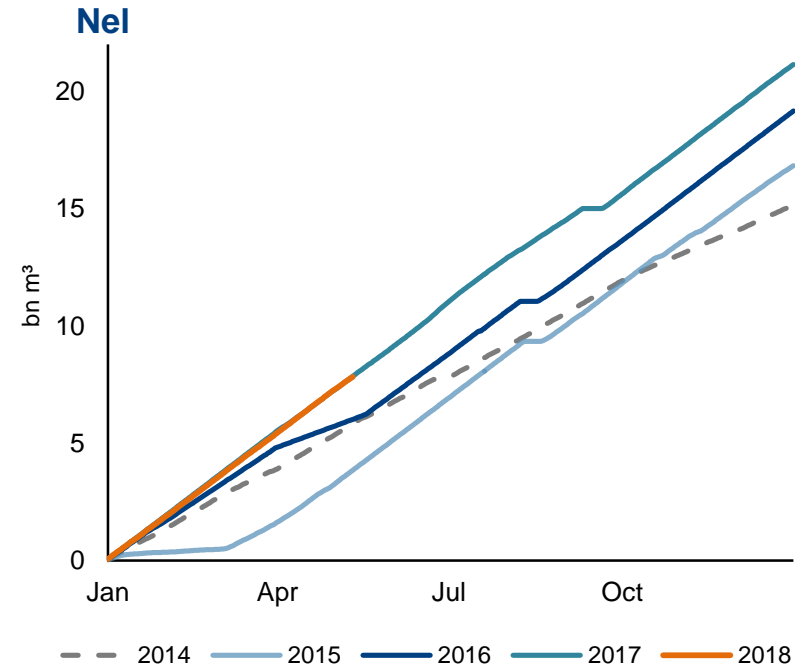
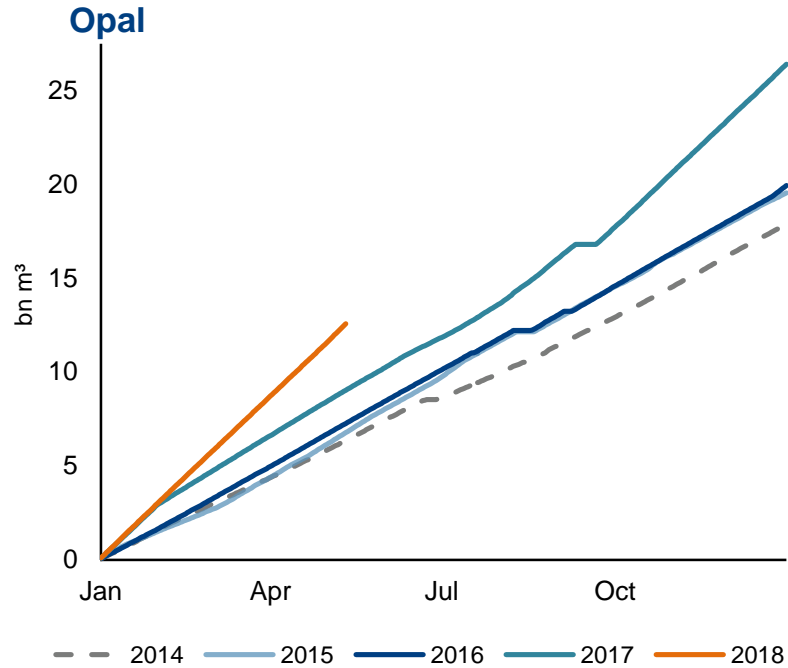
European dependence on Russian supply increases



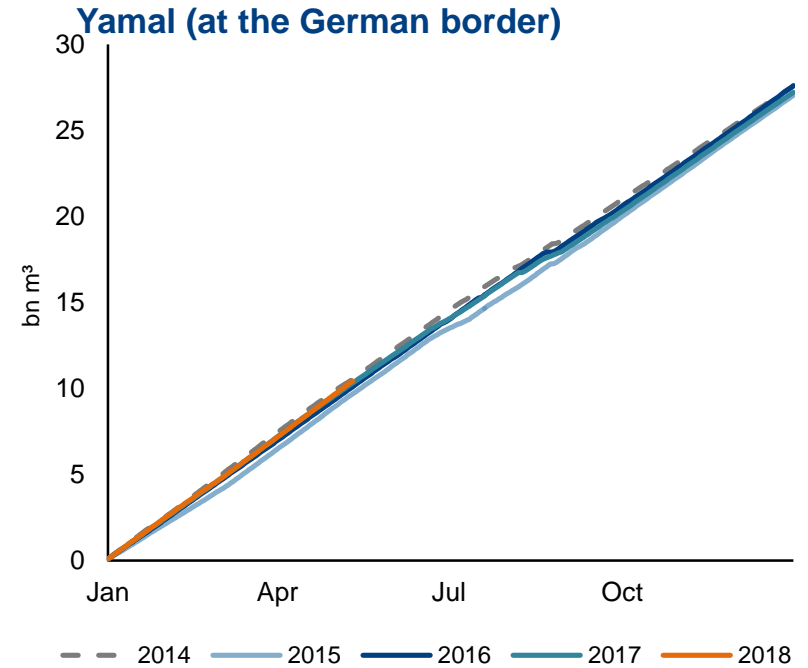
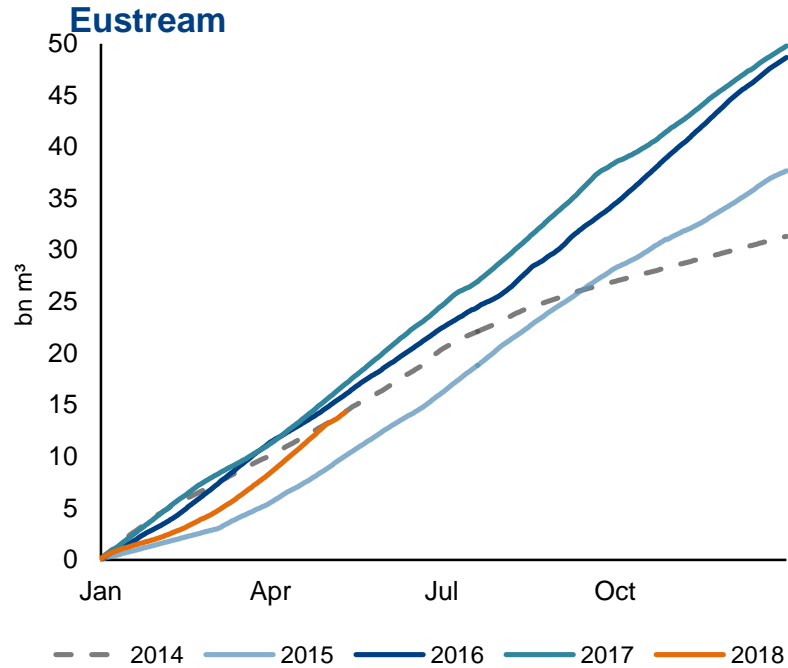
European dependence on Russian supply increases



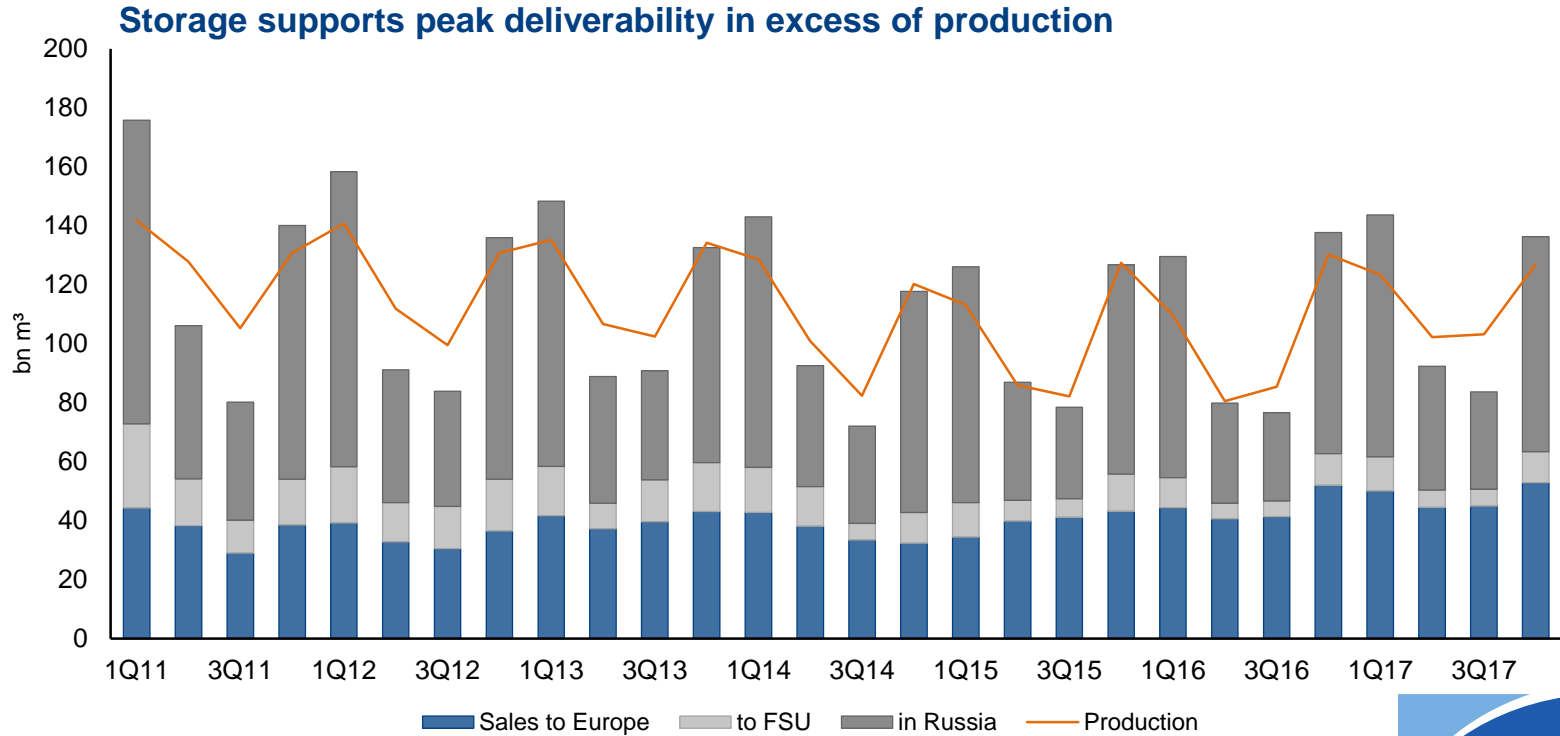
Nord Stream deliveries



The old onshore routes



How does Gazprom do this?



