Volatility in the CEE gas market, what's next?

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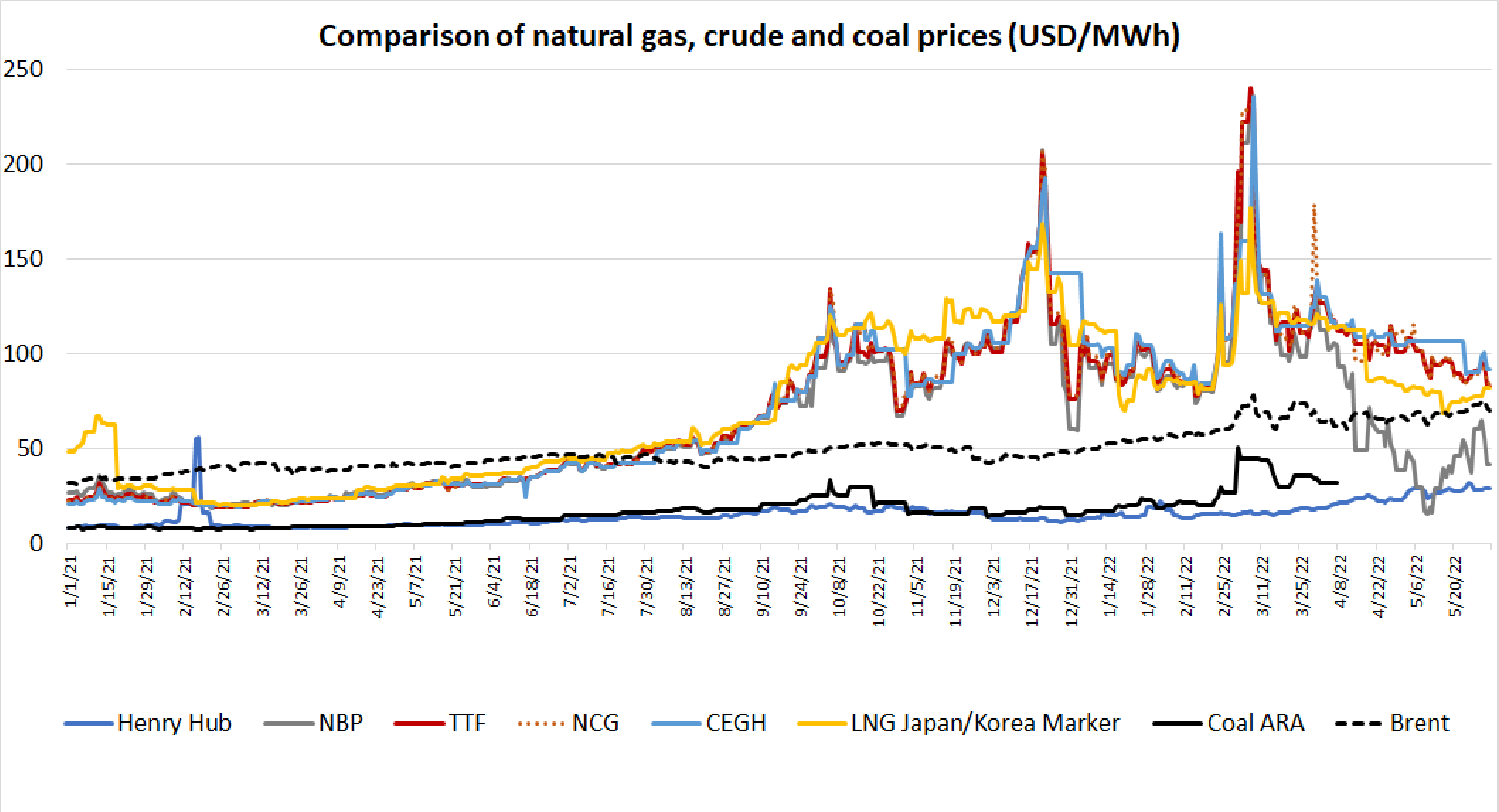
