TELLURIAN

Market Commentary for May 5, 2022

Two minutes with Charif Souki on domestic prices of natural gas

The war in Ukraine is changing the way Europeans consume energy. Listen in to find out how they are diversifying their energy sources now, even including more coal for power generation.

[Watch on YouTube](#) | [Listen to the Podcast](#)

NATURAL GAS

Henry Hub
Day change: $0.368, up 4.4% | Settle: $8.783 | June 2022

TTF
Day change: $0.767, up 2.4% | Settle: $32.946 | June 2022

JKM
Day change: $0.105, up 0.4% | Settle: $24.145 | June 2022

- EIA reported U.S. gas injections of 77 bcf for the week ending 4/29, higher than consensus estimates by ~16 bcf...
- …total inventories of 1.567 Tcf is lower 20% y/y and remains 16% below the 5-yr average
- European storage as of 5/3 is 34.6% full at 1.295 Tcf (+7.4% w/w)
- The LNG Bible has been released: GIIGNL annual report highlights 372 MT of LNG traded in 2021 (+4.5% y/y)…
- …the U.S. accounted for 18% of the global market, while 36.6% of LNG was traded on a short-term basis
- A severe heat wave sweeping through India with temperatures at 115 F is causing major prolonged blackouts and protests in the streets...
- …Indian energy providers have been forced to scramble for additional LNG cargoes, especially amid dwindling coal supplies
- Hoegh LNG and Dynagas signed agreements with RWE and Uniper to provide two FSRUs each for Germany...
- …the first two vessels will be delivered to the Wilhelmshaven and Brunsbuttel regas projects and are scheduled to be online at the end of 2022 or early 2023...
- …the German government has pledged $3 B to help pay for the FSRUs
- Norway's 4.2 mtpa Snohvit plant is expected to restart operations next week with a tanker now scheduled to load at the facility...
- …Snohvit has been offline since a fire in Sept. 2020 forced its shutdown

OIL

Brent
Day change: $0.76, up 0.7% | Settle: $110.90 | July 2022

WTI
Day change: $0.45, up 0.4% | Settle: $108.26 | June 2022

- [Shanghai Redemption](#): authorities began to relax COVID restrictions in Shanghai, lifting lockdowns on 15 MM residents out of a total of 25 MM...
- …the city has reportedly allowed more than 1,800 manufacturing and logistics businesses to resume operations
- The Biden administration announced its plan to refill the U.S. SPR starting with bids for 60 MM bbls potentially to be submitted this fall...
- …the scheme will be based on anticipated market conditions, and officials appear to stand by their aim of initiating replenishment when prices are around $80
- OPEC+ has agreed to a paltry 0.4 MM bpd production increase for June 2022 which aligns with their previous schedule...
- …several Gulf states, particularly Saudi Arabia, remain committed to keeping Russia in the clique given their increasingly strained relations with D.C.
- Speaking of which, the U.S. Senate Judiciary Committee passed the anti-trust "NOPEC" bill designed to open up OPEC to litigation for collusion and price manipulation...
- …different versions of the legislation have repeatedly failed in Congress over the past two decades, but support is growing thanks to the inflationary environment

Subscribe Here