A nighttime city skyline is reflected in a body of water. A glowing blue line curves across the water's surface, starting from the bottom left and moving towards the right. The city lights are visible in the background, including a prominent dome-shaped building.

Cold weather, resilience and renewables

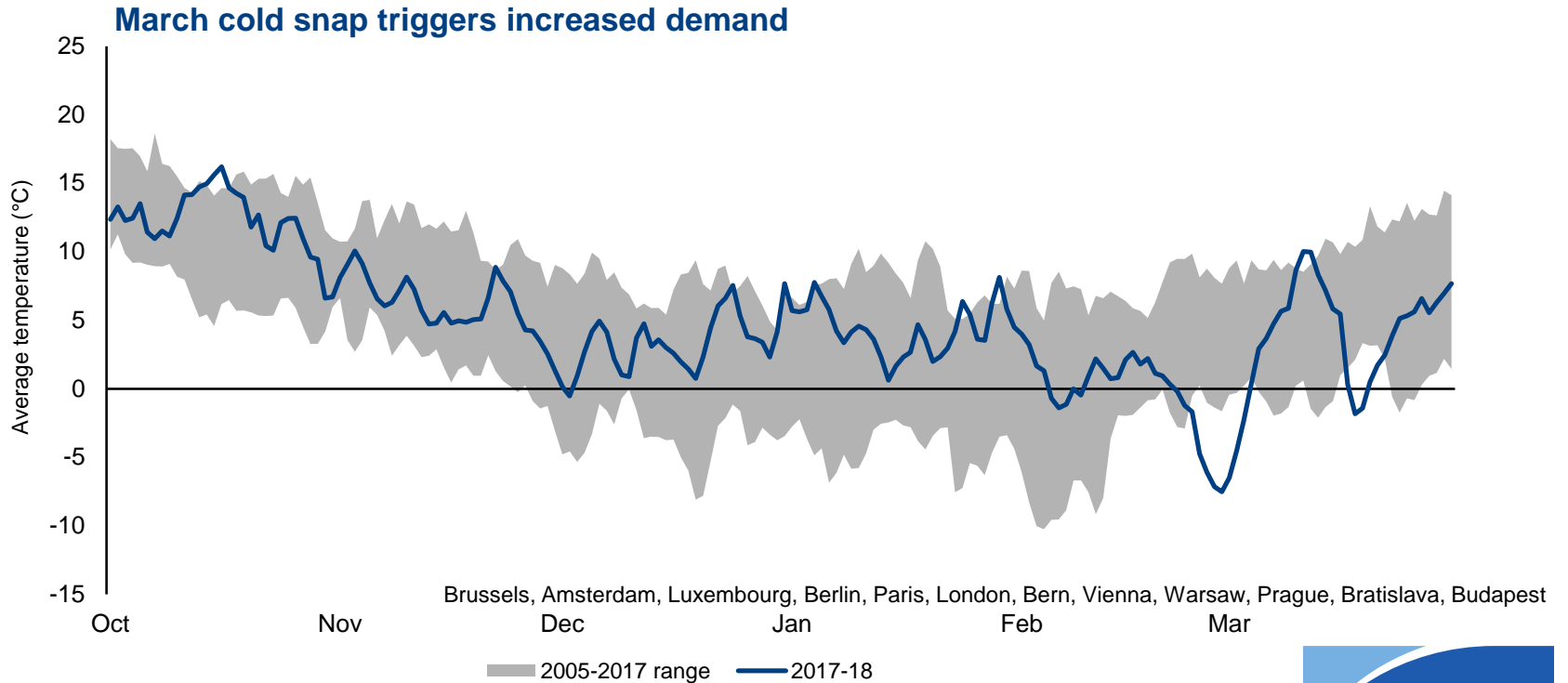
