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☆RIM LNG INTELLIGENCE DAILY

★No.3317 Feb 22 2024

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--TOKYO, 17:00 JST Feb 22 2024<Assessment Closing Time>

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○Holiday Notice

Rim will not issue Rim LNG Report on Friday, Feb 23 for a national holiday in Japan. The publication will resume on Monday, Feb 26.

○Report on adherence to PRA principles

Rim Intelligence uploaded the report of the governance, processes and controls relating to the adherence to the PRA principles outlined by International Organization of Securities Commissions (IOSCO) based on reasonable assurance on Dec 20, 2023. All of the daily reports of Rim Intelligence are subject to the principles. Please visit the following website for perusal.

<Reports> Bunker Oil, Crude/Condensate, Asia Products (Products), LPG, Lorry Rack, Japan Products, Petrochemicals, LNG, Power

<https://www.rim-intelligence.co.jp/contents/info/pramenuEng4/>

©RECX-22 index

RECX-22 index for Thursday was 170.24, down 1.15 points from the previous day

-----Introduction of Rim reports-----

Please access the URL below for a lineup of Rim reports. You can view sample reports as well as detailed explanations on the contents:

<https://eng.rim-intelligence.co.jp/report/>

Lineup:

Bunker Oil	Crude/Condensate	Products	
LPG	Petrochemicals	Polyolefins	Biomass (Weekly)
LNG	Power	Daily Data	Rim Data File

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©Spot LNG Price Assessment (\$/mmBtu)						
ODES Japan (DJ)						
	Apr	May	Jun	Jul	Aug	Sep
	8.35	8.45	8.55	8.65	8.85	8.85
Daily Changes	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15
	Oct	Nov	Dec	Jan	Feb	Mar
	9.10	9.80	10.30	10.40	10.35	10.15
Daily Changes	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15

ONortheast Asia (DES)						
	Apr 1H	Apr 2H	May 1H	RIM Index		
--NEA	8.20-8.50	8.20-8.50	8.30-8.60	8.38		
Daily Changes	-0.15	-0.15	-0.15	-0.15		
RIM Index Monthly Cumulative Avg		9.02				
*RIM Index is a daily average price of the three delivery periods of NEA.						
*RIM Index Monthly Cumulative Avg is a monthly cumulative average price of RIM Index.						
	Jun	Jul	Aug	Sep	Oct	Nov
--NEA Forward	8.40-8.70	8.50-8.80	8.70-9.00	8.70-9.00	8.95-9.25	9.65-9.95
Daily Changes	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15
	Spring	Summer				
--NEA Seasonal Index	8.45	8.78				
Daily Changes	-0.15	-0.15				
*NEA: Northeast Asia						

OOthers			
	Mar 2H	Apr 1H	Apr 2H
--Middle East (FOB)	6.65 - 6.95	6.65 - 6.95	6.75 - 7.05
Daily Changes	-0.05	-0.05	-0.05
--Middle East (DES)	7.85 - 8.15	7.85 - 8.15	7.85 - 8.15
Daily Changes	-0.15	-0.15	-0.15
--South Asia (DES)	7.95 - 8.25	7.95 - 8.25	7.95 - 8.25
Daily Changes	-0.15	-0.15	-0.15
	Mar 1H	Mar 2H	Apr 1H
--Atlantic (FOB)	6.50 - 6.80	6.50 - 6.80	6.60 - 6.90
Daily Changes	-0.05	-0.05	-0.05
--Europe (DES)	7.00 - 7.30	7.00 - 7.30	7.00 - 7.30
Premiums to NBP	-0.45 - -0.15	-0.45 - -0.15	-0.40 - -0.10
Premiums to TTF	-1.20 - -0.90	-1.20 - -0.90	-0.65 - -0.35
Daily Changes	-0.05	-0.05	-0.05
--South America (DES)	7.95 - 8.25	7.95 - 8.25	7.95 - 8.25
Daily Changes	-0.05	-0.05	-0.05

©Freight		
	Freight Rates (\$/mmBtu)	VLSFO Bunker Prices (Feb 21) (\$/mt)
--Middle East/Northeast Asia	- 0.84 - 0.89 -	--Tokyo 686.50
--Atlantic/Northeast Asia	1.38 - 1.43	--Singapore 636.50
--Middle East/Europe	- 0.67 - 0.72 -	--Rotterdam 568.50
	Daily Rates (\$)	
--Conventional Tankers	26,500 - 31,500	
--DFDE Tankers	36,500 - 41,500	
--TFDE Tankers	36,500 - 41,500	
--MEGI Tankers	50,500 - 55,500	
--X-DF Tankers	50,500 - 55,500	
Daily rates include all costs.		



\*\*\* Please visit <https://eng.rim-intelligence.co.jp/rpt/assessment/select/type/lng-en> to refer to the assessment methodology for the above price assessments.

◎Japan Crude Cocktail (JCC)								
	Expected					Result		
	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov
JCC (bbl)	83.97	84.03	83.44	82.56	84.35	85.72	90.24	93.92
Daily Changes	+0.66	+0.51	+0.39	+0.11	0.00	0.00	0.00	-
JCC (mmBtu)	14.24	14.24	14.15	14.00	14.30	14.53	15.30	15.92

◎Natural Gas Futures Settlement Prices (\$/mmBtu) (Feb 21)												
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
NYMEX HH	1.773	1.863	1.994	2.197	2.417	2.487	2.472	2.542	2.928	3.410	3.686	3.524
Changes	+0.197	+0.217	+0.233	+0.258	+0.280	+0.272	+0.266	+0.255	+0.210	+0.170	+0.146	+0.141
ICE NBP	7.469	7.397	7.405	7.469	7.539	7.655	7.964	8.150	9.224	10.053	10.230	10.140
Changes	-0.014	-0.042	-0.067	-0.073	-0.064	-0.064	-0.007	-0.017	-0.016	-0.015	-0.040	-0.040
ICE TTF	8.218	7.629	7.678	7.758	7.818	7.879	8.013	8.290	9.187	9.649	9.787	9.775
Changes	-0.021	-0.081	-0.101	-0.103	-0.091	-0.086	-0.085	-0.095	-0.107	-0.092	-0.091	-0.091
Volume	NYMEX Henry Hub : 692, 135				ICE NBP : 25, 210				ICE TTF : 3, 100			