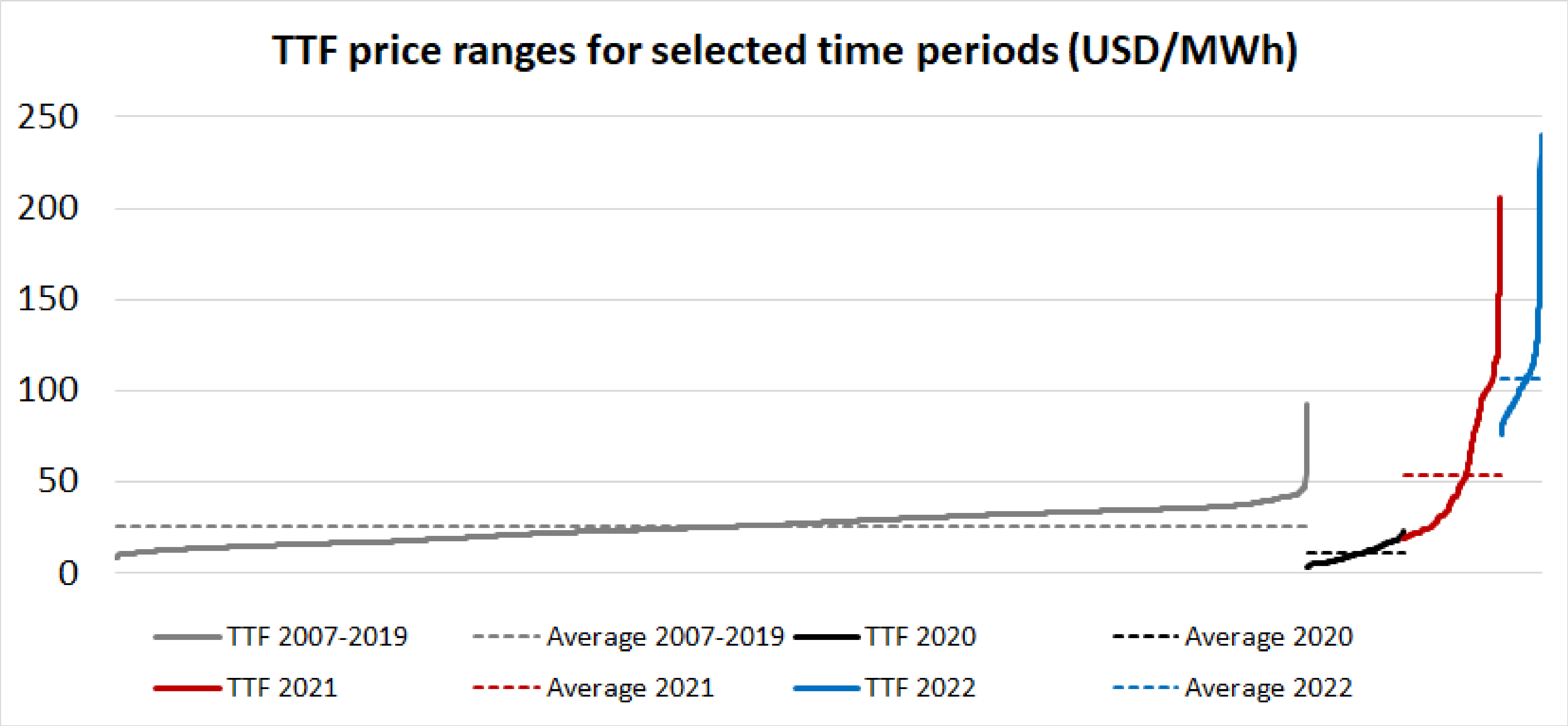
ATYPICAL POST-PANDEMIC RECOVERY AND WAR-FUELLED UNCERTAINTY KEPT NATURAL GAS PRICES HIGHER FOR LONGER