illuminating the markets

Market Reporting

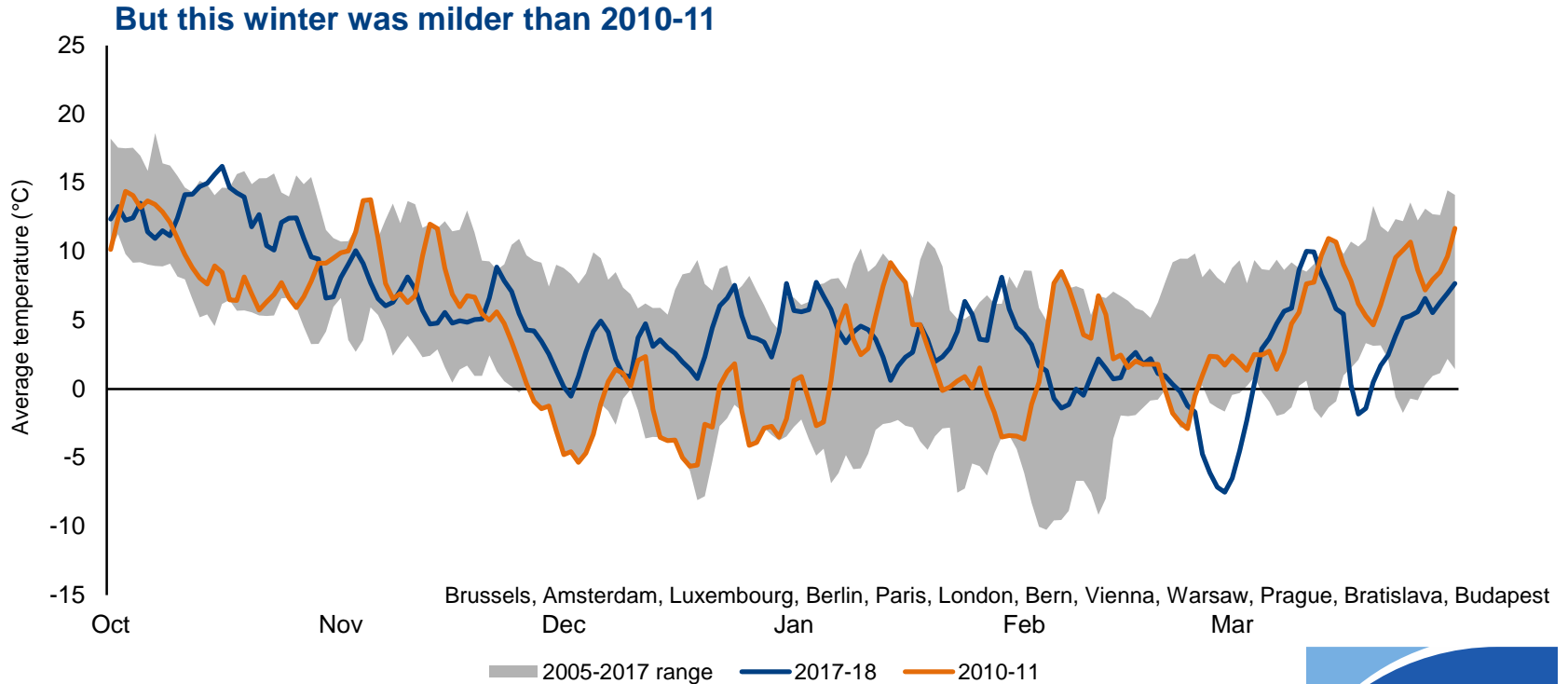
Consulting

Events

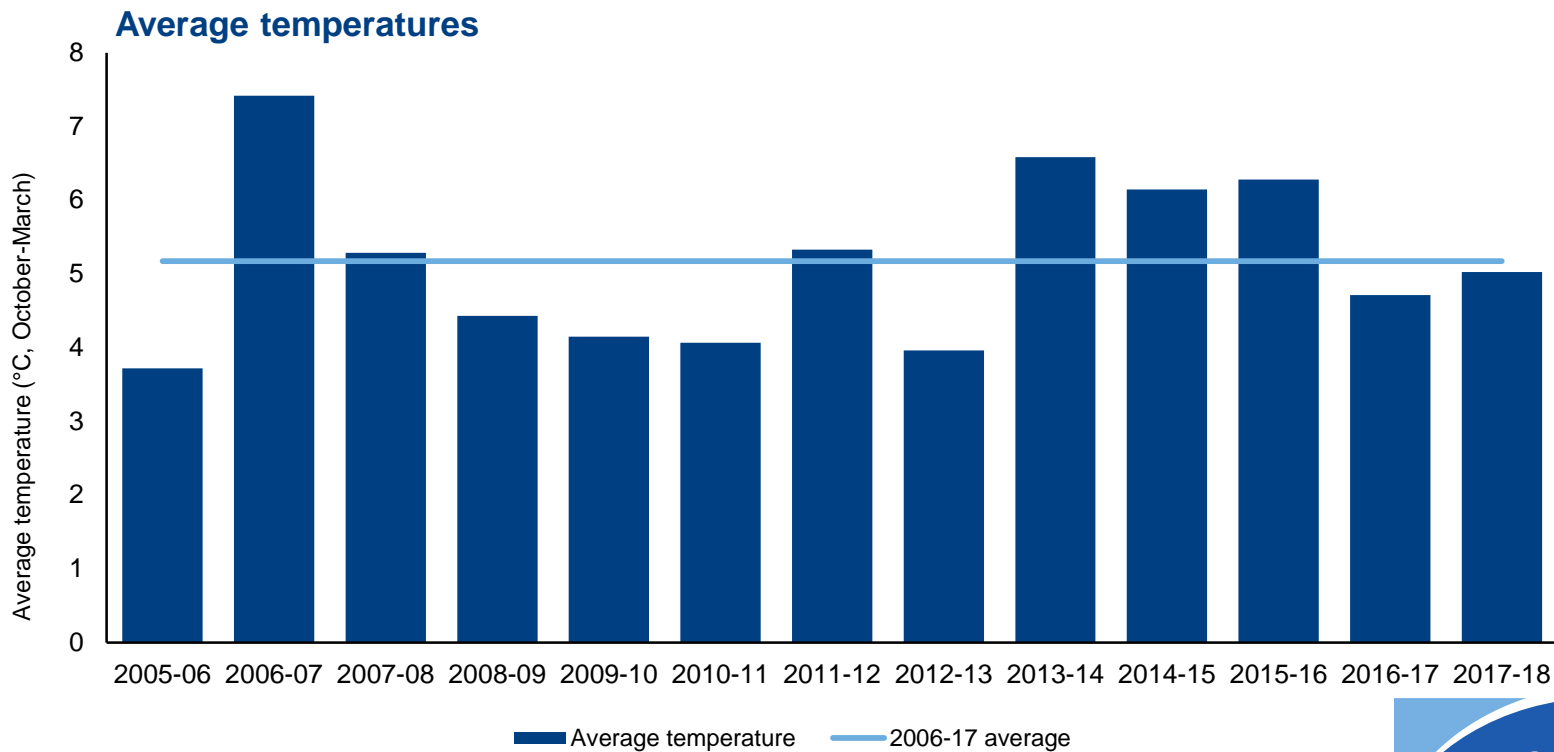
Late cold snap stresses supply



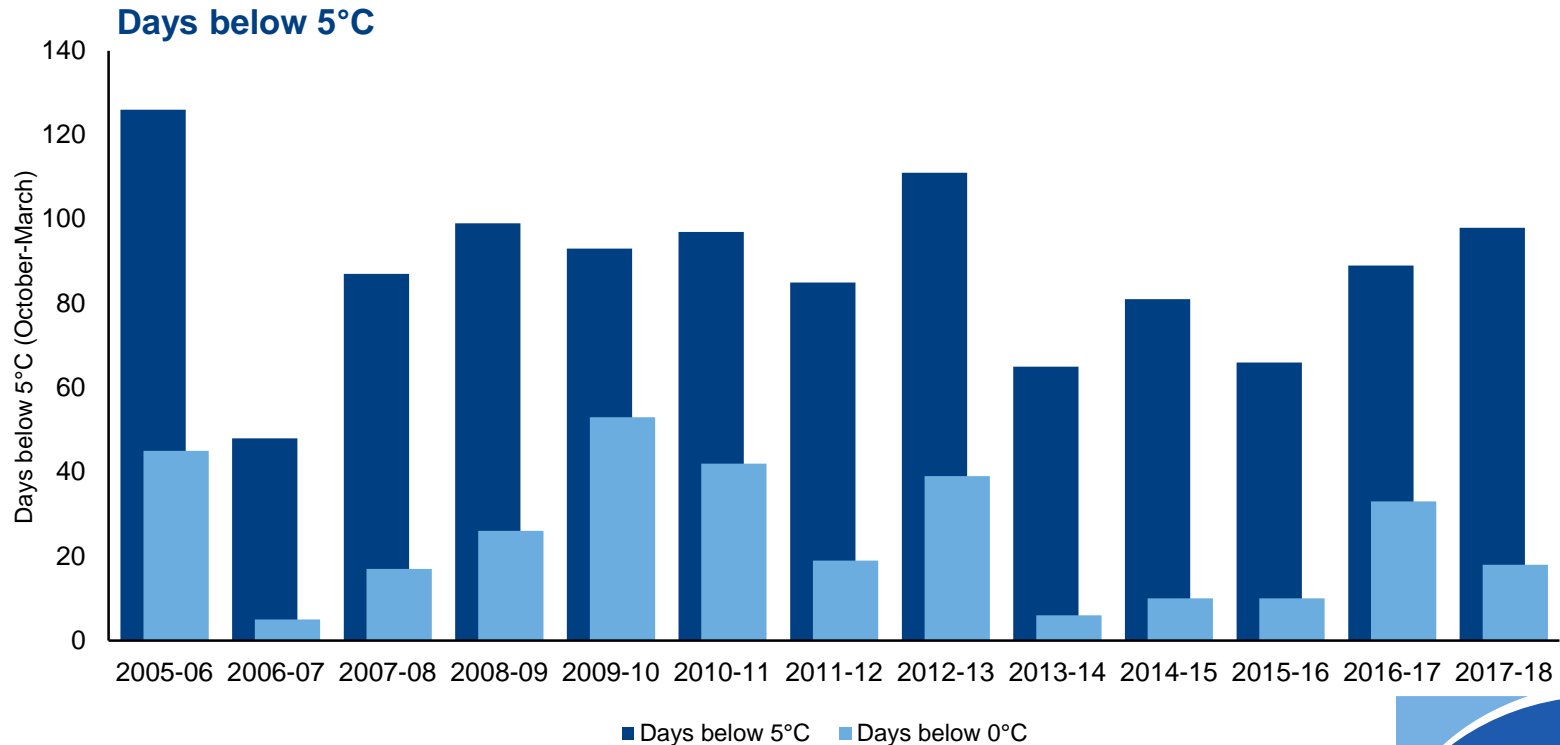
Late cold snap stresses supply



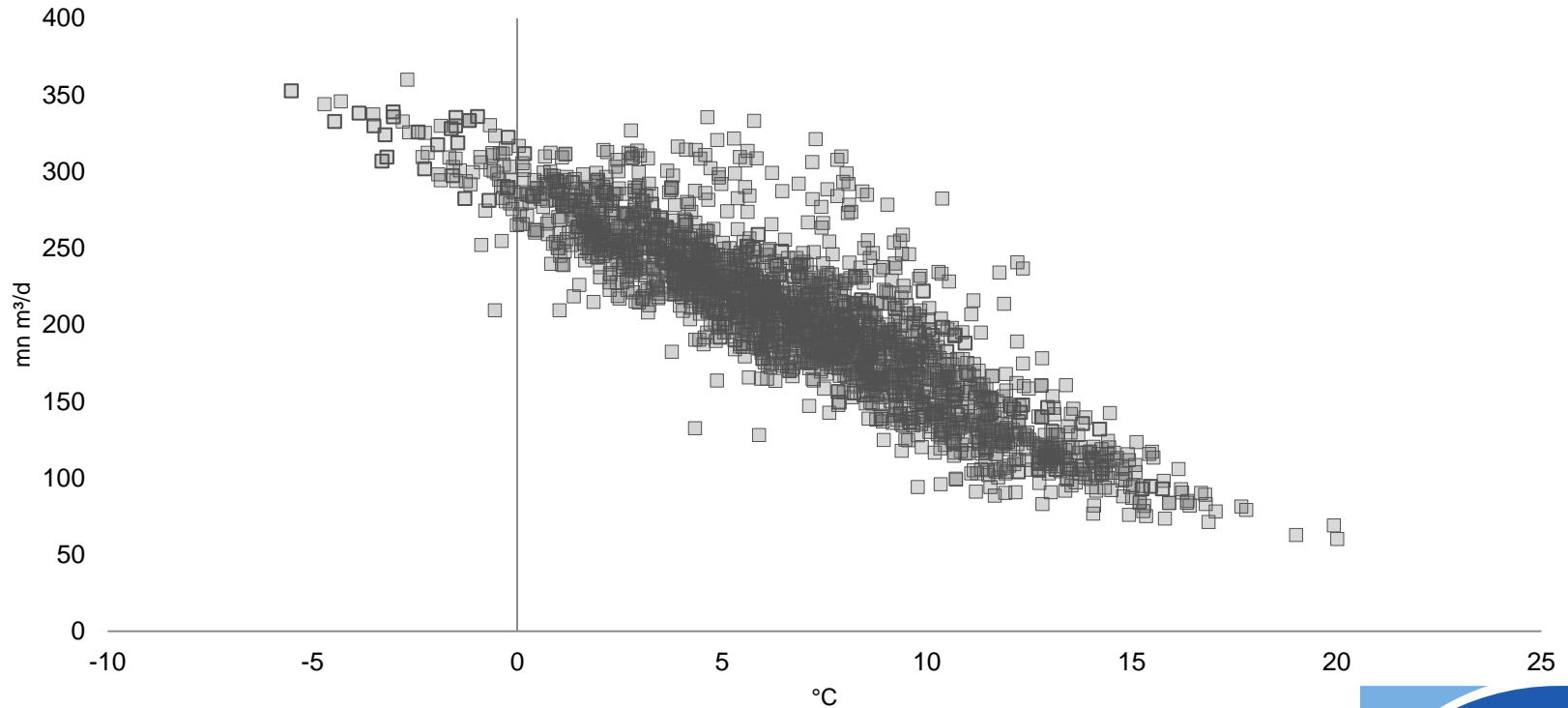
The season overall was only slightly below average