◎Petroleum Futures/Physical			
ONYMEX Petroleum Futures (Feb 21)		OPetroleum Physical (Feb 21)	
-WTI Futures (\$/mmBtu)	13.433	-Dubai Crude (\$/mmBtu)	14.106
(\$/bbl)	77.91	(\$/bbl)	81.82
-Heating Oil (\$/mmBtu)	19.505	-Minas Crude (\$/mmBtu)	14.345
(cts/gal)	270.52	(\$/bbl)	84.35
OICE Petroleum Futures (Feb 21)		-LSWR Indonesia (\$/mmBtu)	
-Brent Futures (\$/mmBtu)	14.415	(\$/bbl)	74.15
(\$/bbl)	83.03	-HSFO Singapore (\$/mmBtu)	11.215
-Gasoil Futures (\$/mmBtu)	19.672	(\$/mt)	448.50
(\$/mt)	836.50	-LPG CFR Japan (\$/mmBtu)	12.878
		(Propane) (\$/mt)	613.00

◎Coal Prices and Electricity Prices			
OCoal Prices (Feb 21)		OElectricity Prices (Yen/kWh) (Feb 22)	
-FOB New Castle-Global Coal (\$/mmBtu)	5.219	-JEPX 24h	10.09
(\$/mt)	119.40	-JEPX Daytime	10.78
-ICE Futures FOB Richards Bay (\$/mmBtu)	4.028	-JEPX Peaktime	10.17
(\$/mt)	92.15		

◎LNG Benchmark						
	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23
-JLC Japan LNG Cocktail (\$/mmBtu)		13.264	11.897	11.898	11.553	11.970
(\$/mt)		687.07	616.26	616.33	598.42	620.05
-E-Asia LNG Cocktail (\$/mmBtu)		13.597	11.961	11.551	11.470	11.448
(\$/mt)		704.31	619.57	598.34	594.13	592.99
-S.Korea Import Price Avg (\$/mmBtu)	13.642	14.782	12.415	12.104	12.897	12.665
(\$/mt)	706.67	765.70	643.10	626.99	668.07	656.06
-China Import Price Avg (\$/mmBtu)		13.446	11.971	10.928	10.812	10.762
(\$/mt)		696.48	620.08	566.08	560.07	557.49
-Taiwan Import Price Avg (\$/mmBtu)	11.980	12.254	11.104	11.213	10.915	9.861
(\$/mt)	620.56	634.77	575.21	580.81	565.38	510.82
-US Export Price Avg (\$/mmBtu)			7.230	6.810	6.320	6.210
(\$/mt)			374.51	352.76	327.38	321.68



◎Transactions

○ Recent Spot Transactions

Reported date	Dealt Date	Origin	Seller	Buyer	Price	FOB/DES	Volume (cargoes)	Timing	Destination
Feb 22	Feb 20	Das Island	Vitol	IOC and others	low-mid \$8's	DES	3	Apr - Sep	India
Feb 21	Feb 19	na	na	end-users in South China	\$8.00-8.60	DES	2	Apr	China
Feb 21	Feb 19	na	na	CPC	na	DES	1	Apr 1-30	Taiwan
Feb 20	H2 Feb	na	na	Shenzhen Energy	ard \$9.60	DES	1	Mar	China
Feb 20	3rd week of Feb	na	JERA	na	NEA +7.5-8.0cts	DES	1	Apr	NE Asia
Feb 20	3rd week of Feb	na	na	Mitsui	linked to NEA	DES	1	Apr 28-30	Kuwait

○ Recent Term Transactions

Reported date	Origin	Seller	Buyer	Price	FOB/DES	Volume	Start	Duration
Feb 20	Oman	Oman LNG	KOGAS, Samsung, Hyundai, POSCO and SK	na	DES	4.06 mil mt/yr	2025	10 yrs (extension)
Feb 20	Snohvit or US	Equinor	Deepak Fertilisers	na	FOB/DES	0.65 mil mt/yr	2026	15 yrs
Feb 14	na	Chesapeake Energy	Gunvor	linked to NEA	FOB	0.5 mil mt/yr	2028	20 yrs
Feb 14	na	Delfin Midstream	Chesapeake Energy	linked to H.H.	FOB	0.5 mil mt/yr	2028	20 yrs
Feb 13	Yamal	Novatek	SEFE	na	FOB/DES	na	2025	21 yrs (extension)
Feb 8	na	Repsol	Centrica	na	DES	1.00 mil mt	2025	3 yrs

○ Recent Tenders

Reported date	Issuer	Close	Buy/Sell	FOB/DES	Timing	Price(\$)	Origin	Winner
Feb 22	Vitol	Feb 20	Sell	DES	Apr - Sep (1crg/month)	low-mid \$8's (3crgs including Apr)	Das Island	IOC and others
Feb 21	NNPC	Feb 26	Sell	FOB	May x2, Jul x1, Aug x1, Sep x2 (6crgs)	na	Bonny Island	na
Feb 21	CPC	Feb 19	Buy	DES	Apr 1-30	na	na	na
Feb 21	Oman LNG	Feb 22	Sell	FOB	Mar 30 - Apr 1	na	Oman	na
Feb 20	POSCO	Mar 6	Buy	DES	Sep 2025 - Oct 2026 (6crgs)	na	na	na
Feb 20	First Gen	Mar 6	Buy	DES	Mar 15-31	na	na	na
Feb 20	APLNG	Feb 21	Sell	FOB	May 2-3	na	APLNG	na
Feb 20	Ichthys LNG	Feb 21	Sell	DES	Mar 12-14	na	Ichthys	na
Feb 19	Kyushu Elec	Feb 15	Sell	DES	Apr 17-21	Apr NEA +9-10cts or Apr NEA +7cts	na	na
Feb 16	KPC	Feb 15	Buy	DES	Mar - Jun (a few crgs)	\$8.40-8.50	na	na
Feb 16	GAIL	Feb 19	Buy	DES	①Mar 1-10 or Mar 26-31 ②Jun 4-11 ③Aug 21-28 ④Oct 20-31 (4crgs)	①\$8.25 ②\$8.30 ③\$8.50	na	na
Feb 16	IOC	Feb 15	Buy	FOB/DES	H1 May	\$8.50-8.60	na	na