Source: Bloomberg, own calculations

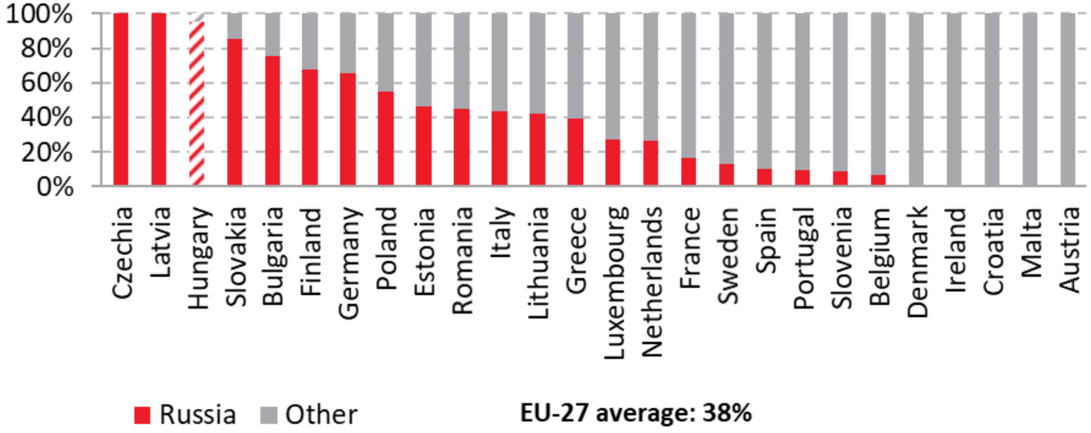
RECENT YEARS' VOLATILITY OF DUTCH TTF UNPRECEDENTED

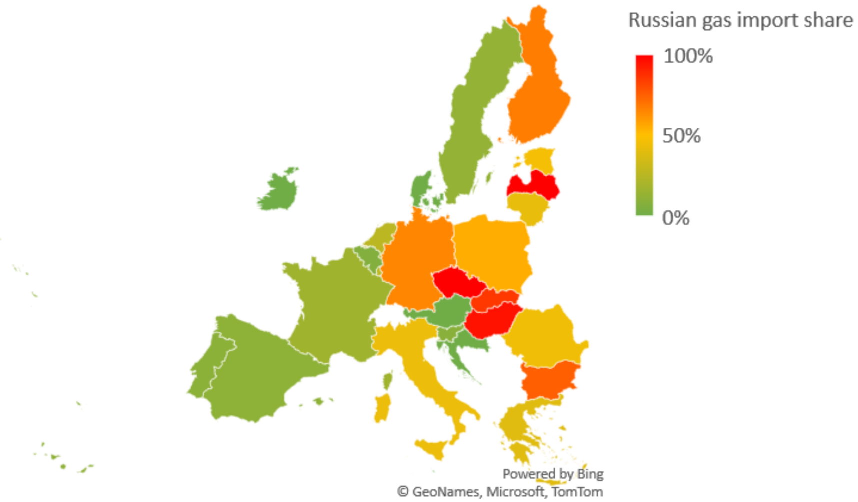


Source: Bloomberg, own calculations

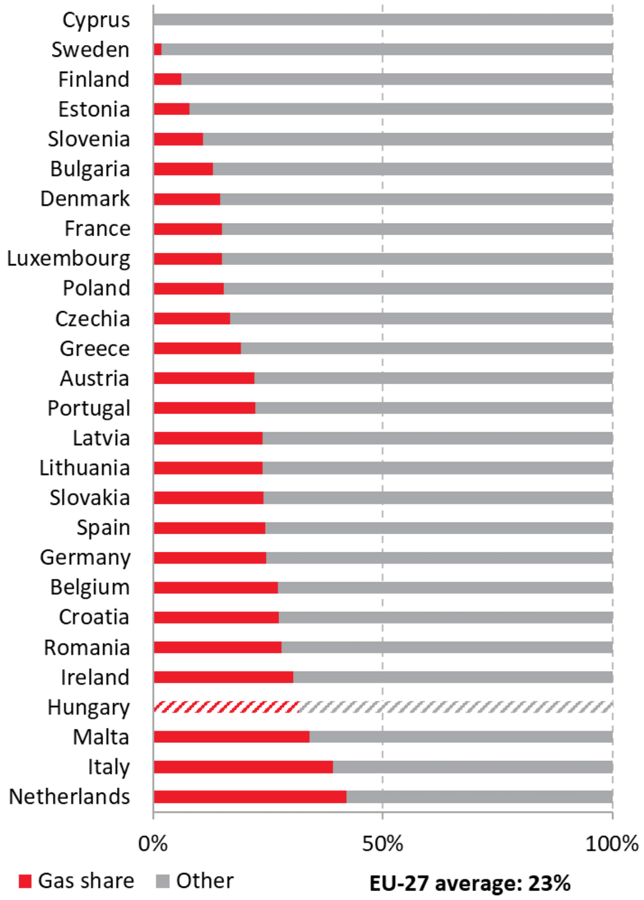