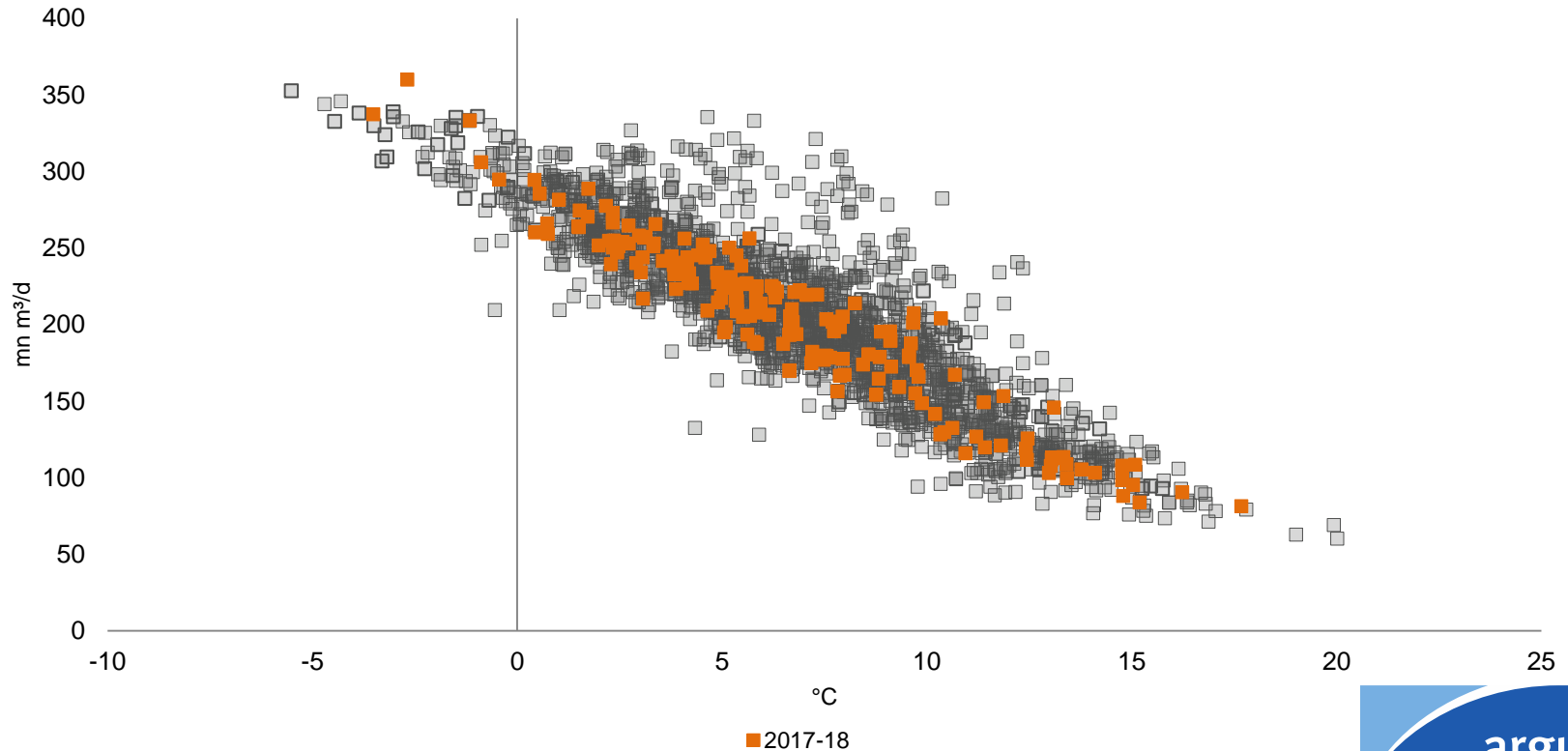
The season overall was cold slightly below average



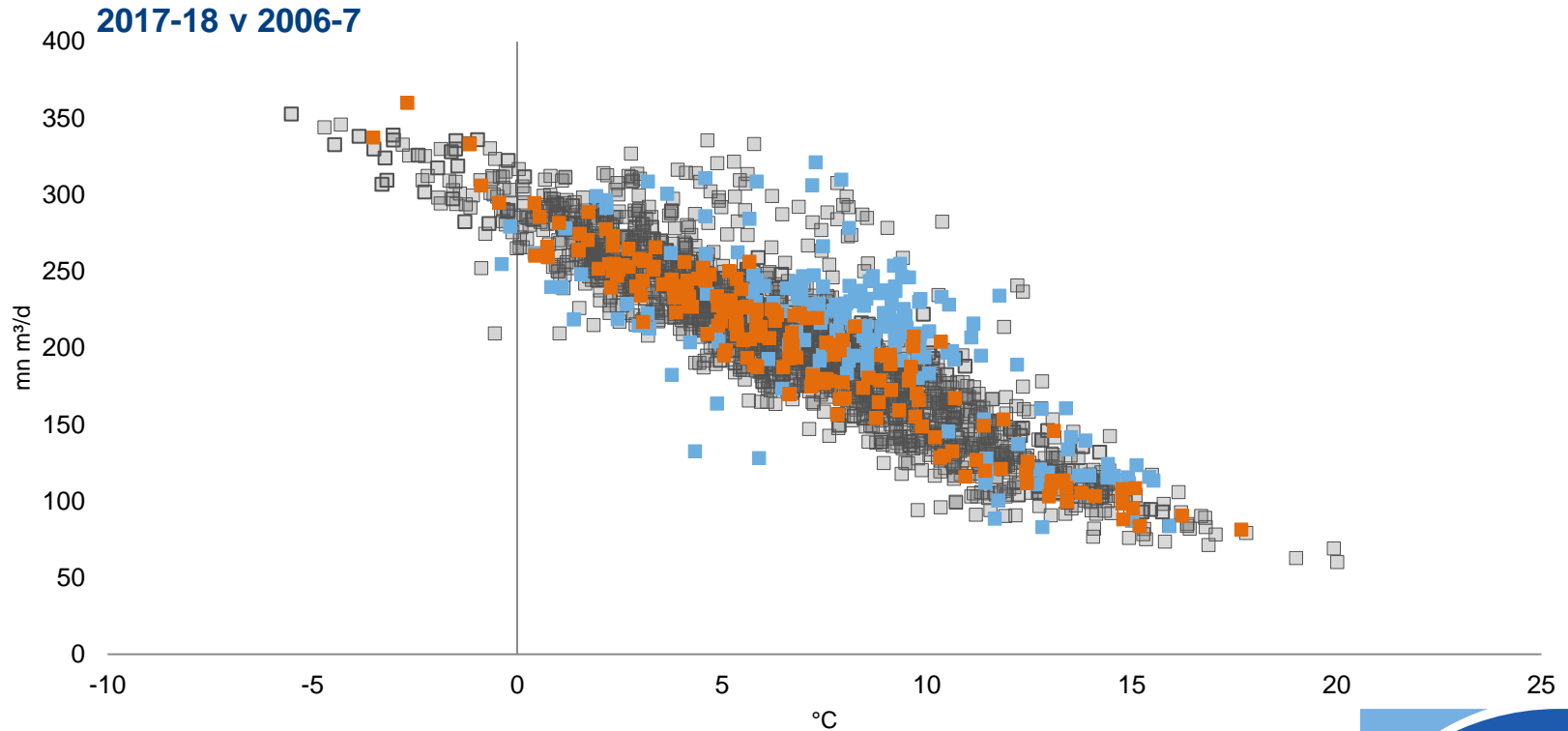
UK gas heating demand and temperature



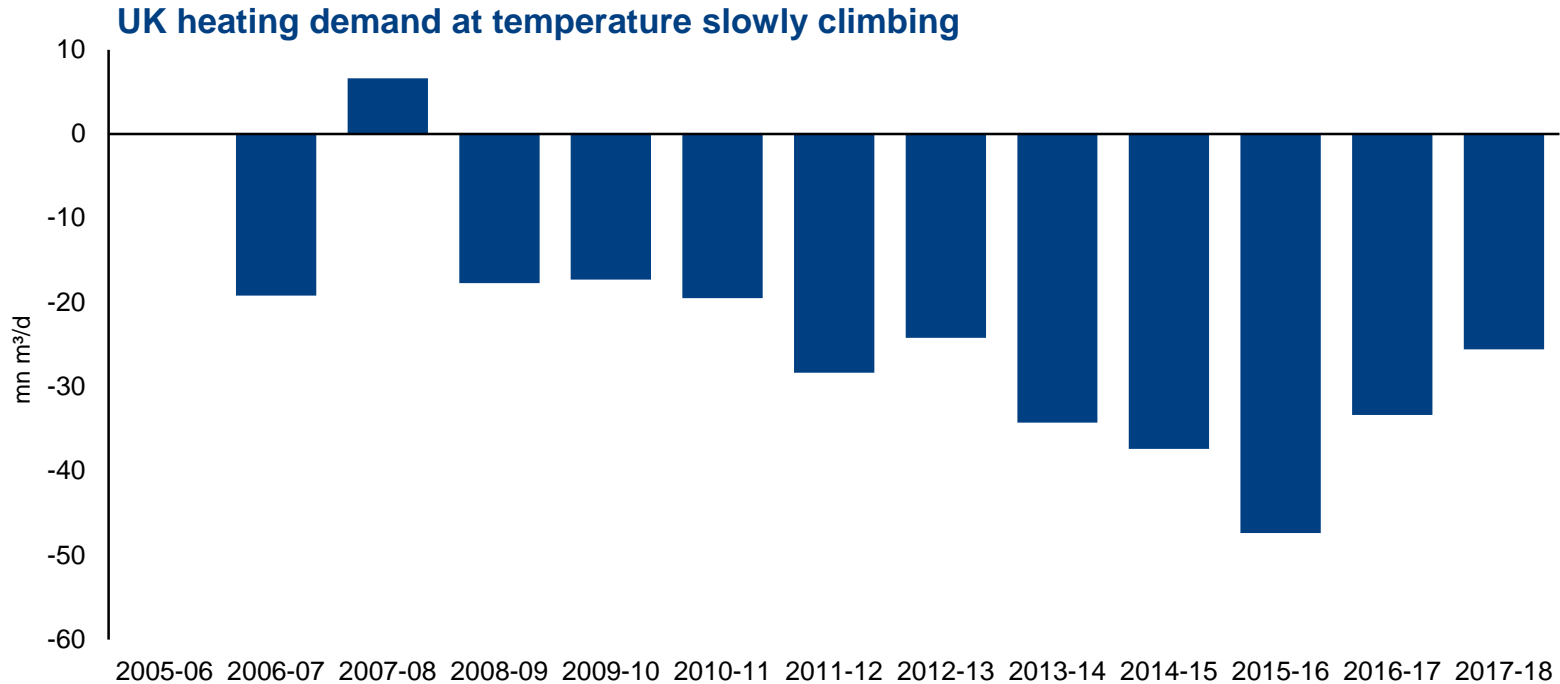
UK gas heating demand and temperature



UK gas heating demand and temperature



Is efficiency slowing?



A nighttime cityscape with a glowing blue line. The background shows a city skyline at night, with various buildings illuminated. A prominent feature is a glowing blue line that starts from the bottom left, curves upwards and to the right, and then curves back down and to the left, resembling a stylized 'S' or a path. The line is bright and stands out against the dark background.