Feb 16	Angola LNG	Feb 20	Sell	DES	Mar	na	Angola	na
Feb 15	Petronas	Feb 14	Sell	DES	Apr 18-20	Apr NEA +10-11cts	na	na
Feb 14	PTT	Feb 16	Buy	DES	①Apr 2-3 ②Apr 8-9 ②Apr 23-24	slight discount to NEA (equivalent to \$8.40-8.50)	na	na
Feb 14	ADNOC Gas	Feb 16	Sell	FOB	Mar 21-23	na	Das Island	CNOOC
Feb 9	Kansai Elec	na	Sell	DES	Apr 19-21	na	na	not awarded
Feb 8	Guanghui Energy	Feb 7	Buy	DES	Apr 2024 - Mar 2025 (1crg/month)	discount to NEA	na	na
Feb 8	ConocoPhillips	Feb 8	Sell	FOB	Apr	Apr NEA -30-40cts	APLNG	na
Feb 7	Sakhalinskaya Energija	Mar 5	Sell	FOB/DES	3-5 yrs from Aug 2024 (12crgs/yr)	na	Sakhalin 2	na
Feb 7	PTT	Feb 8	Buy	DES	Mar 12-13	linked to NEA (equivalent to \$9.50)	na	na
Feb 6	CPC	Feb 5	Buy	DES	late Mar	discount to Mar NEA (equivalent to \$9.40)	na	na
Feb 6	Santos	Feb 7	Sell	DES	Mar 18-24	Apr NEA -5cts	PNG LNG	na
Feb 6	GSPC	Feb 6	Buy	DES	Feb 16 - Mar 25 (at least 1crg)	fixed price	na	na
Feb 2	Petronas	Jan 31	Sell	DES	Mar 16-31	\$9.60-9.70	PFLNG2	na
Feb 2	APLNG	Jan 31	Sell	FOB/DES	Apr 1-15 (delivery)	Apr NEA -60cts	APLNG	na
Feb 2	GSPC	Feb 2	Buy	DES	Mar 19-23	na	na	not awarded
Feb 2	RPGCL	Feb 4	Buy	DES	Mar 13-14, Mar 23-24 and Mar 30-31	\$9.847(Gunvor) \$9.77(Vitol)	na	Gunvor x2 Vitol x1

**Recent Shipping Transactions**

Reported date	Vessel Name	charterer	counter party	Type	Price	Start	Duration
Feb 20	Maria Energy	na	na	T	\$65k	Mar	1 yr
Feb 14	na x25	QatarEnergy	Nakilat	na	na	na	na
Jan 31	na	JERA	NYK	X	na	2027	na
Jan 24	MOL Hestia	Gunvor or Glencore	Sinochem	X	\$50k	mid Feb	na
Jan 24	Minerva Psara	na	na	MEGI	na	na	3 yrs

\*\*Types of tankers are indicated as C= Conventional, D = DFDE, T = TFDE, X=X-DF

**Projects/Receiving terminals Latest Information**

Report Date	Project	Train No	Country	Start	Period	Remark
Feb 20	Calcasieu Pass	na	US	na	na	Venture Global requested the government for 1 year extension of trial run period for the project.
Feb 19	Freeport	2	US	Jan 24	1 month	The project would restart the operation from Feb 25 onwards.
Feb 16	Tangguh	3	Indonesia	mid-3rd week of Feb	more than a week	The train 3 halt from mid-3rd week of Feb due to a trouble. The train would be back on line late Feb or after.
Feb 7	Freeport	na	US	Jan 24	na	Some cargoes appeared to be forced to load partially.
Feb 7	Prelude	na	Australia	5th week of Jan	na	Shipping was disrupted. A tanker had waited for berthing until Feb 6.
Jan 31	Toscana	na	Italy	Apr	6-7 months	The terminal will enter regular maintenance in April.

\*\*\* The information found during the day is highlighted in red in both Spot and Term transactions.

**©MARKET COMMENTARY****ODES Japan****Slides in line with DES Northeast Asia market**

The DES Japan market slid on Thursday. The April 2024 contract was \$8.35 and May contract was \$8.45, down 15cts from a day earlier. The June to

November contracts fell by 15cts. Prices moved in line with a drop in the DES Northeast Asia market. The December to March 2025 contracts slid by 15cts as well.

**ONE Asia****Softens to lowest since Apr 2021 on slack supply/demand perceptions**

In the DES Northeast Asia market on Thursday, prices softened by 15cts from a day earlier to \$8.20-8.50 for first-half as well as second-half April delivery and \$8.30-8.60 for first-half May delivery. Owing to perceptions of slack supply/demand as well as a fall in the Netherland's TTF natural gas market, prices for April delivery market slid to the low-mid \$8's and this in turn sent the first-half May delivery market lower. It was the first time for the mid-point value of the prompt market fell to \$8.35 since Apr 19, 2021.

**Sellers trying to digest cargoes as early as possible**

Most end-users in Northeast Asia were not in a hurry to buy spot cargoes since the low demand spring was approaching although temperatures temporarily dropped again in Japan and China. On the other hand, with recent weakness in the market, sellers were apparently trying to sell cargoes on hand at an early stage. British Shell had spot availability for a cargo from the 15.60 mil mt/year Gorgon project in Australia to be delivered to Northeast Asia in late April at a premium of 10cts to the April contract of DES Northeast Asia spot quotations. In addition, China International United Petroleum & Chemicals Co (UNIPEC) offered a late April delivery cargo at a premium of 13cts to the April contract of DES Northeast Asia spot

quotations. European Vitol also offered a cargo from the 3.70 mil mt/year Equatorial Guinea project in the Bioko Island in West Africa on a DES basis for late April delivery. The company showed its offer at a premium of 15cts to the April contract of DES Northeast Asia spot quotations. As for demand, only some traders that had short-covering demand were observed in the market. European Gunvor bid for a late April delivery at a premium of 7cts to the April contract of DES Northeast Asia spot quotations and waited for sellers to show compromises. Many Japanese end-users refrained from buying spot cargoes and there were few bullish factors in the market, according to a Japanese trader. The trader predicted, "The market will show a downward trend for the time being unless a cold wave arrives in Europe, European countries begins to build up inventories earlier than schedules or production troubles suddenly happen in some projects."