FROM GAS POINT OF VIEW CEE REMAINED IN THE RUSSIAN SPHERE OF INFLUENCE

Russian natural gas import share in 2020





Gas' share of gross inland energy consumption in 2020

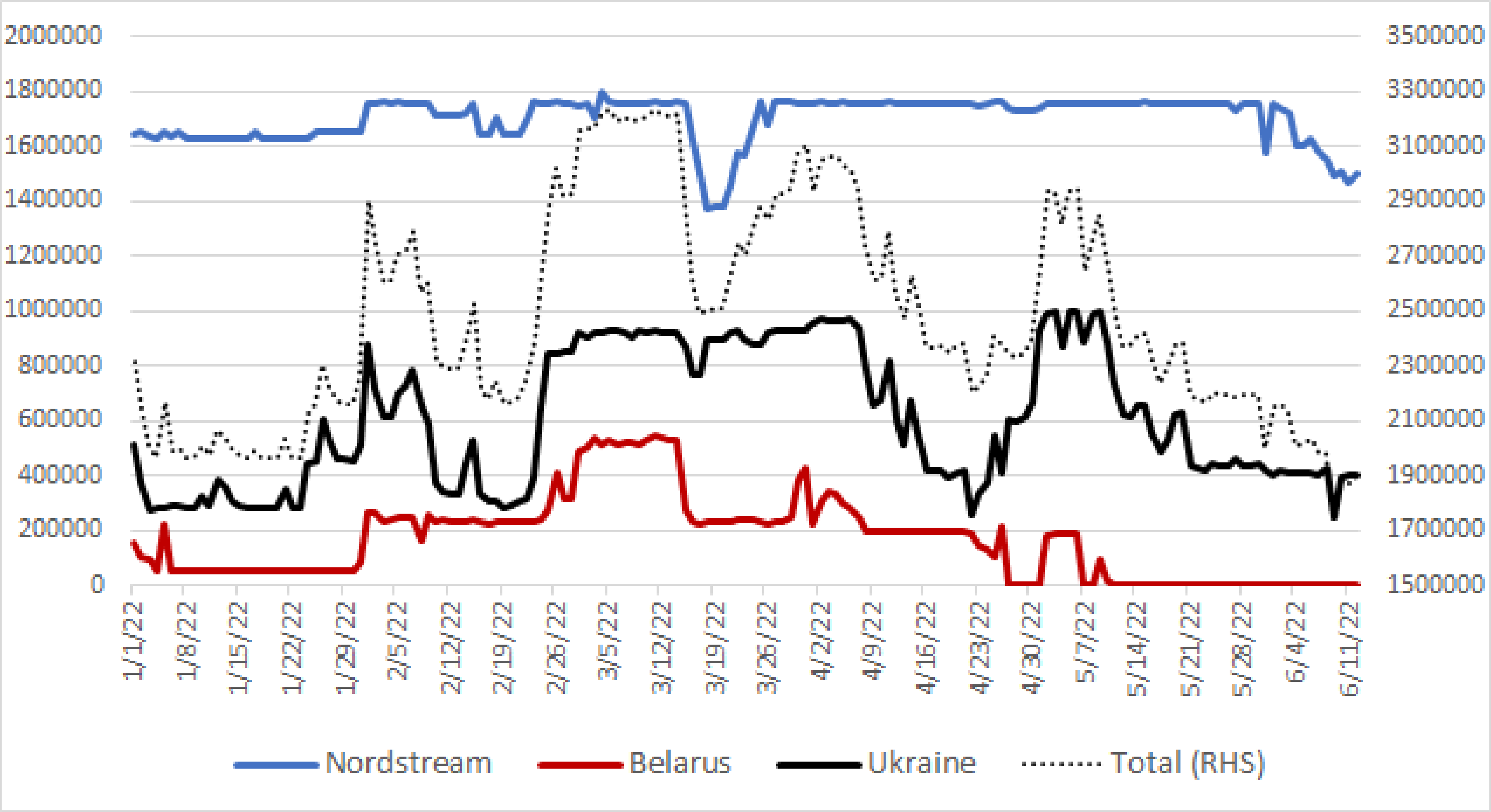


Source: Eurostat