The power sector

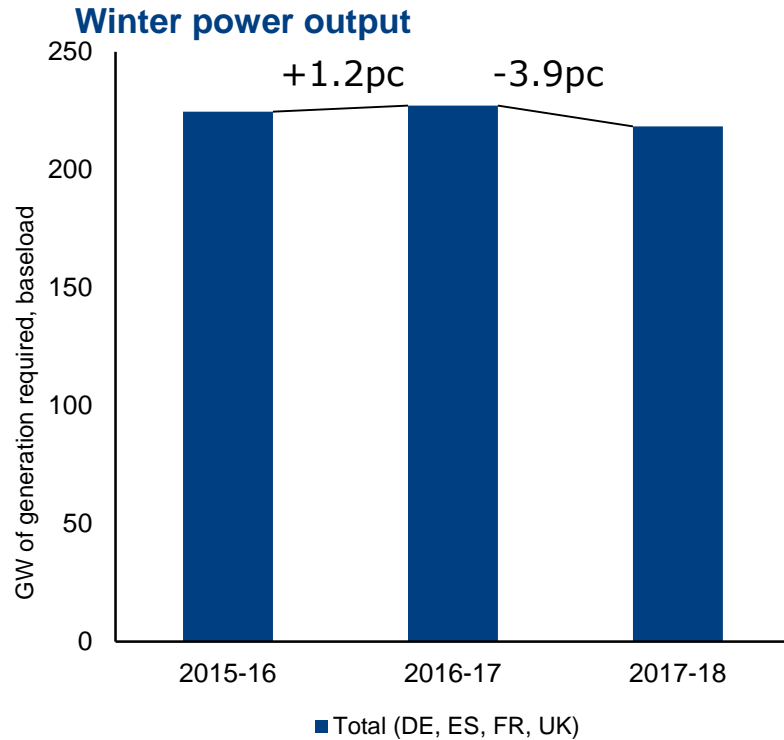
illuminating the markets

Market Reporting

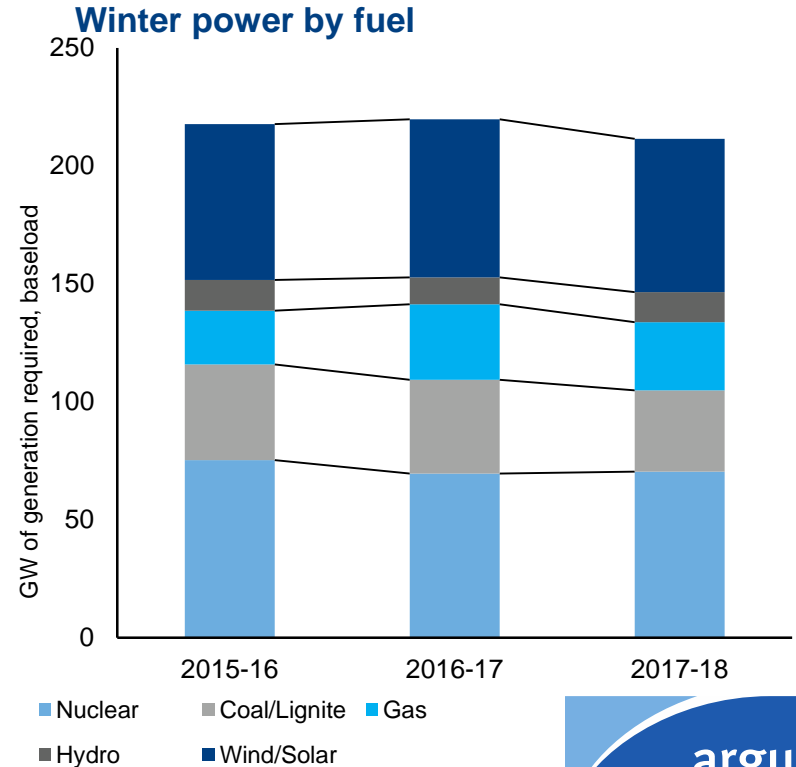
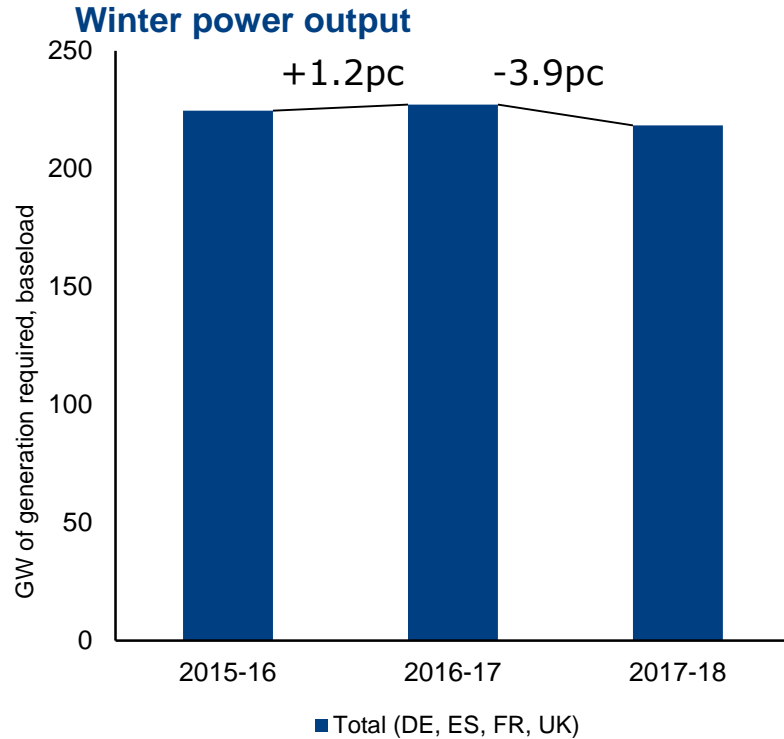
Consulting

Events

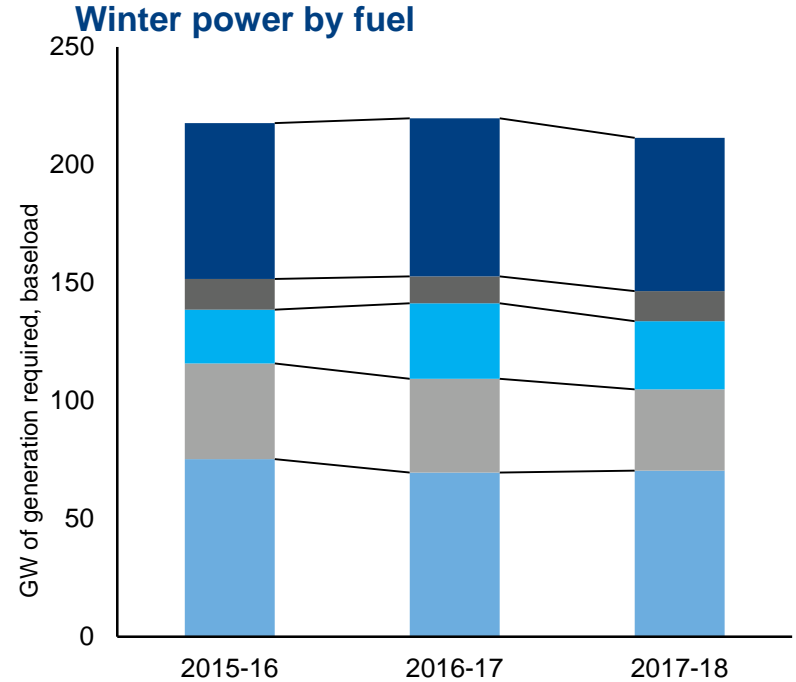
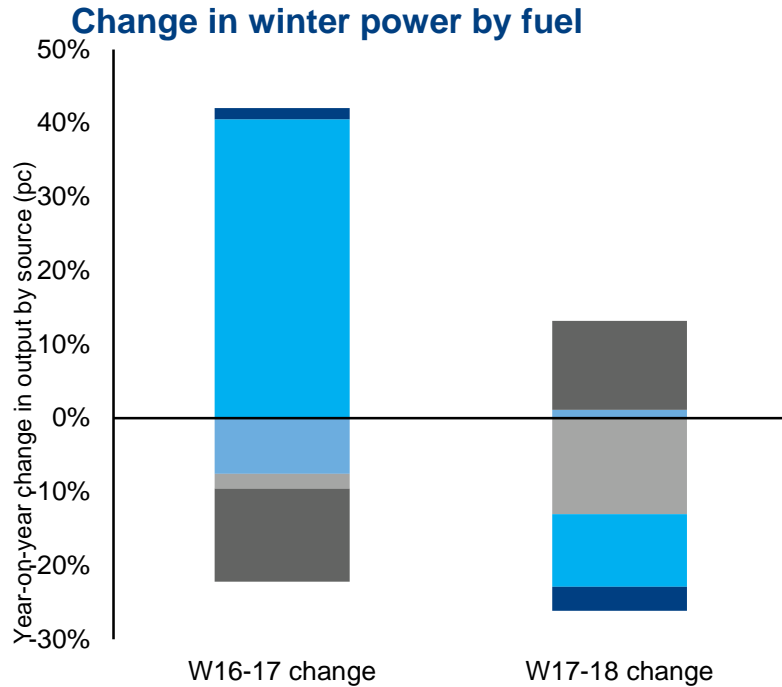
The generation mix was more renewable



