

Asian LNG prices rise as buying interest jumps



Asian spot prices for liquefied natural gas (LNG) rose this week after five weeks of declines, as lower prices sparked cargo purchasing interest from various buyers.

The average LNG price for April delivery into northeast Asia was yesterday estimated at around \$3.00 per million British thermal units (mmBtu), some \$0.30 per mmBtu higher than the front-month price last week, which was assessed for March.

“Many players are trying to buy due to low price levels, there are lots of tenders and bids,” an LNG trader said.

Fears that the coronavirus outbreak in China would weigh on demand are receding, two industry sources said, which has also supported the prices.

Indian buyers who have been active in the market over the past several weeks on an LNG price drop to record low levels, continued issuing spot and multi-cargo tenders.

India is estimated to import about 2.36mn tonnes of LNG in February, record monthly volumes for the South Asian nation.

Among companies which sought cargoes for delivery to India were Reliance Industries with a five-cargo tender for April to

June supply, Emirates National Oil Company (ENOC) with April to November delivery eight-cargo tender and Gail India with a swap tender for three cargoes in February to March.

There were single cargo tenders from India's Gujarat State Petroleum Corp (GSPC) who sought a March cargo and Indian Oil who was looking to buy an April cargo.

Prices in some of the tenders were ranging from around \$2.50/mmBtu to just below \$3.00/mmBtu, several market sources said.

Additionally, Qatargas' Al Hamla LNG tanker is currently on route to India's newly commissioned Mundra LNG Terminal to deliver the first commercial cargo at the facility, Kpler said.

Buying interest also came from Jordan's Nepco who was looking for an April cargo, as well as Turkey's Botas who sought three March cargoes.

Botas awarded all three cargoes, three sources said, and prices could be as low as around \$2.50/mmBtu, one of them added.

There was also a tender from Taiwan's CPC in the past fortnight, two sources said, with one adding that the tender was for three cargoes to be delivered from April to June.

The number of bids on S&P Global Platts Market on Close window also grew this week, with some bids reaching \$3.00/mmBtu for late March and early April yesterday.

The global LNG market remains heavily oversupplied, however, with spreads between gas prices globally shrinking and market players expecting production cuts.

Spain's Naturgy has cancelled loading of one LNG cargo in the United States in April amid a slump of global gas prices, with several other companies having considered cancellations as well, sources told Reuters.

In terms of supply offers, Gail India was selling three US cargoes as part of a swap tender to sell and buy cargoes.

Angola LNG closed a tender for mid-March delivery and opened another for late March, a market source said.

Royal Dutch Shell said on Tuesday it had temporarily suspended

production at its Prelude floating LNG facility off northwest Australia following an electrical trip on February 2.