**Chinese end-users consider buying but demand is sporadic**

Some Chinese independent energy companies seemed to consider spot procurement for April delivery. Nevertheless, buying interest was apparently weakening overall since domestic LNG prices by truck came under pressure. On the other hand, one end-user in South China was seen to have procured an April delivery cargo at \$8.00-8.60 on

Monday, as reported. A Japanese company reckoned that another end-user in South China had also bought an April delivery cargo at the same level on Monday. Spot demand from South Korea was tepid, similar to Japan. In Seoul, the capital of the country, the lowest temperature during the night declined to about 0 degrees Celsius but was still higher than normal. Thus, a Korean end-user pointed out, "This is not the case where spot demand drastically increases."

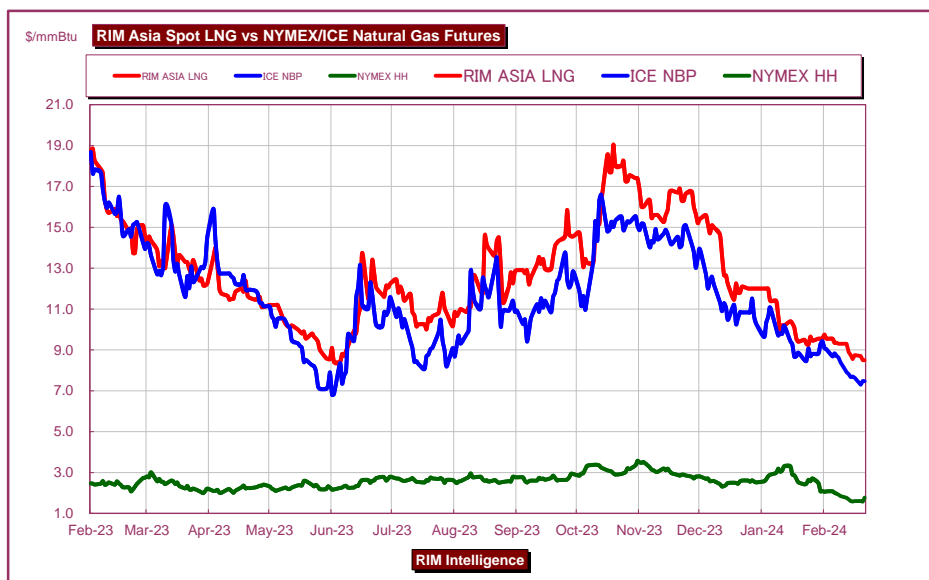
### POSCO requests sellers to offer based on DES NEA quotes

Prices for June to November delivery ticked lower by 15cts from the day before. The June and November delivery markets were assessed at

\$8.40-8.70 and \$9.65-9.95 respectively. The market was weighed down by losses in prices for first-half May delivery. Major South Korean steel manufacturer POSCO conducted a buy tender that would close on Mar 6 for six cargoes in total for September 2025 to October 2026 delivery. Sources perceived that POSCO might feel the current weakness in DES Northeast Asia spot prices favorable, deciding to secure forward delivery cargoes as early as possible. A Japanese energy utility stated, "Since the crude market looks relatively higher than spot LNG prices at this moment, POSCO must have requested sellers to submit offers based on DES Northeast Asia spot quotations."

### Recent Spot Transactions

Reported date	Dealt Date	Origin	Seller	Buyer	Price	FOB/DES	Volume (cargoes)	Timing	Destination
Feb 21	Feb 19	na	na	end-users in South China	\$8.00-8.60	DES	2	Apr	China
Feb 21	Feb 19	na	na	CPC	na	DES	1	Apr 1-30	Taiwan
Feb 20	H2 Feb	na	na	Shenzhen Energy	ard \$9.60	DES	1	Mar	China



**South Asia****Declines, Vitol sells delivery to India via tender**

In the DES South Asia market on Thursday, prices dipped by 15cts from a day earlier to \$7.95-8.25 for second-half March, first-half April, and second-half April delivery. In the wake of the decline in the DES Northeast Asia market, second-half March delivery fell to a level slightly above \$8.00, sending first-half and second-half April delivery prices lower. Traders who were keen to sell cargoes to India were observed. European Vitol issued a tender to sell six cargoes in total on a DES basis, closing on Feb 20. Through the tender, Vitol planned to sell six cargoes—one cargo each month from Apr through Sep—loading from the 5.60 mil mt/year Das Island project in the United Arab Emirates for delivery to India. Of the six cargoes,

only three, including April delivery, were awarded at prices in the low to mid-\$8's. Regarding three cargoes remaining to be unsold, a Japanese company said, "India has been keeping a stance of buying cargoes as long as they are cheap. If conditions do not meet their targets, they don't need to buy." On the other hand, as for the aim of Vitol to issue the tender for delivery to India, "If they have outlets in India, their shipping operation flexibility improves dramatically, such as destination changes from Northeast Asia to India. This is a huge advantage for traders" (a Japanese trading house) was heard. A broker said, "Before prices softens further, they might have wanted to sell cargoes as early as possible to India, where we see relatively high demand."

**Middle East Region****Retreats on falling DES Europe market**

In the FOB Middle East market on Thursday, prices fell back by 5cts from the day before to \$6.65-6.95 for second-half March loading as well as first-half April loading and \$6.75-7.05 for second-half April loading. In response to a fall in the DES Europe market, prices slid slightly. State-run Oman LNG closed an FOB sell tender on Thursday. Through the tender, Oman LNG planned to sell a cargo loading from the 10.40 mil mt/year Oman project on Mar 30-Apr 1. Oman LNG seemed to be interested in marketing cargoes for South Asia and Northeast Asian buyers. But a Japanese company pointed out, "Oman LNG may not be able to sell at their target prices since the results for the sell tender conducted by European Vitol for cargoes delivery to India was not favorable."

