



Gas Market Report –Q1 2025

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IEA Quarterly Gas Report –Q1 2025

Gas Market Report, Q1-2025

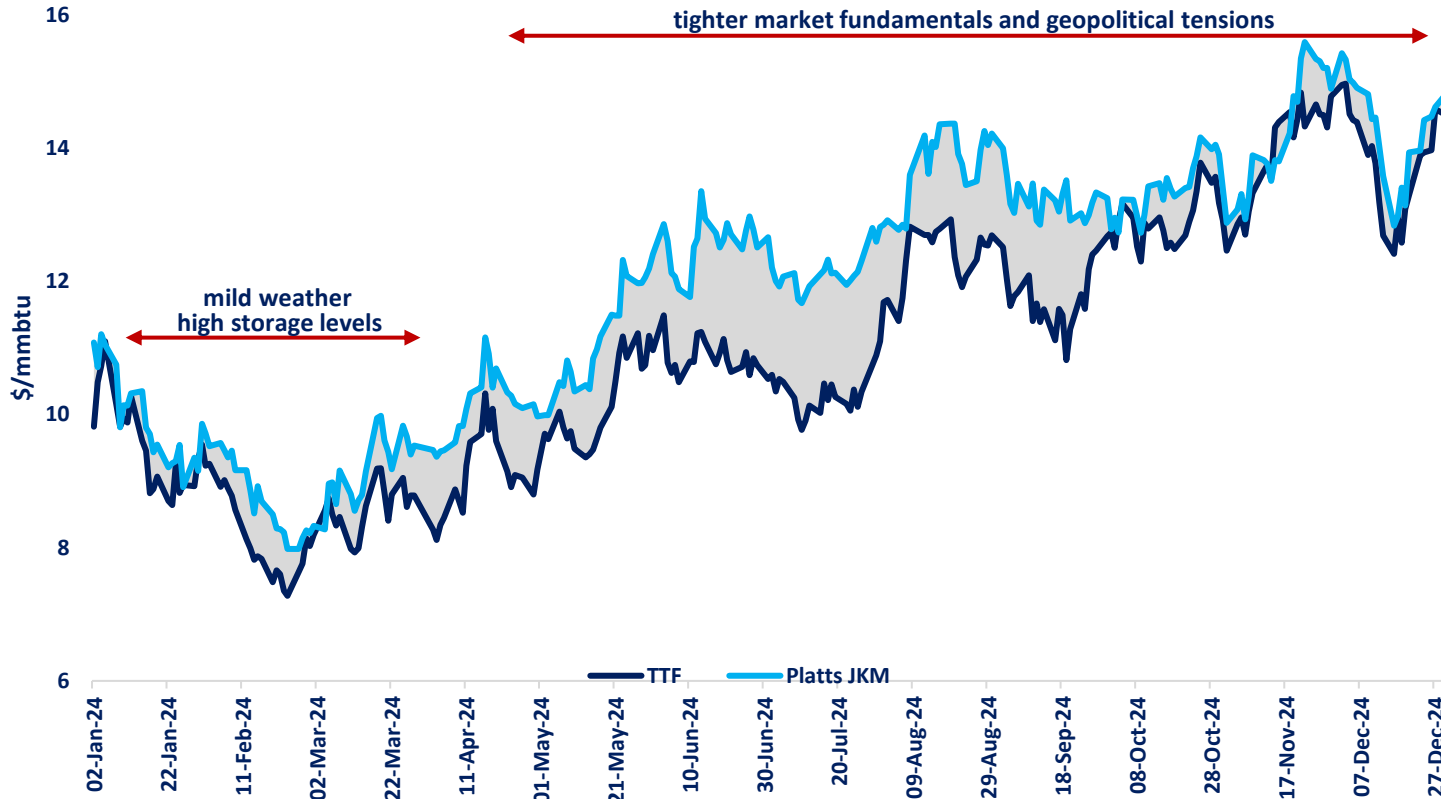