The generation mix was more renewable



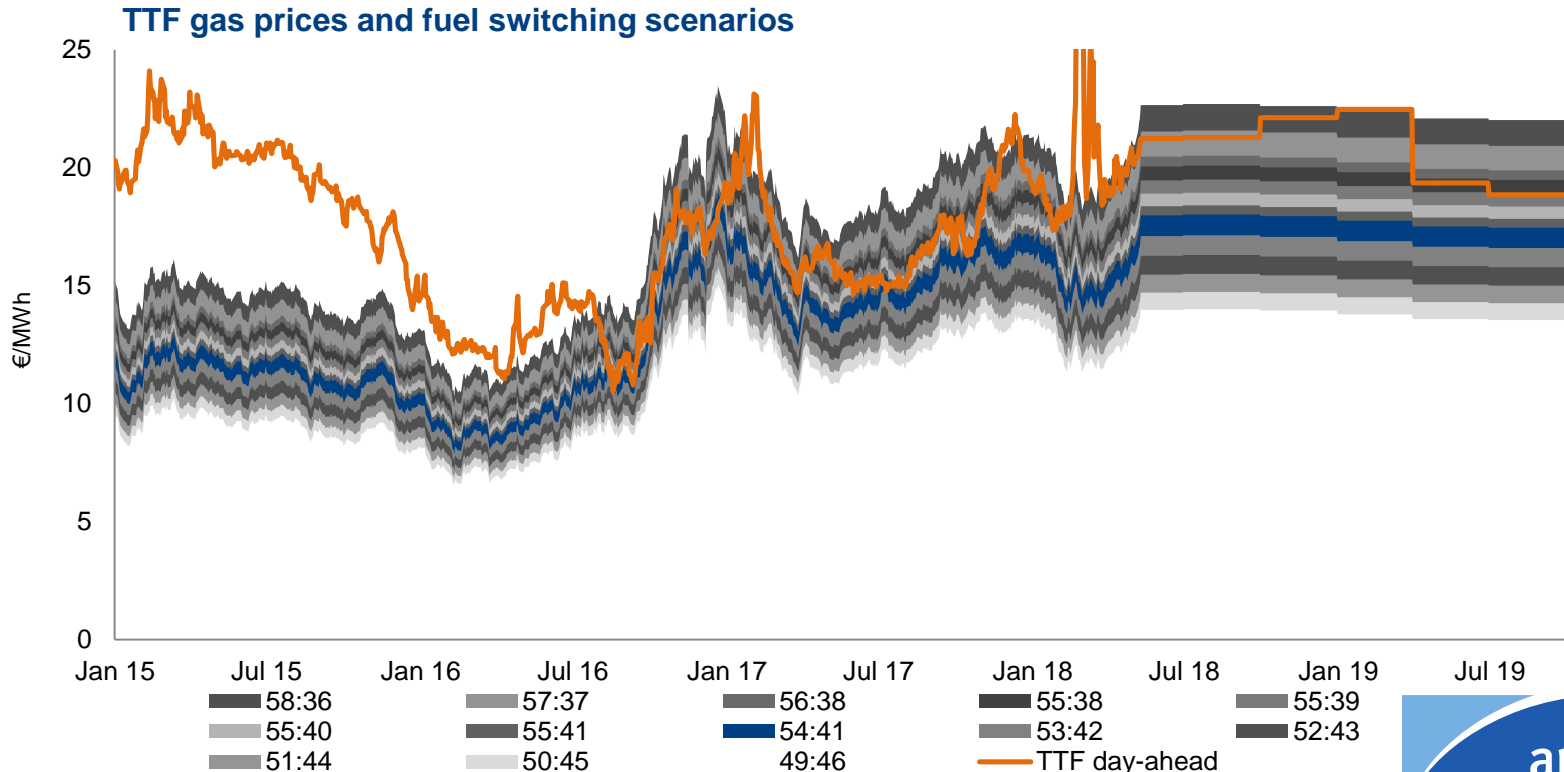
The generation mix was more renewable



■ Nuclear ■ Coal/Lignite ■ Gas ■ Hydro ■ Wind/Solar

■ Nuclear ■ Coal/Lignite ■ Gas
■ Hydro ■ Wind/Solar

Gas briefly priced out of generation



A nighttime city skyline is reflected in a body of water. A glowing blue line curves across the water's surface. The sky is dark, and the city lights are visible in the background.