**Falls on declining DES South Asia market**

In the DES Middle East market on Thursday, prices slipped by 15cts from the day before to \$7.85-8.15 for second-half March delivery and first-half as well as second-half April delivery. Prices dropped to around \$8.00, tracking price movements for the DES South Asia market. US Chevron showed its strategy that it would increase production capacity at the Tamar offshore gas field in Israel by 2025. About 85% of natural gas from the gas field was consumed in the domestic market but the balanced 15% of gas was exported to Egypt and Jordan. Hence, supply to Jordan was expected to increase but the future situation was actually uncertain. This was because the international relation between two countries was worsening after the invasion of the Gaza Strip in the Palestinian territories. As a result, there was a likelihood that only the export volume for natural gas to Egypt



might grow even though gas production from Israel increased.

## ○Atlantic Region

### **Retreats on weak DES Europe market**

In the FOB Atlantic market on Thursday, prices ticked downward by 5cts from a day earlier to \$6.50-6.80 for first-half as well as second-half March loading and \$6.60-6.90 for first-half April loading. In response to a fall in the DES Europe market, discussion levels for first-half April loading dipped to around \$6.75, sending first-half and second-half

March loading prices lower. US Chesapeake Energy announced lowering production in 2024 in response to weak gas prices. They would halt a rig at Haynesville in Mar and a rig at Marcellus in the middle of this year. They also said they would flexibly restart operating rigs when gas demand recovers. The number of rigs they were activating as of now was nine.

## ○Europe

### **Falls back, inventory withdrawal pace slows down**

In the DES Europe market on Thursday, prices slid by 5cts from a day earlier to \$7.00-7.30 for first-half as well as second-half March delivery and first-half April delivery. Discussion levels for first-half April delivery softened to around \$7.15, sending first-half and second-half March delivery prices lower. The warmer than usual temperature in Europe, which has slowed down a pace of decrease in inventory, pushed the Netherlands' TTF market down, sending the DES Europe market lower. In Germany, natural gas inventory usually bottoms out in March; however, this year, more players had a view that it might occur in February. Data by Gas Infrastructure Europe indicated that natural gas inventory in Germany as of Feb 20 was 71.3% of its

storage capacity; the fall in inventory level since Feb 1 was just 3.1 points, below half compared with a year earlier (6.6 points).

### **Repair work at Kaarstoe Gas Field to be extended**

However, worries about supply reductions from Norway still remained. The end of additional repair works was extended to Feb 22 from Feb 21 at the gas processing plant of Kaarstoe gas field. The field itself was under maintenance as well. Moreover, the falls in production levels at the plant have increased from 6.3 mil cbm per day during Feb 19-21 to 9.8 mil cbm per day. "The restart of full production might be delayed further" (a Japanese company). In the meantime, the maintenance at the Aasta Hansteen gas field was supposed to end on Feb 22.

## ○South America

### **Marginal drops, though new demand from Argentina might emerge**

In the DES South America market on Thursday, prices dropped by 5cts from the previous day to \$7.95-8.25 for first-half March, second-half March, and first-half April delivery. In the wake of the softened DES Europe market, first-half April

delivery fell to a level slightly above \$8.00, sending first-half and second-half March delivery prices lower. While prices fell, new demand was expected from Argentina. State-run IEASA, formerly known as ENERSA, has appeared to be moving to issue a buy tender in the near future because the winter demand season in the southern hemisphere has

been on their radar. IEASA was expected to float a buy tender closing in first-half Mar once, according

to a Japanese trading firm.

## OFreight Market

### **Ichthys LNG considers chartering for mid-Mar loading**

For short term charter of less than three months on Thursday, daily rates were unchanged from the previous day at \$26,500-31,500 for conventional tankers, \$36,500-41,500 for DFDE/TFDE tankers, and \$50,500-55,500 for MEGI/X-DF tankers.

Although demand was expected to increase, as the number of available tankers increased, the market was capped. A Japanese company said, "Expectations emerged that the market would rise.

But chartering demand actually does not meet the expectation." The number of free ships was 10 for the Asia Pacific, 10 for the Atlantic, and 1 for the Indian Ocean; the total number was five more than last week. In the meantime, Ichthys LNG has been moving to charter a ship to carry cargo loading from the 8.90 mil mt/year Ichthys project on Mar 12-15 to Northeast Asia. Ichthys LNG closed a tender on Mar 21 to sell cargo loading from the project on Mar 12-14. Their move to charter a ship implied that they would sell the cargo in the tender on a DES basis.

## OJapan Domestic Natural Gas Market

### **LNG stocks for power generation rise on week, low possibility of running out this winter**

According to the Electricity Infrastructure Division of the Agency for Natural Resources and Energy, LNG inventories for power generation as of Feb 18 increased for the first time in two weeks to 2.13 mil mt, up 3.4% from the previous week. Temperatures rose in mid-February throughout Japan. The average temperature during Feb 12-18 in nine major cities in Japan including Tokyo, Osaka and Nagoya was at 8.6 degrees Celsius, much higher than the same period in the previous years and that in normal years by 3.4 and 4.1 degrees respectively, according to the Meteorological

Service. Under this situation, power generation demand for heating significantly receded and this led to inventories building up. Temperatures were falling again this week but a Japanese trader said, "The present cold wave will fade soon. Actually, we do not need to worry about LNG inventories for power generation running out for this winter anymore." Forecasts by the Meteorological Service also showed that temperatures would have a 40% chance of being above normal for March in eastern as well as western Japan. Therefore, after the cold wave passed, power generation demand was expected to recede along with rising temperatures.

## ONYMEX/ICE Natural Gas Future Market Commentary (Feb 21)

### **NYMEX H.H. March gas rebounds on production cuts by US Chesapeake**

The March natural gas contract on NYMEX closed at \$1.773 per million British thermal units (mmBtu) on Wednesday, up 19.7cts from the previous day. Prices surged on the announcement

of production cuts by Chesapeake, a major US natural gas producer.