<https://www.iea.org/reports/gas-market-report-q1-2025>

Global gas market trends

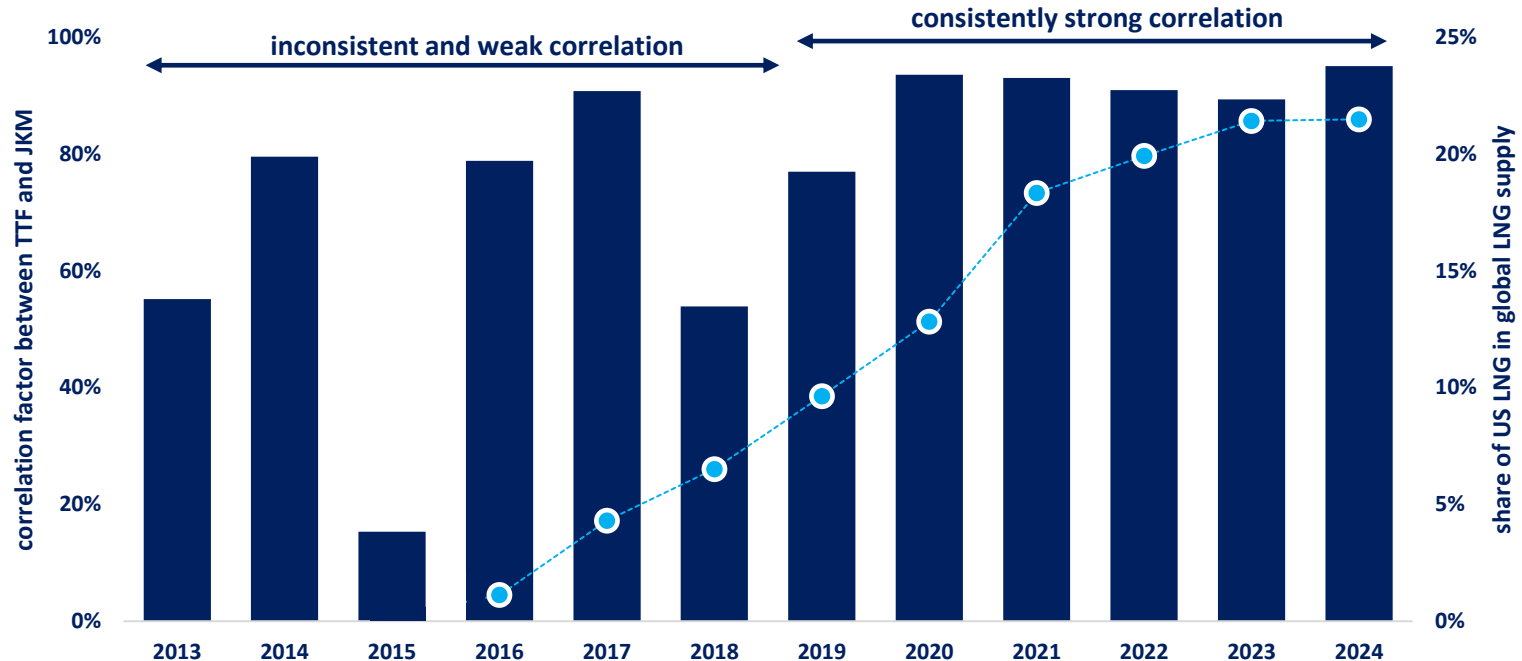
A wild ride: Asian and European prices doubled through 2024