PIPELINE SUPPLIES FROM RUSSIA REMAIN KEY

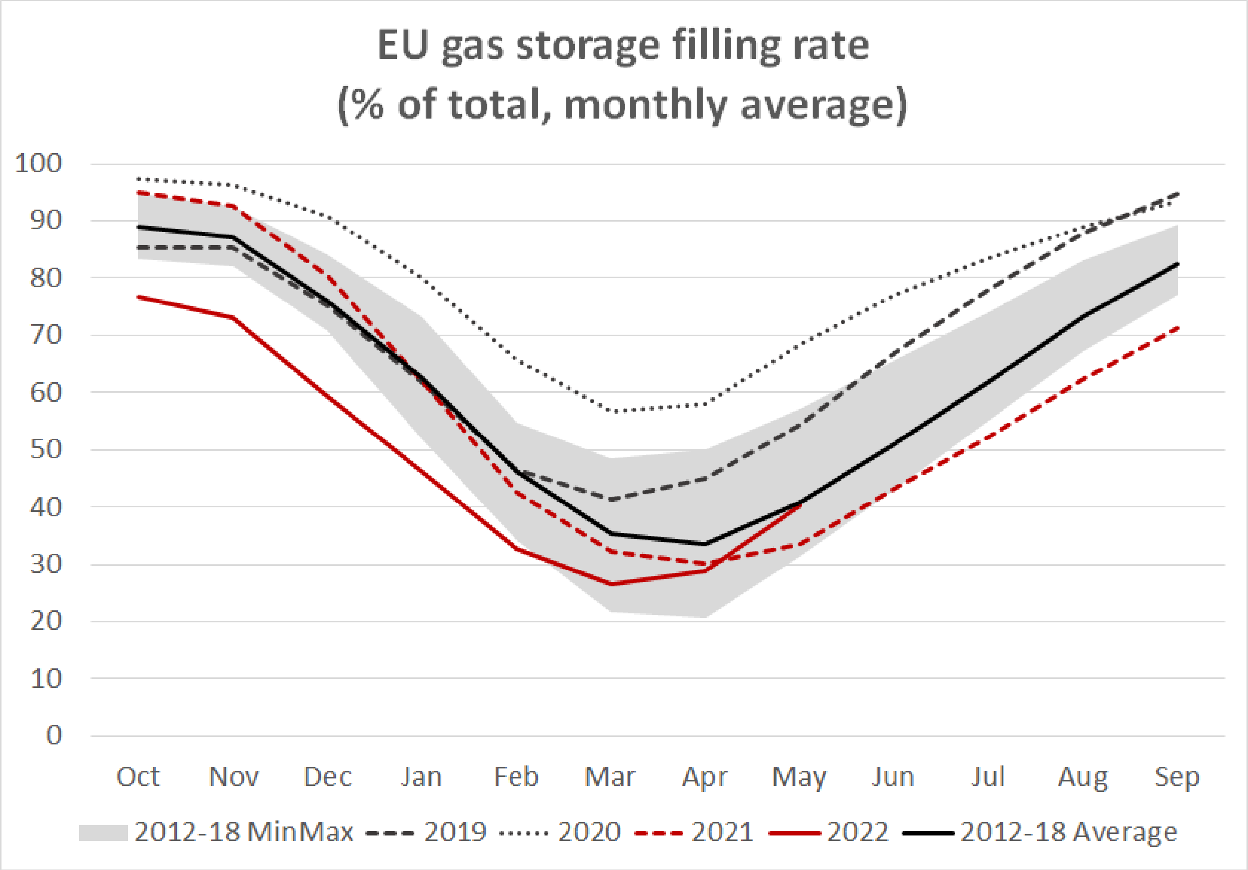
RUSSIA HAS ALREADY CANCELLED GAS PIPELINE CONTRACTS OF ABOUT 20BCM/A

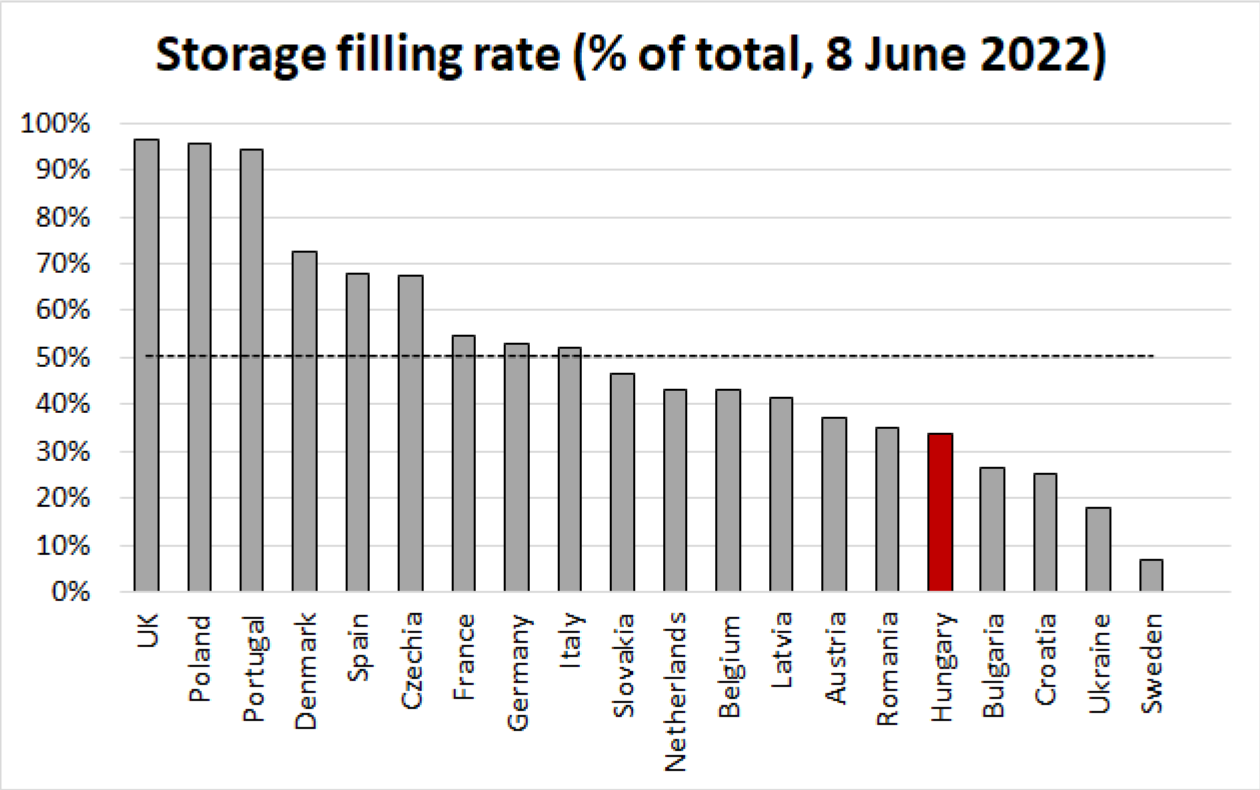
Russian pipeline gas flows to Europe (MWh/day)