The March natural gas contract of NBP on ICE in London settled at \$7.469, down 1.4acts from the previous day. A persistently loose supply/demand balance outweighed the production cuts at the

Aasta Hansteen gas field in Norway, lowering prices.

on Thursday was trading at \$1.759/mmBtu, down 1.4cts from the close on Wednesday.

In NYMEX ACCESS TRADE, the front-month March natural gas contract as of 9:00am local time

**◎MARKET NEWS**

**○TEPCO Daily: oil, gas & coal fired capacity estimated at 30,760MW**

Japanese largest utility Tokyo Electric Power Co (TEPCO) had 30,760 megawatts (MW) of available capacity tied to fossil fuel (oil, gas, coal) power generation, a figure that represents roughly 71% of its total capacity including solar power and so on, as of 08:30 Tokyo time on Thursday based on Rim Intelligence's projection. The total capacity was forecast to reach 43,940 MW, while estimated peak demand was at 38,500 MW in Tokyo area.

The Japan Meteorological Agency has forecasted temperatures in Tokyo to reach a daily high of 12 degrees Celsius.

Meanwhile, total peak demand for nine areas (excluding Okinawa) has been foreseen at 127530 MW for which a total of 146070 MW of power will be available.

(unit: MW)	Estimated Available Capacity		Estimated Peak Demand in Tokyo Area
	Oil, Gas & Coal	Total	
Thursday	30,760	43,940	38,500
Wednesday	28,570	40,820	35,160

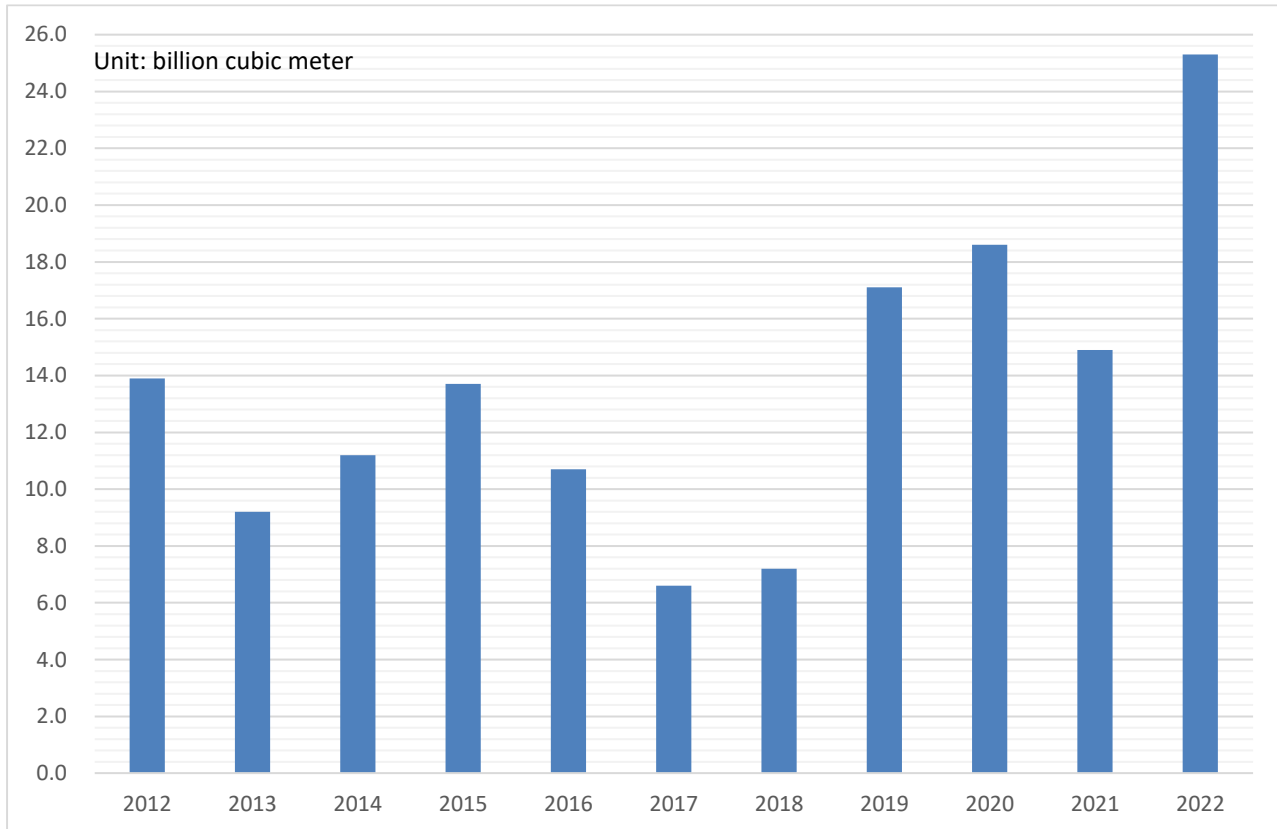
**○TABLE 2/22 LNG Cargo Arrivals at Tokyo Bay**

Japan LNG Terminal Cargo Arrivals					
Arrival	Terminal	Carrier	Capacity(cum)	Capacity(mt)	Origin/Last Port
<b>Tokyo Bay</b>					
28-Feb-24	Sodegaura	Maran Gas Psara	173,595	79,854	Wheatstone, Australia
27-Feb-24	Ohgishima	Pacific Arcadia	145,400	66,884	Sakhalin 2, Russia
26-Feb-24	Futtsu	BW Cassia	174,000	80,040	Cameron, US
23-Feb-24	Ohgishima	Sohar LNG	137,248	63,134	Das Island, UAE
22-Feb-24	Negishi	Energy Advance	145,000	66,700	NWS, Australia
22-Feb-24	Futtsu	Murwab	210,100	96,646	Qatar

## LNG Imports

-UK-

LNG imports into UK (2012-2022)