The evolution of TTF month-ahead and JKM prices in 2024



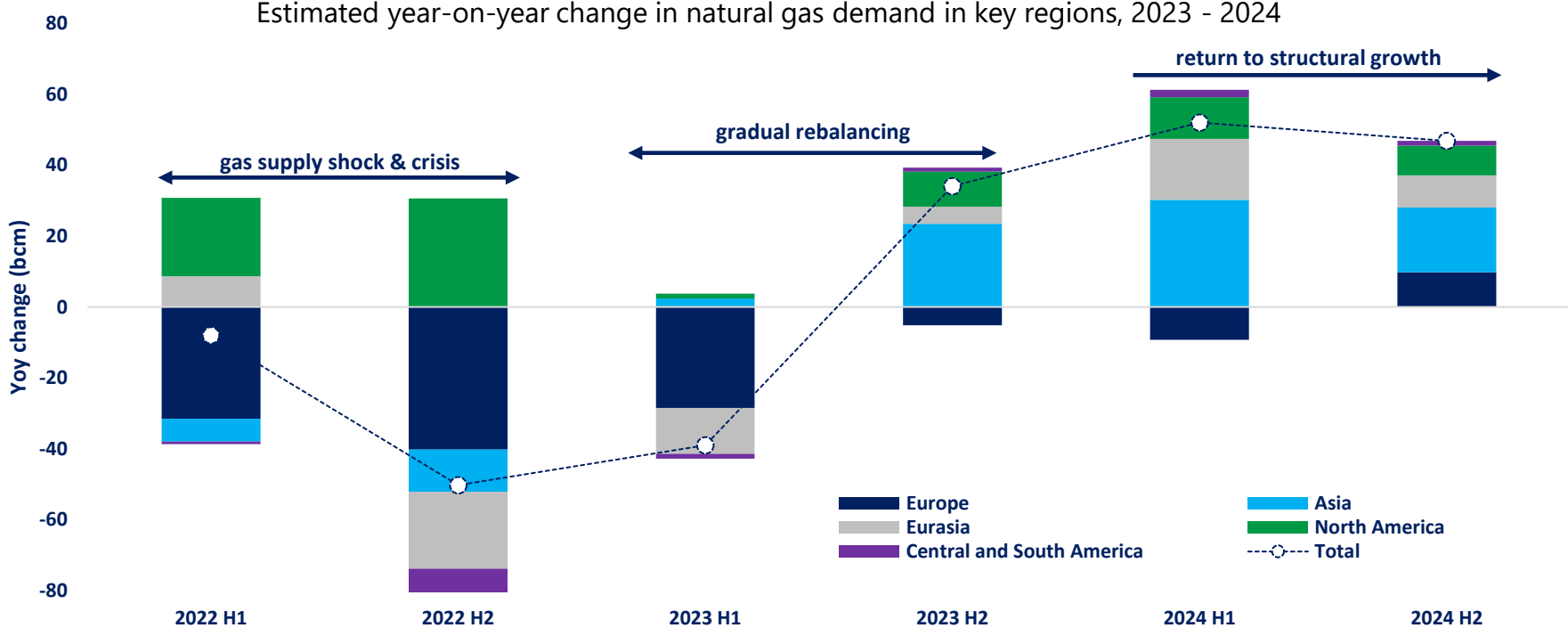
Asian and European price correlation rose to a record high in 2024

TTF vs JKM correlation and the share of US LNG in global supply (2013 – 2024)



Despite strong volatility, the correlation between TTF and Platts JKM rose to a record high in 2024. This reflects the increasingly intertwined nature of regional markets, amid higher flexible US LNG supply.

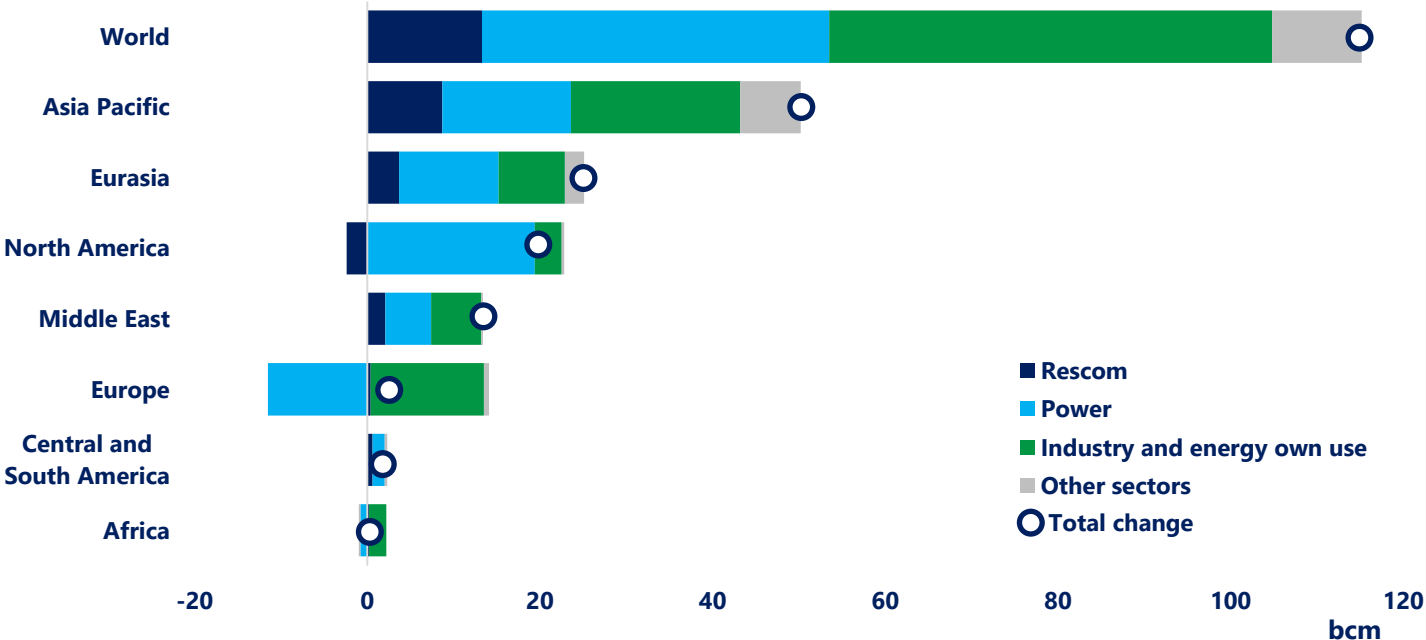
Natural gas demand returned to structural growth in 2024...