Renewables, weather and retail prices

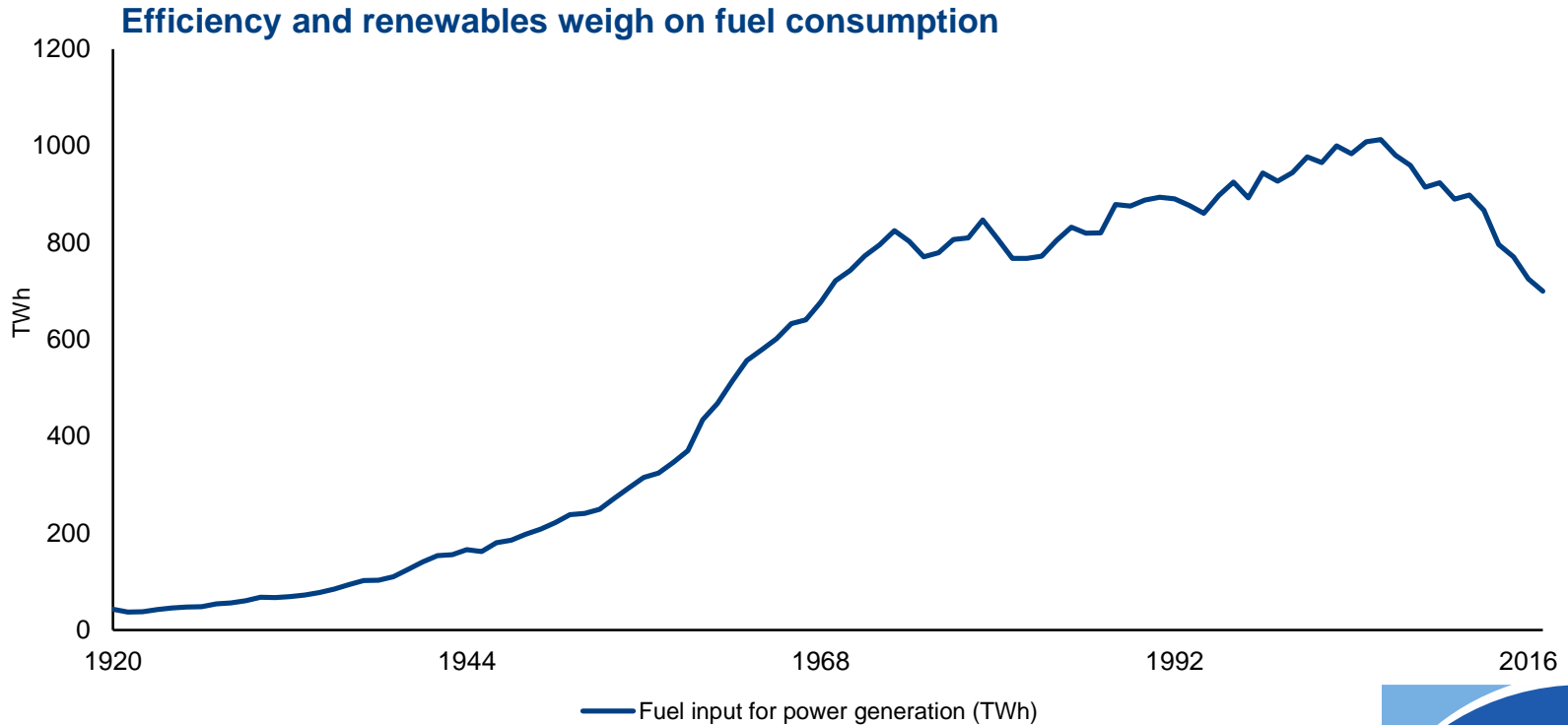
illuminating the markets

Market Reporting

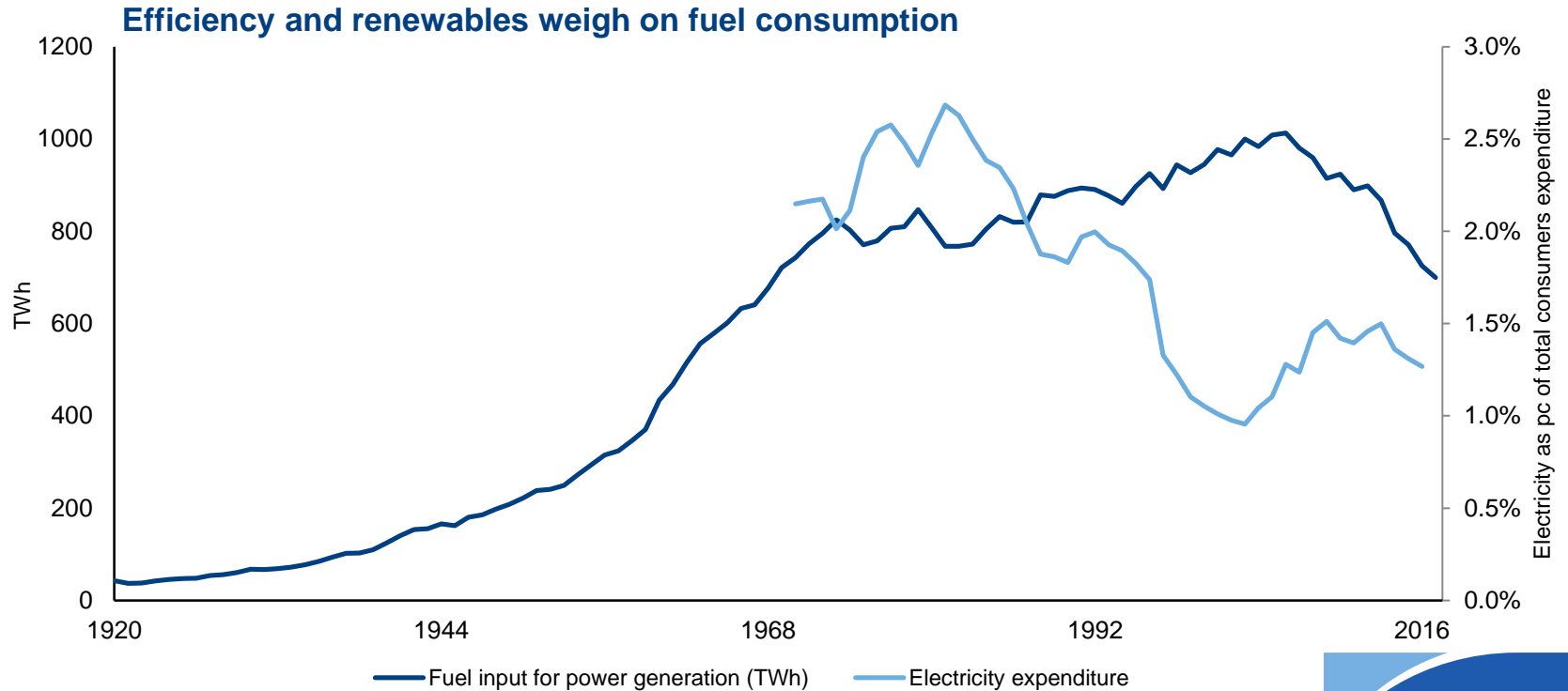
Consulting

Events

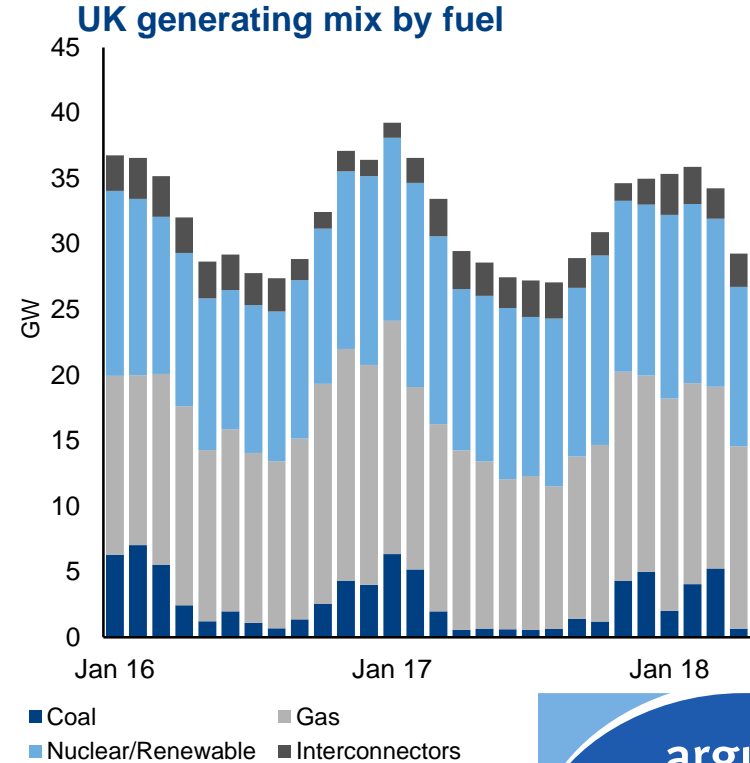
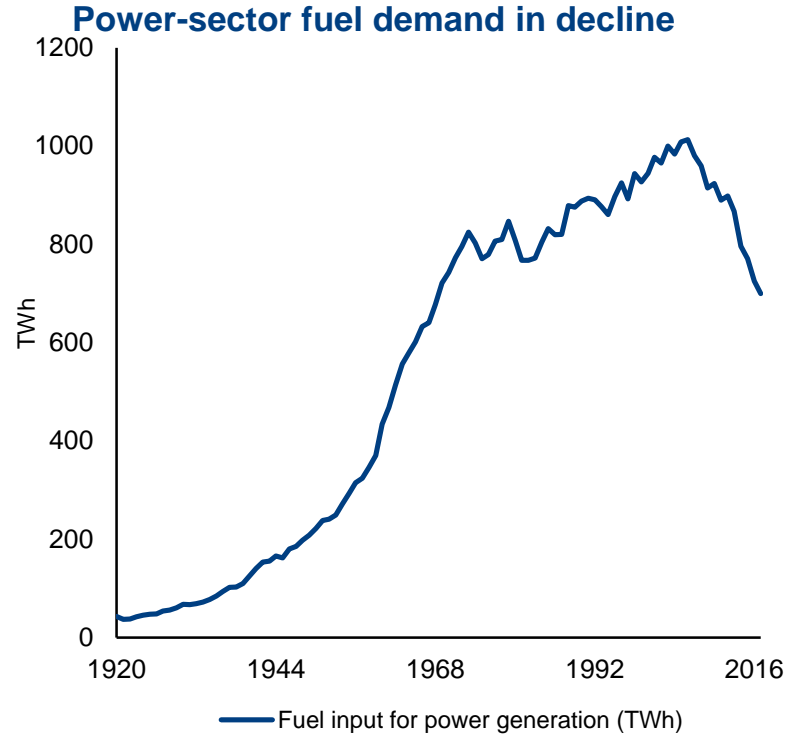
Big picture – lowest UK fuel for power since 1968



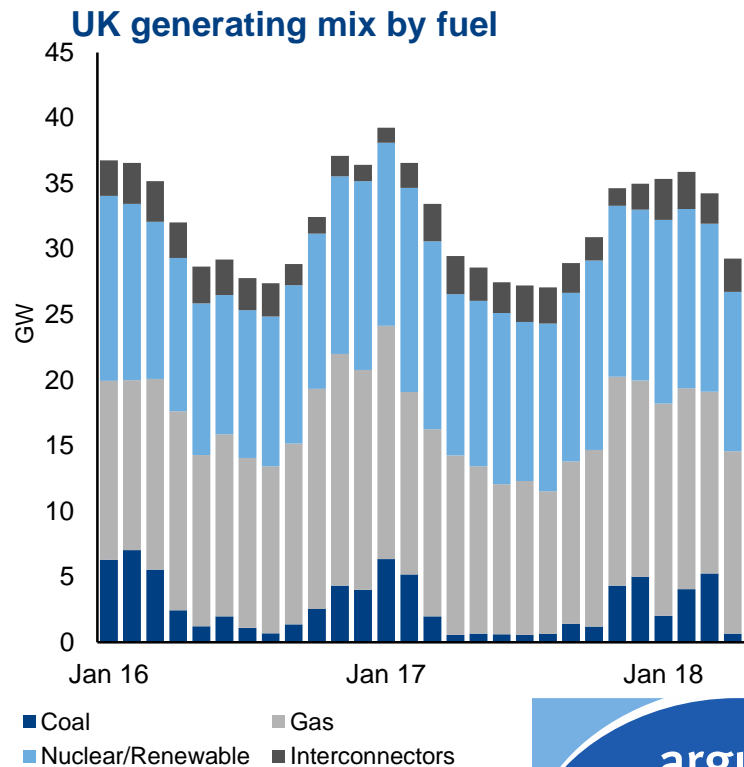
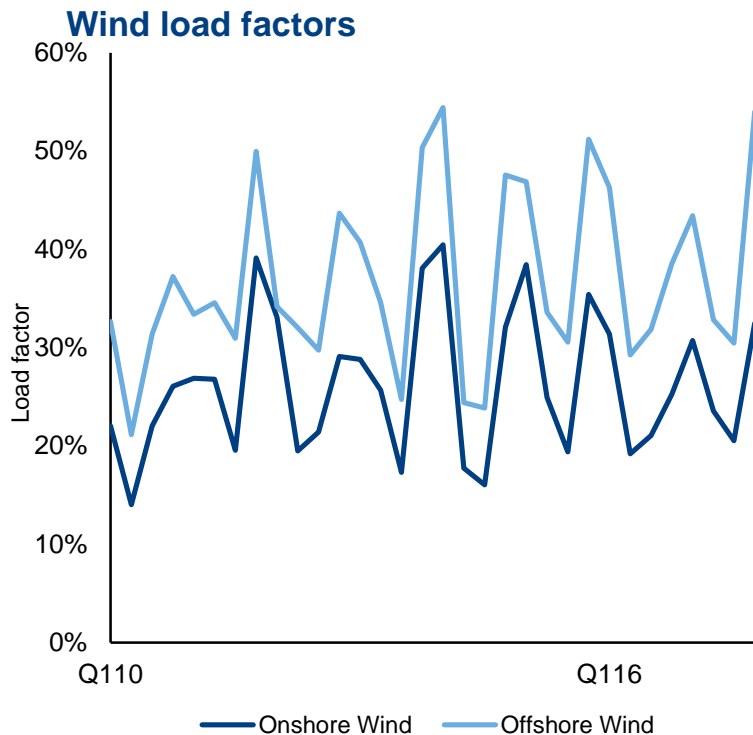
Big picture – lowest UK fuel use for power since 1968



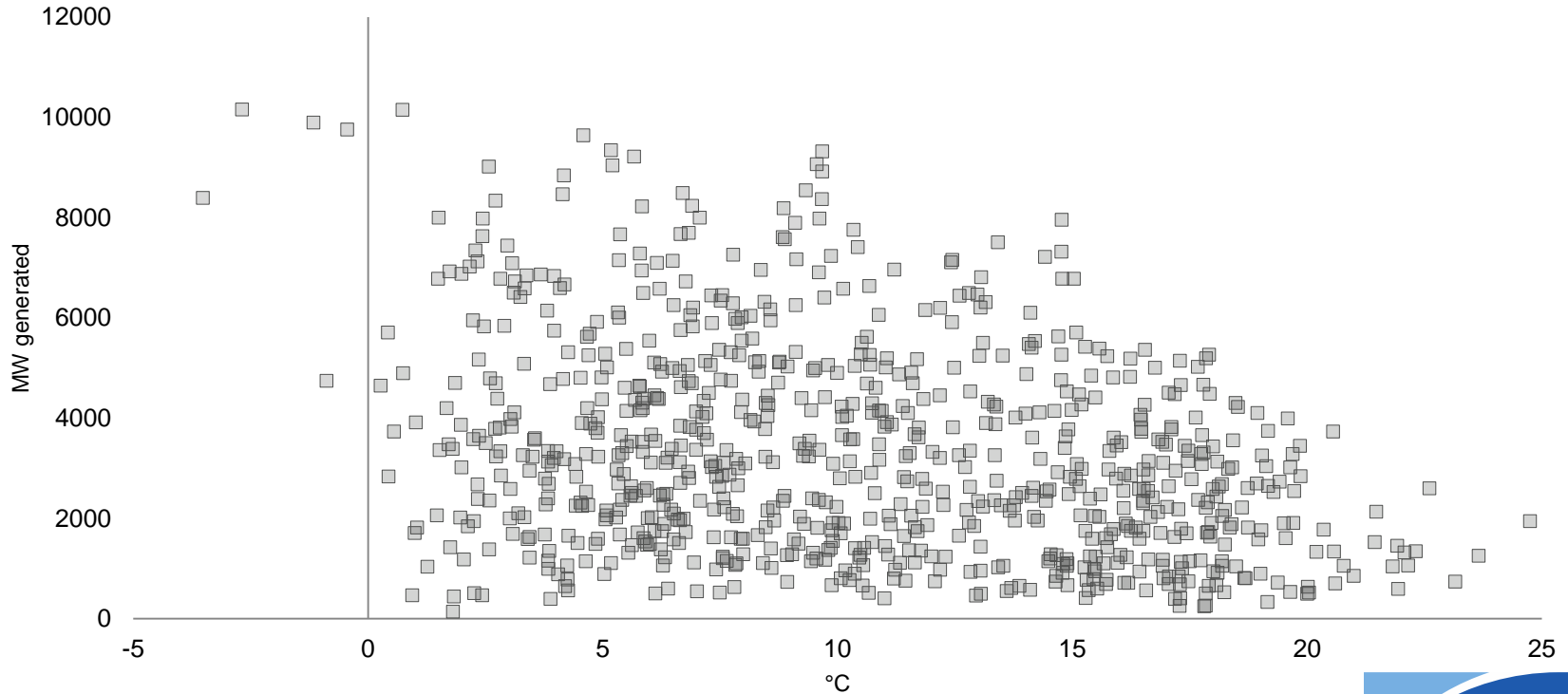
Little fossil-fuel left to lose other than gas