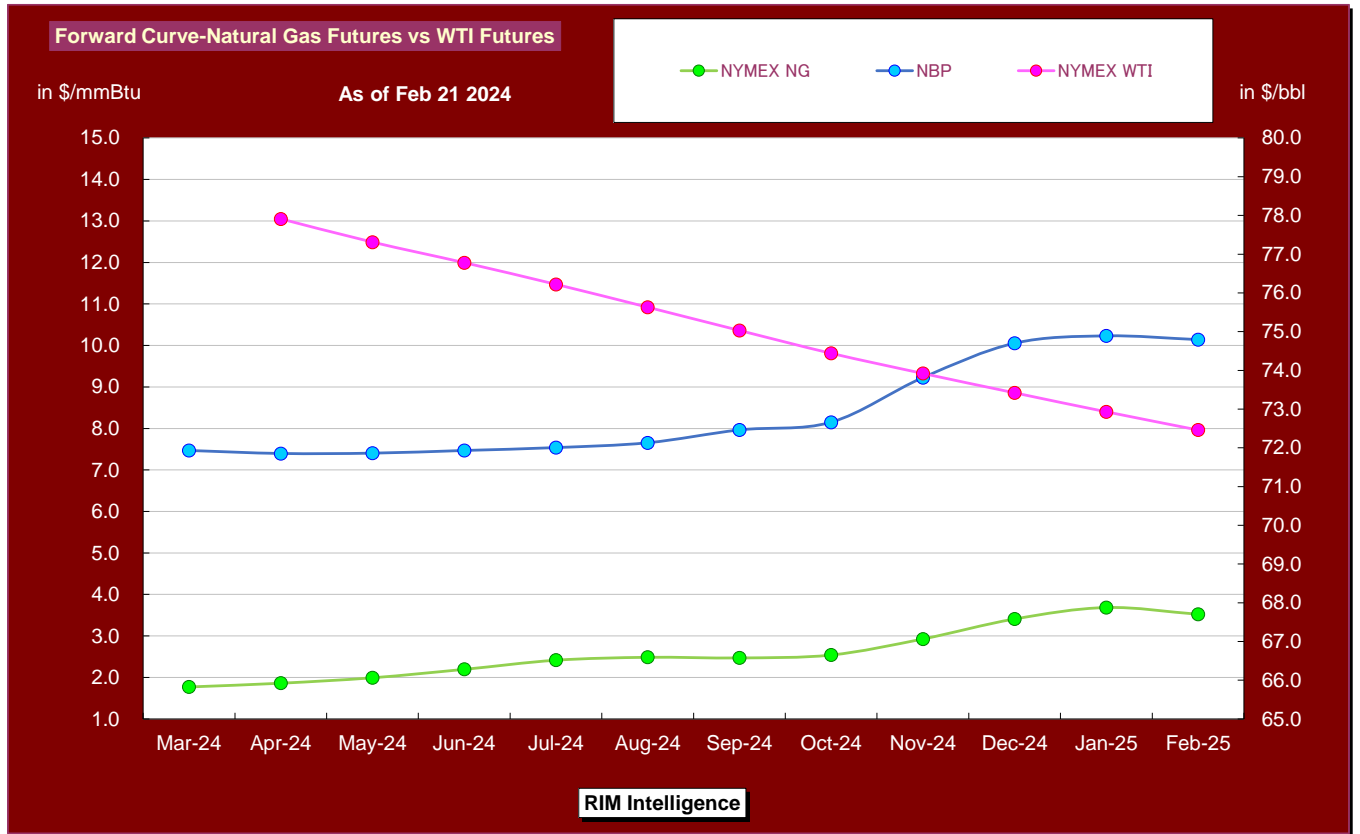


**LNG Imports from 2012 to 2022**  
 Unit: billion cubic meter (bcm)

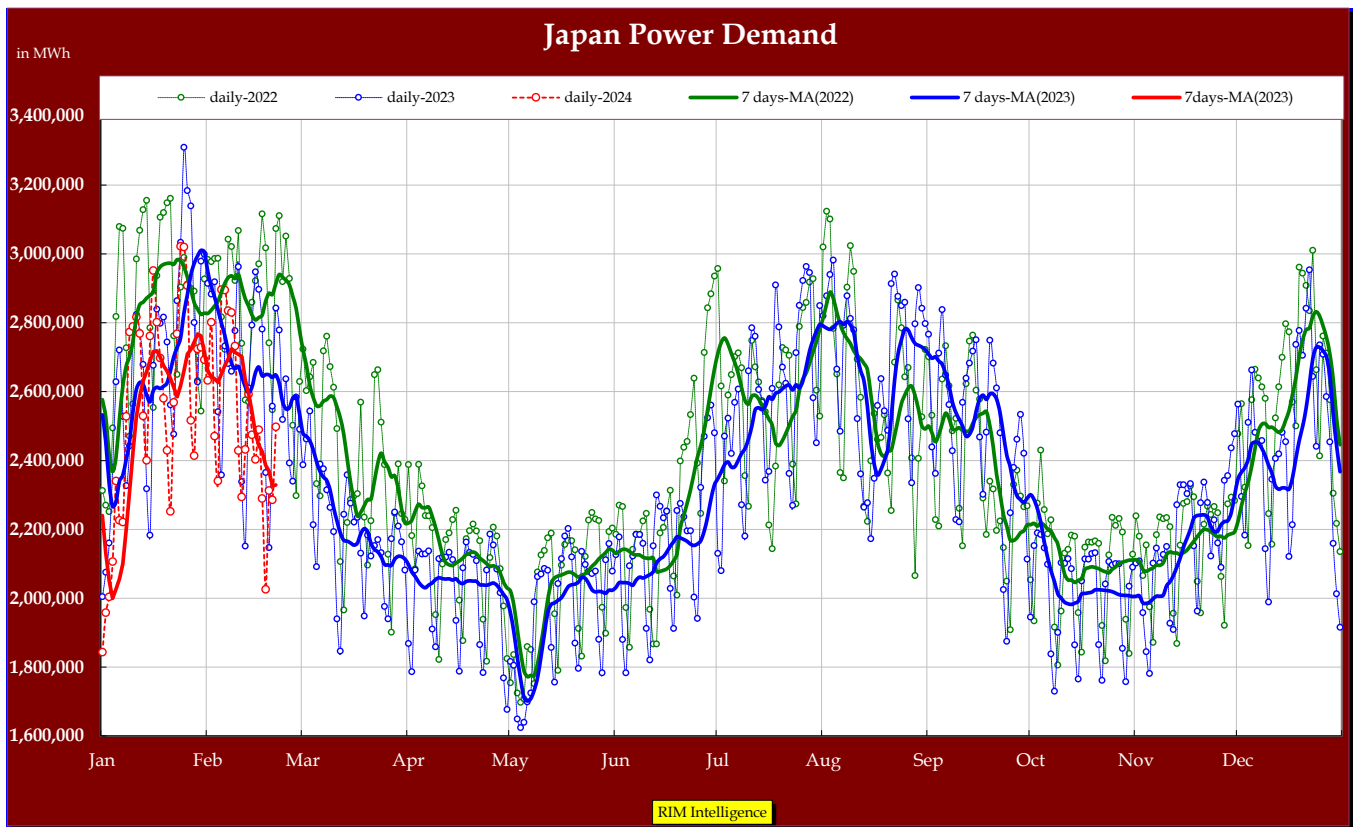
Year	Import amount in bcm
2012	13.9
2013	9.2
2014	11.2
2015	13.7
2016	10.7
2017	6.6
2018	7.2
2019	17.1
2020	18.6
2021	14.9
2022	25.3
<b>Total</b>	<b>148</b>