Following the supply shock of 2022/23, natural gas markets returned to more pronounced growth in 2024. Preliminary data suggests, that gas demand grew by 2.8% in 2024, well-above its historic average.

...primarily driven by fast-growing Asian markets

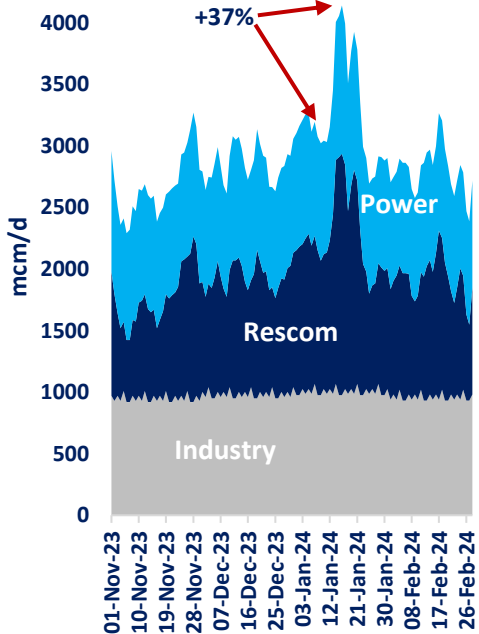
Forecast change in natural gas consumption by region and sector, 2024 vs 2023



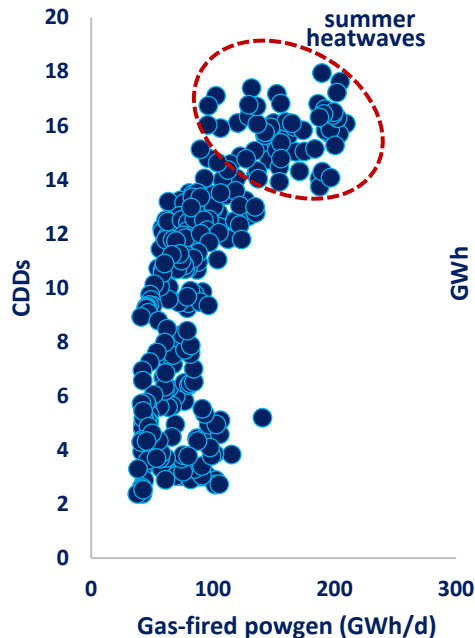
Asia alone accounted for almost 45% of incremental gas demand in 2024, with both China and India recording double-digit growth rates. Industry emerged as the primary driver behind stronger gas demand.