Source: ENTSOG Transparency

STORAGE FILLING AT RECORD PACE BUT UNEVEN ACROSS EU MEMBERS

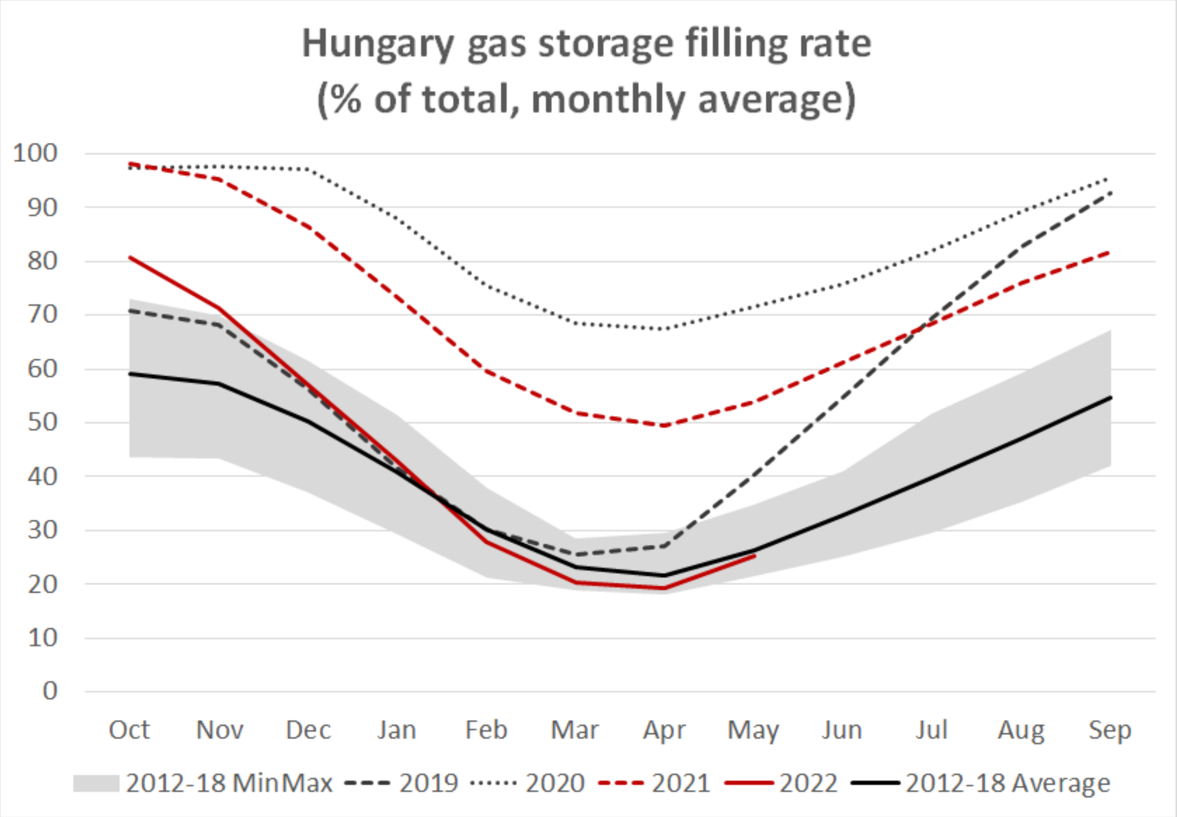


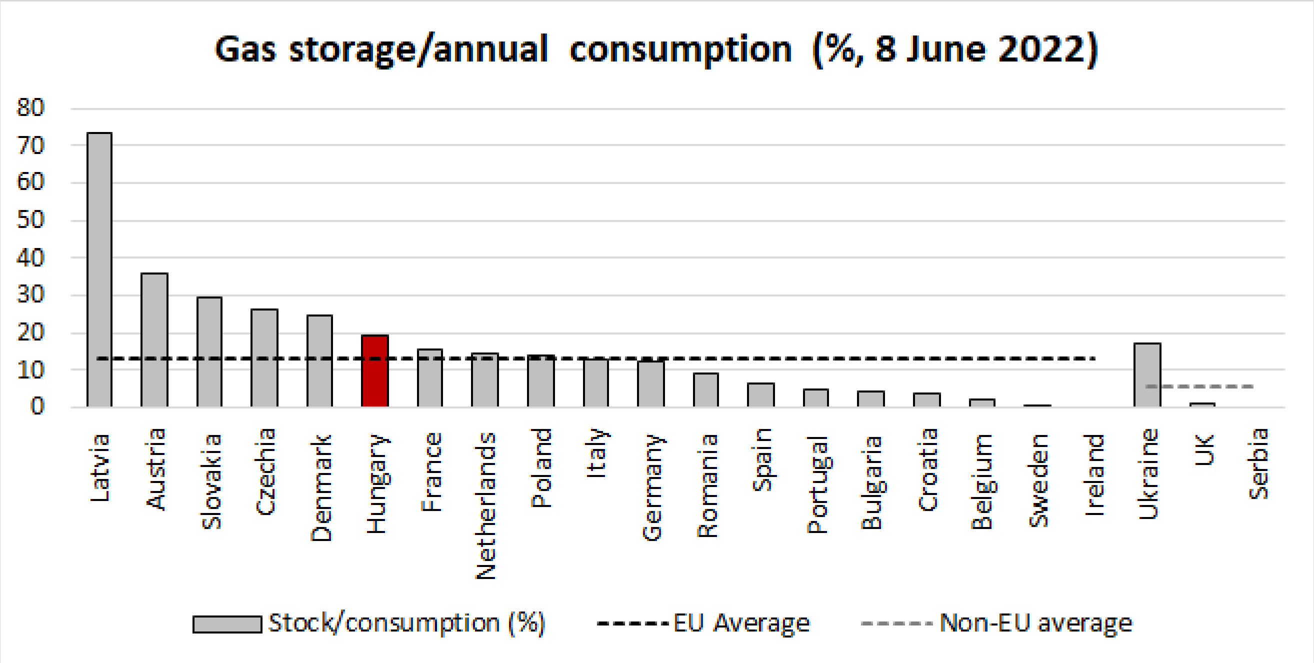


Source: AGSI+

STORAGE–TO-CONSUMPTION RATIOS NOT SUFFICIENTLY HIGH YET

80% FILLING OBLIGATION BOOSTS INJECTION DEMAND





Source: AGSI+

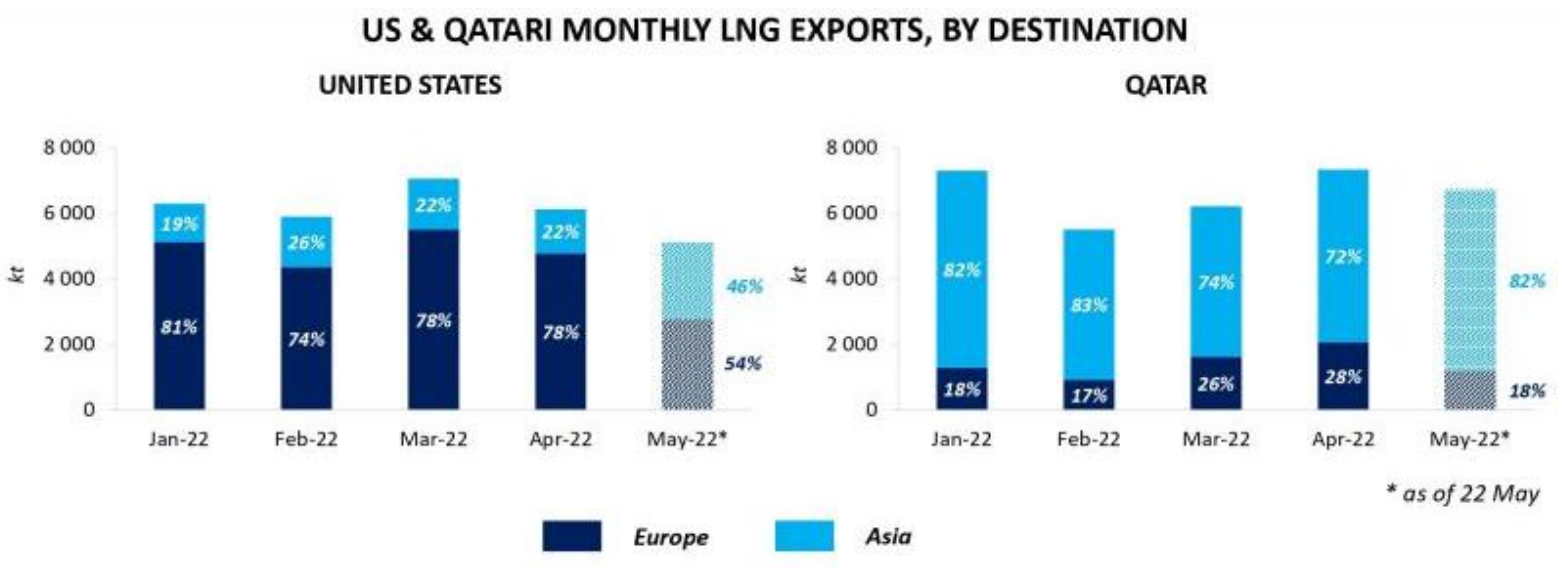
'REPOWEREU' TO REDUCE EU'S RUSSIAN NATURAL GAS EXPOSURE

Measure	Russian natural gas replaced by end-2022 (bcm)	Russian natural gas replaced by 2027 (bcm)
Diversifying LNG supplies	50	50
Alternative pipeline supplies	10	10
More biogas	3.5	17 (!)
Efficiency measures	14	10+37+12 (citizens+residential+industry)
Frontloading renewables	24	--
Renewables + electrification	--	21
Green Hydrogen	--	27 (!)
Total (2021 RU gas supply 155)	**101.5**	**184**