(Source: Statistical Review of World Energy 2023)

**Forward Curve-natural Gas Futures vs WTI Futures**



**Japan Power Demand**



**Spark Spread**

Rim Index (yen/kWh Feb 23)			
24h	DT	Peak	Night
9.86	10.39	8.66	9.12

Fuel	thermal efficiency(%)	Fuel Price	After tax	Generation cost yen/kWh	Spread (yen/kWh)			
		yen / ton · kl	yen/ton · kl		24 hr	DT	Peak	Night
LNG	<b>44.10</b>	66,556	68,416	<b>10.23</b>	-0.37	+0.16	-1.57	-1.11
	50.00			9.02	+0.84	+1.37	-0.36	+0.10
	59.00			7.65	+2.21	+2.74	+1.01	+1.47
Coal	<b>40.50</b>	19,560	20,930	<b>7.24</b>	+2.62	+3.15	+1.42	+1.88
	45.00			6.52	+3.34	+3.87	+2.14	+2.60
Imported CFO	38.40	92,362	92,362	<b>21.02</b>	-11.16	-10.63	-12.36	-11.90
Domestic CFO								
0.3% sulfur	<b>38.40</b>	95,500	95,500	<b>21.73</b>	-11.87	-11.34	-13.07	-12.61
3.0% sulfur	38.40	82,000	82,000	18.66	-8.80	-8.27	-10.00	-9.54
Crude	<b>38.40</b>	78,720	81,520	<b>19.40</b>	-9.54	-9.01	-10.74	-10.28

\*2 Thermal efficiency shown in BOLD is the average thermal efficiency for general electric utilities in the fiscal year 2013.

\*3 In the section of Fuel Price, LNG is a yen-based conversion from DES North East prices for first-half December delivery published in Rim LNG Report. Coal is a yen-based conversion from a sum of FOB Newcastle prices for November loading and freight rates. Imported CFO is a yen-based conversion from CFR Japan FO 0.3%S prices published in Rim Japan Products Report. Domestic CFO is the average of East Japan prices and West Japan prices for October delivery published in Rim Japan Products Report. Crude Oil is a yen-based conversion from the CIF import price for October delivery estimated by Rim. The exchange rate applied for the yen-based conversion is the TTS (Telegraphic Transfer Selling) Rate published by the MUFJ Bank.

\*4 Generation Cost is calculated based on power calorie, fuel calorie, thermal efficiency and fuel prices, and it is so-called marginal cost excluding facility utilization rates.

\*5 Spread is calculated by deducting Generation Cost from Rim Index.

\*6 The latest Petroleum and Coal Tax (Global Warming Tax) is applied. From Apr 1, 2016, the tax was increased by Yen 760/kl to Yen 2,800/kl for Crude/Refined Products. The tax for Gaseous Hydrocarbon was revised upward by Yen 780/ton to Yen 1,860/ton, while the tax for Coal was up Yen 670/ton at Yen 1,370/ton.

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**○Rim to sell power tender data CD for fiscal year 2022 starting Jul 18**

Rim Intelligence will sell the CD on power tender data for the fiscal year 2022 starting Jul 18. The CD will be the year 2022 version of power tender data, which is highly regarded by the industry since the first issue for the fiscal year 2014. The latest version is released only in Japanese and covers the tender results by public institutions across Japan during April 2022 and March 2023. The 2022 CD elaborates on a combined 4,165 tenders (4,583 tenders in the 2021 CD) and makes year-on-year comparisons for 956 tenders (3,230 tenders in the 2021 CD). For overseas customers outside of Japan, data in the CD will be emailed and payment can be made in US dollars.

For application, please click:

<https://eng.rim-intelligence.co.jp/contents/info/powerDataCd2021eng.pdf>

**○Introduction of Rim Trading Board (RTB)**

Rim Intelligence Co is operating "Rim Trading Board (RTB)", in which market players are able submit offers/bids/deal prices by themselves to Rim Intelligence. RTB is managed on Rim's website. Rim considers the information on RTB when we make assessments of each oil product in our Rim Products Report. The



information on RTB is open to all market participants for free. Please go to the link below to see how to use and register to RTB.

<https://www.rim-intelligence.co.jp/rtb/oil/index.html>

### ORim publishes English version of Rim Biomass Report

Rim Intelligence publishes the English version of the Rim Biomass Report (Weekly) every Thursday. The report contains valued information on biomass fuels including wood pellets and PKS, for which demand is increasing in Northeast Asia such as Japan and South Korea.

Main contents

- Price assessment and commentary on the FOB Southeast Asia market for wood pellets and PKS
- Price assessment and commentary on the FOB North America market for wood pellets
- Price assessment and commentary on the CFR Japan market for wood pellets and PKS
- Price assessment and commentary on the freight market for wood pellets and PKS transportation
- Information on tenders conducted by South Korean and Japanese consumers

For your application, please click the link below or contact Rim Biomass Team.

<https://eng.rim-intelligence.co.jp/contents/info/biomassEnglishEn/>

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