Gas flexibility plays a key role in ensuring heat & electricity security

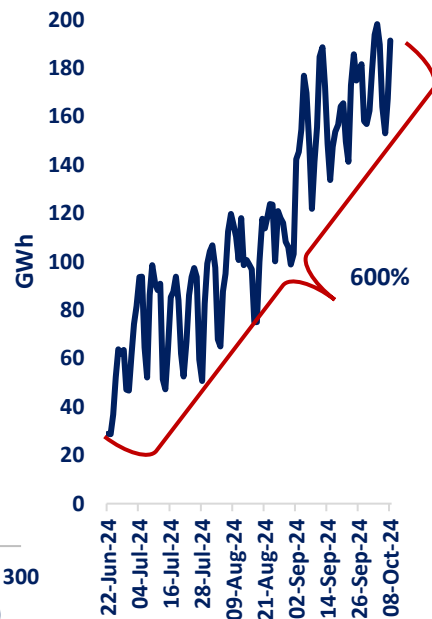
US daily gas demand during Winter Storm Heather



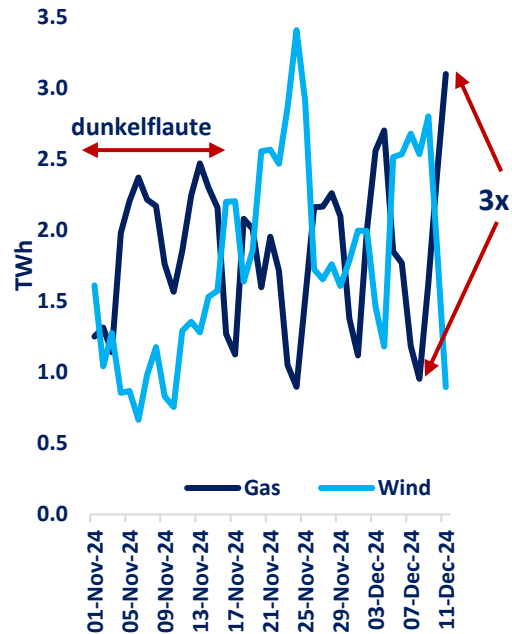
India's gas-fired powgen in 2024



Brazil's gas-fired powgen in 2024

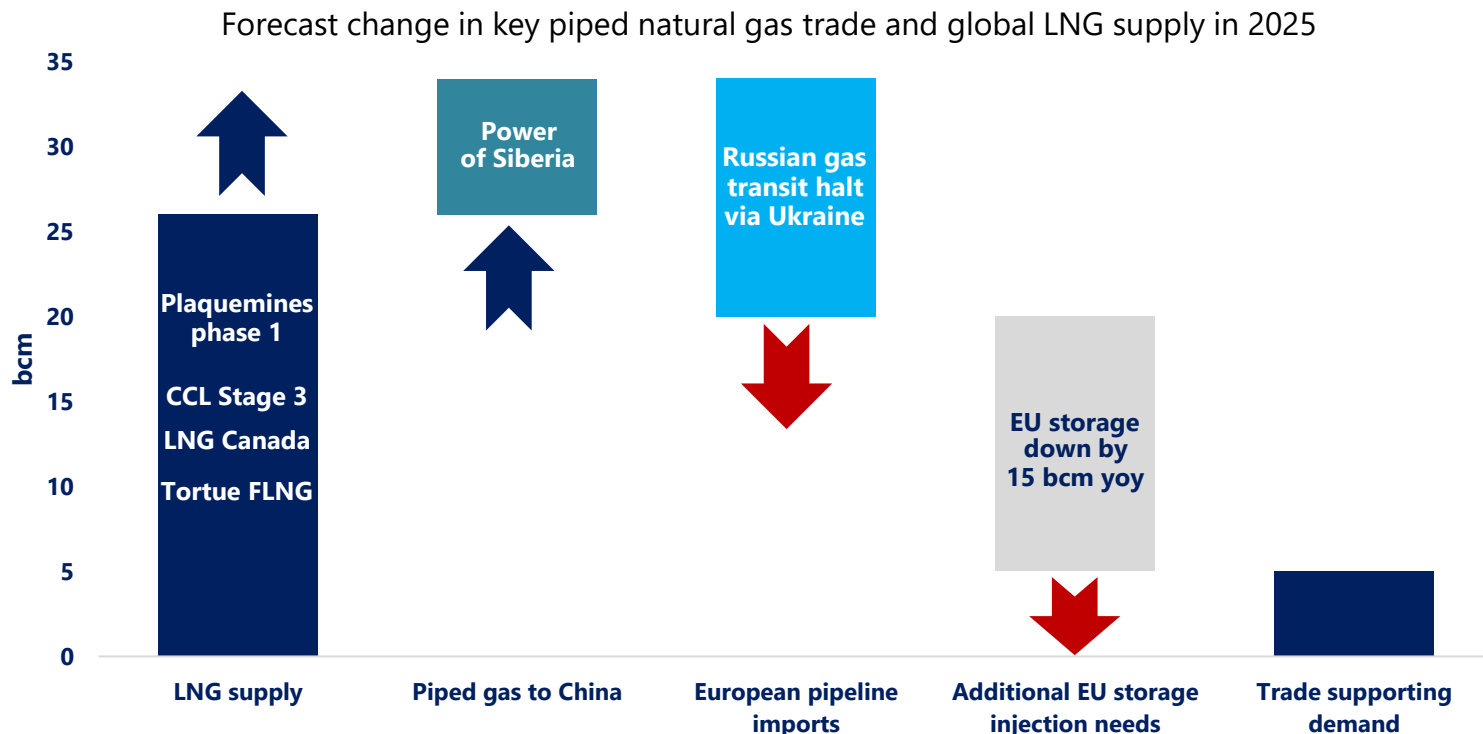