Source: EU, Capital Economics, Platts

FROM GLOBAL SINK TO DIRECT COMPETITOR FOR LNG SUPPLIES

LNG IS THE ONLY MEANINGFUL SUPPLY ALTERNATIVE TO RUSSIAN GAS IN THE SHORT-TERM

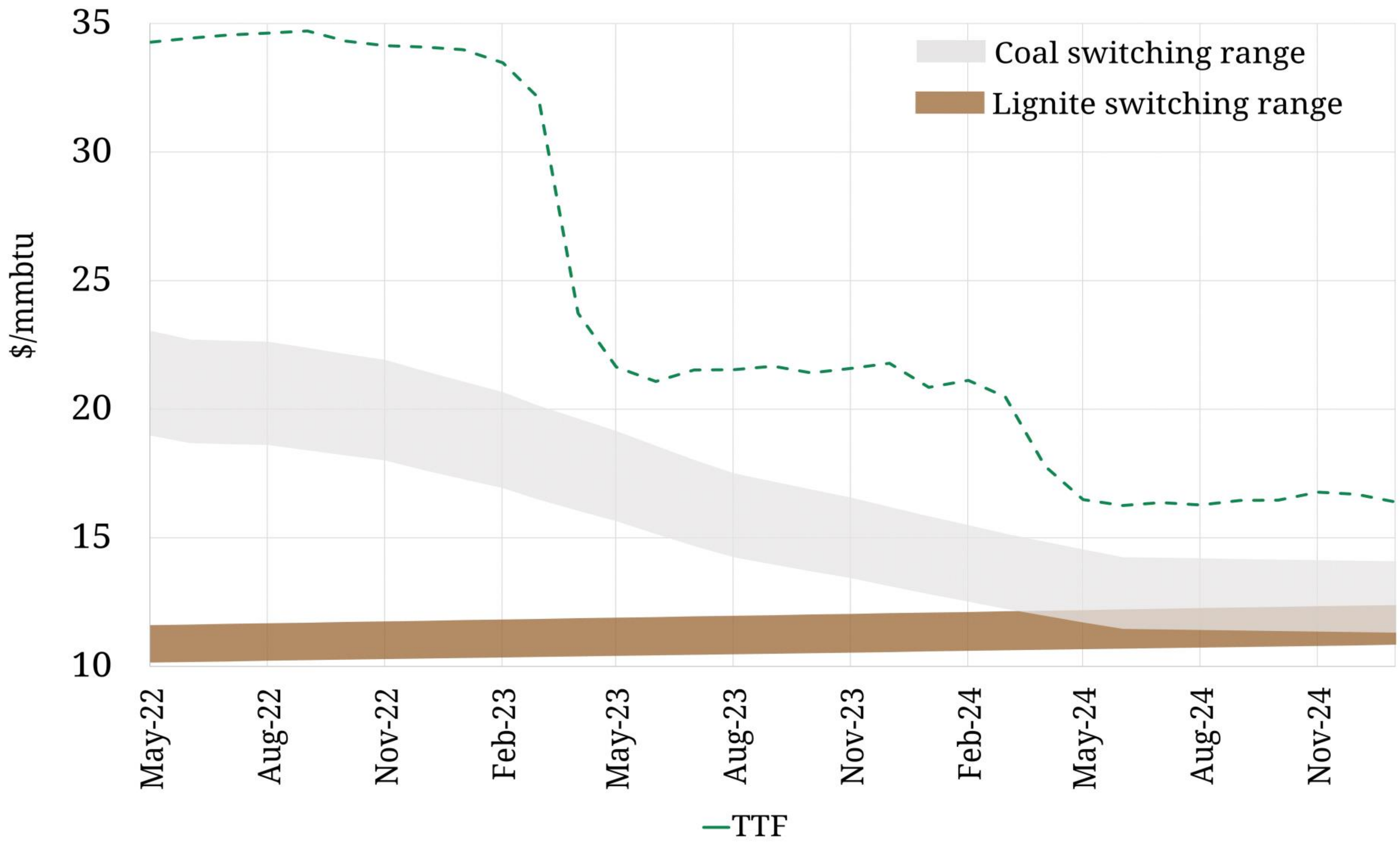


Source: ENTSOG Transparency

LACK OF AVAILABLE ALTERNATIVE SUPPLY, NOT ONLY INFRASTRUCTURE IS THE PROBLEM IN LANDLOCKED COUNTRIES

Source: ENTSOG

CLIMATE GOALS ARE HARD TO MEET WHEN COAL IS CHEAPER THAN GAS



Source: Timera Energy, European Gas Hub, 7 June 2022

ANY QUESTIONS?