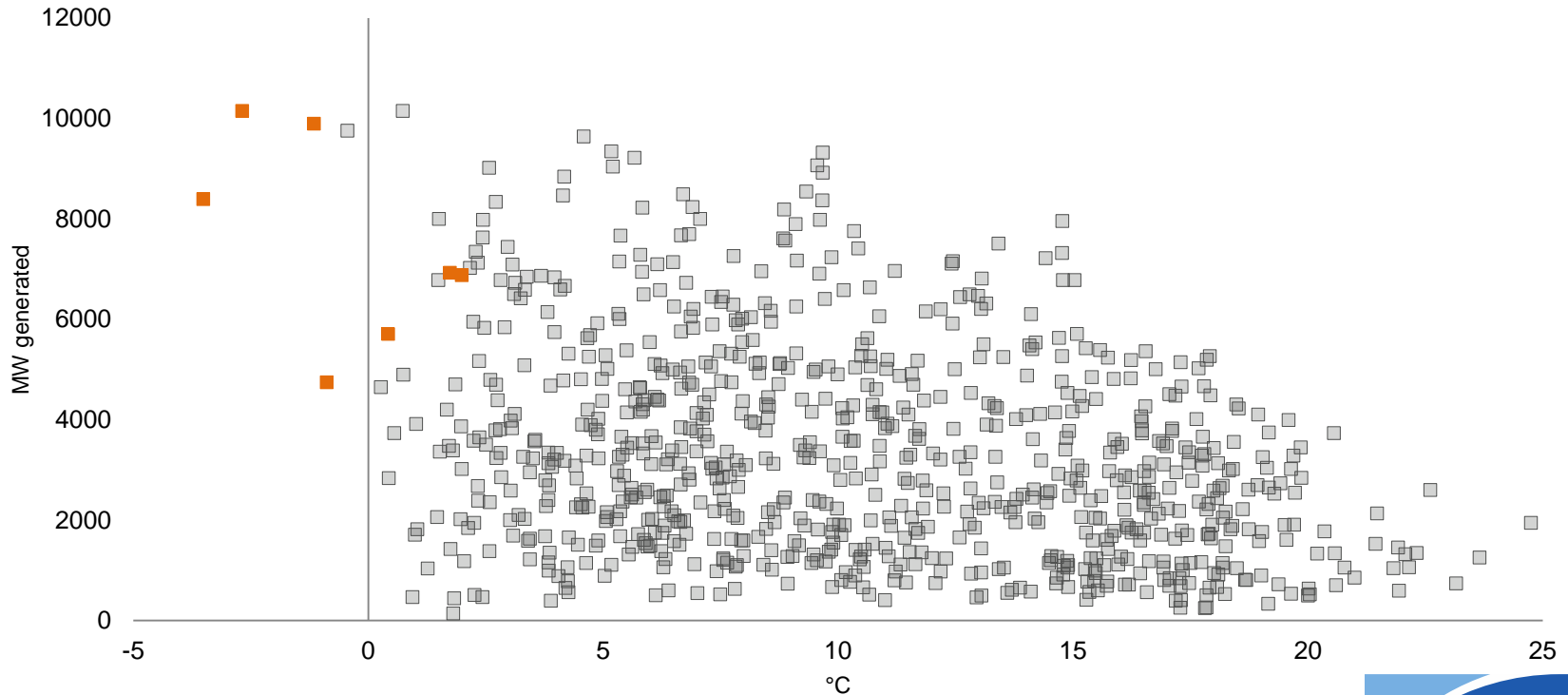
Little fossil-fuel left to lose other than gas



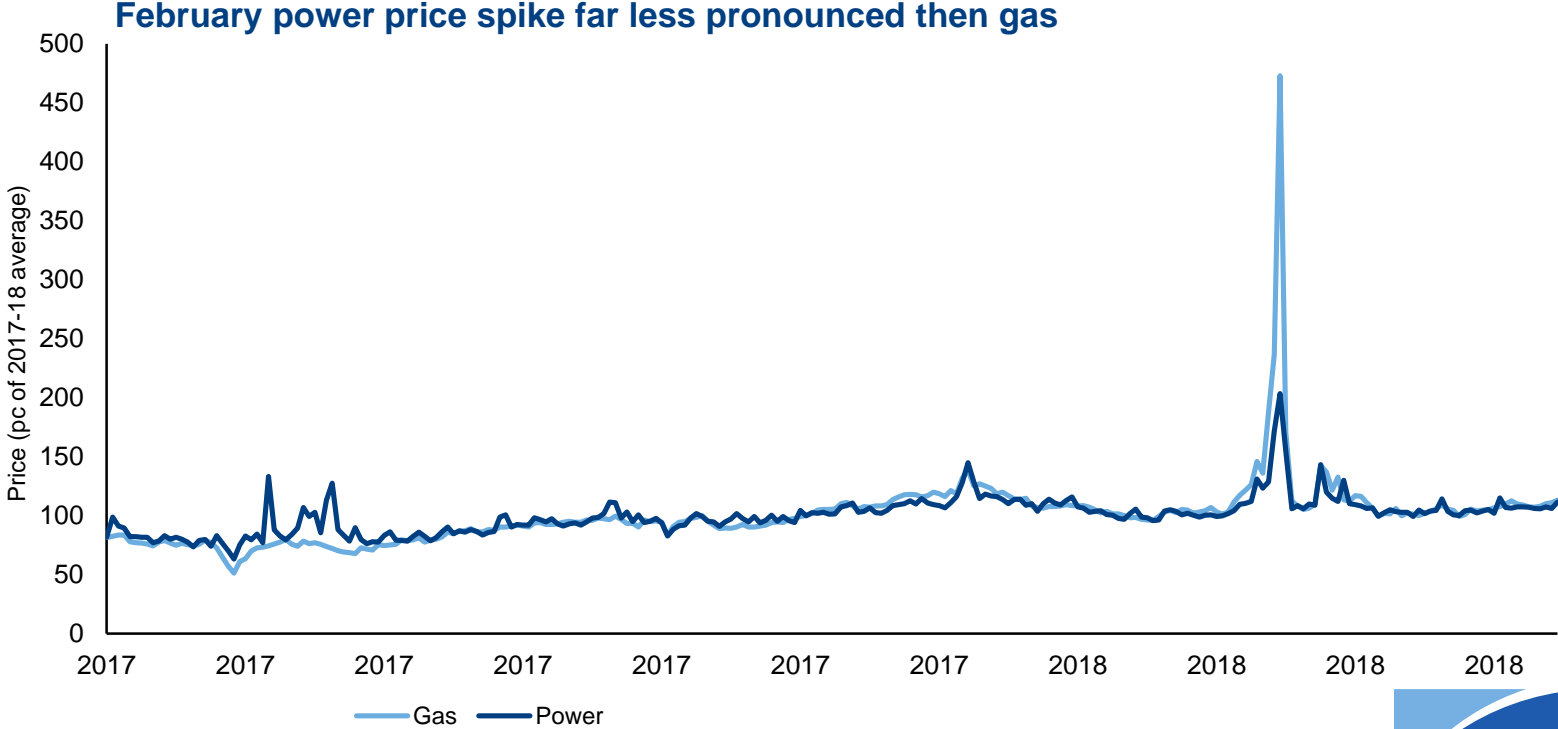
Instead of arguing about renewable intermittency



We consider the coldest week of 2018



And the insulation provided power prices by the wind



Matthew Monteverde


Vice President – Commodities Markets


matthew.monteverde@argusmedia.com


+44 20 7780 4225


skype: matthew_monteverde

Stay Connected

 @ArgusMedia

 Argus-media

 +Argusmediaplus

 argusmediavideo

Copyright notice

Copyright © 2018 Argus Media group. All rights reserved. All intellectual property rights in this presentation and the information herein are the exclusive property of Argus and and/or its licensors and may only be used under licence from Argus. Without limiting the foregoing, by reading this presentation you agree that you will not copy or reproduce any part of its contents (including, but not limited to, single prices or any other individual items of data) in any form or for any purpose whatsoever without the prior written consent of Argus.

Trademark notice

ARGUS, the ARGUS logo, ARGUS MEDIA, ARGUS DIRECT, ARGUS OPEN MARKETS, AOM, FMB, DEWITT, JIM JORDAN & ASSOCIATES, JJ&A, FUNDALYTICS, METAL-PAGES, METALPRICES.COM, Argus publication titles and Argus index names are trademarks of Argus Media group.

Disclaimer

All data and other information presented (the "Data") are provided on an "as is" basis. Argus makes no warranties, express or implied, as to the accuracy, adequacy, timeliness, or completeness of the Data or fitness for any particular purpose. Argus shall not be liable for any loss or damage arising from any party's reliance on the Data and disclaims any and all liability related to or arising out of use of the Data to the full extent permissible by law.

The Argus logo is located in the bottom right corner of the slide. It consists of the word "argus" in a white, lowercase, sans-serif font, set against a blue rectangular background with a white curved line on the left side.