Europe's gas and wind power generation



Extreme weather events highlights the crucial role of gas flexibility in ensuring electricity and heat security, including in renewables-rich markets, where gas-fired power plants are backing-up variable renewables.

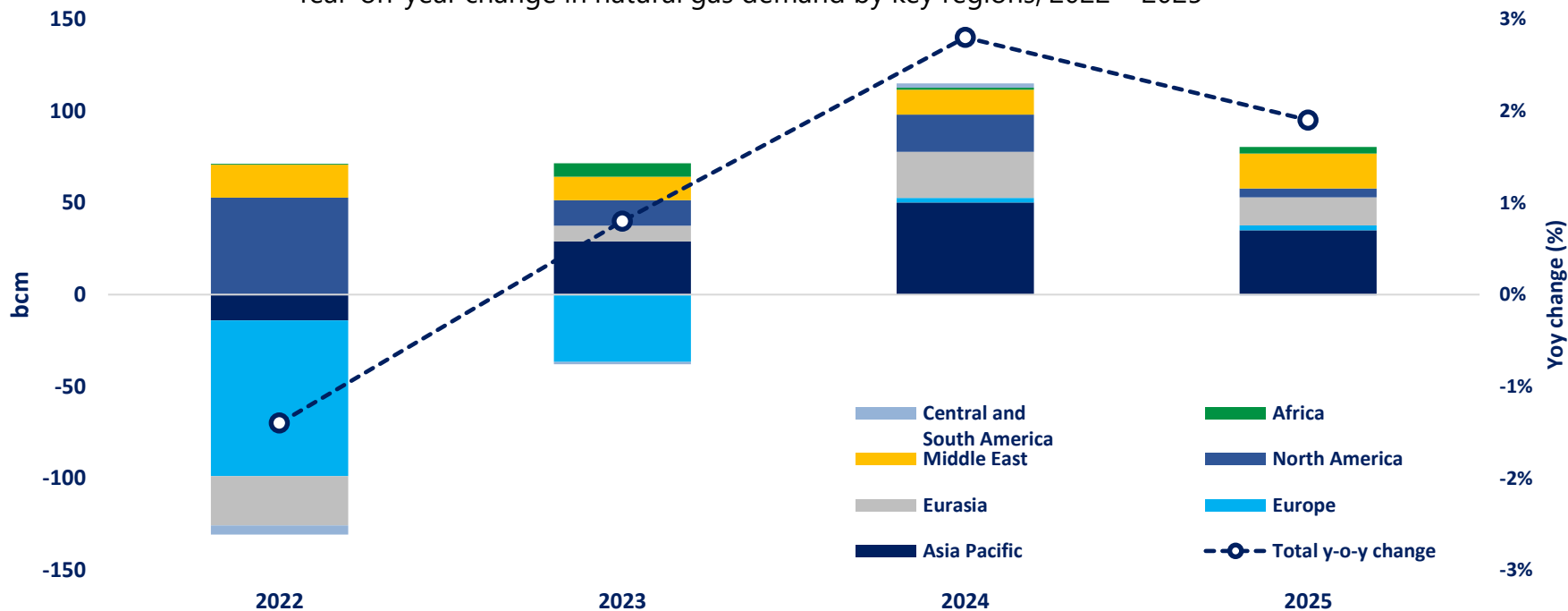
Tight supply fundamentals are set to linger into 2025...



LNG supply growth is expected to accelerate in 2025, largely supported by North America. Lower Russian piped gas flows to Europe and higher storage injections are set to keep the market tight in 2025.

Global gas demand growth is set to moderate to below 2% in 2025

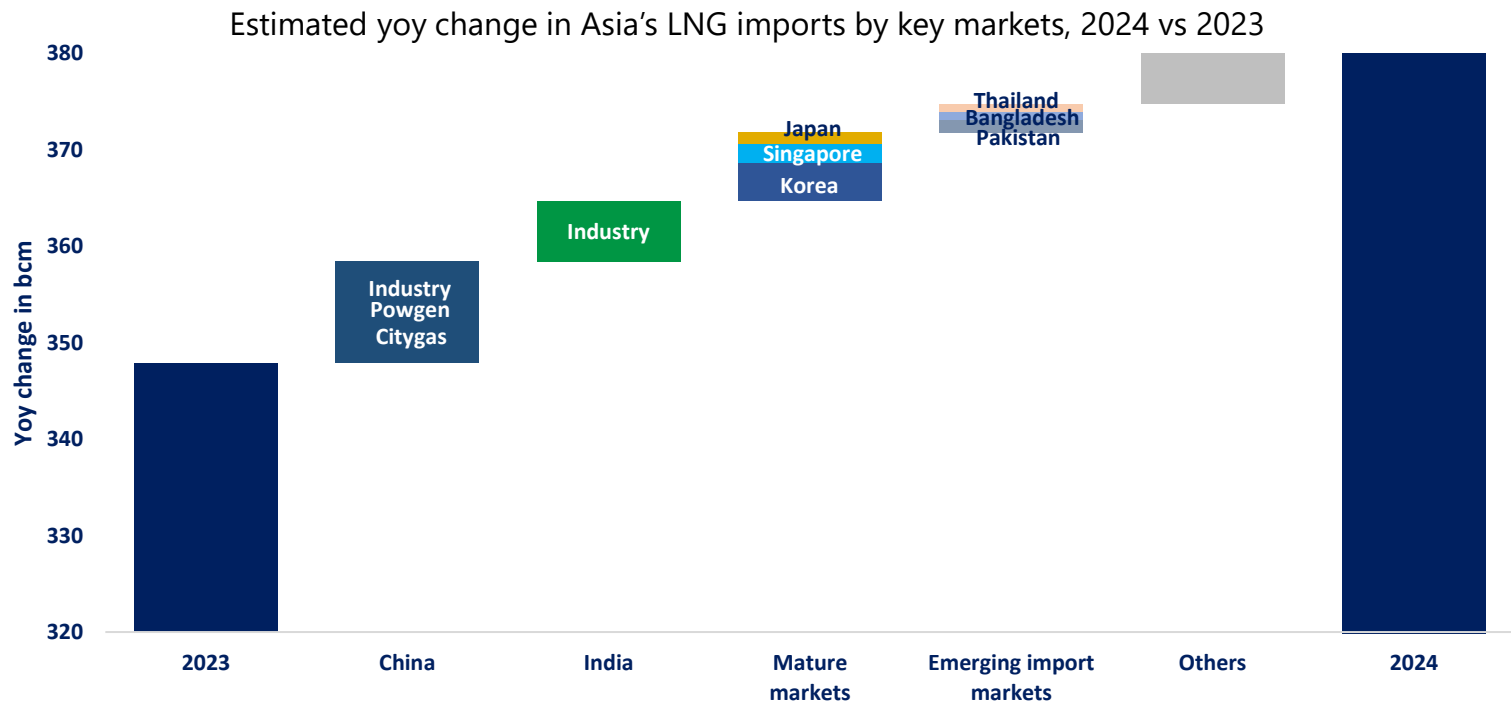
Year-on-year change in natural gas demand by key regions, 2022 – 2025



Global gas demand growth is forecast to slow down to below 2% in 2025 amid tighter market fundamentals. Growth is set to be largely driven by Asia and the gas-rich markets of the Middle East.

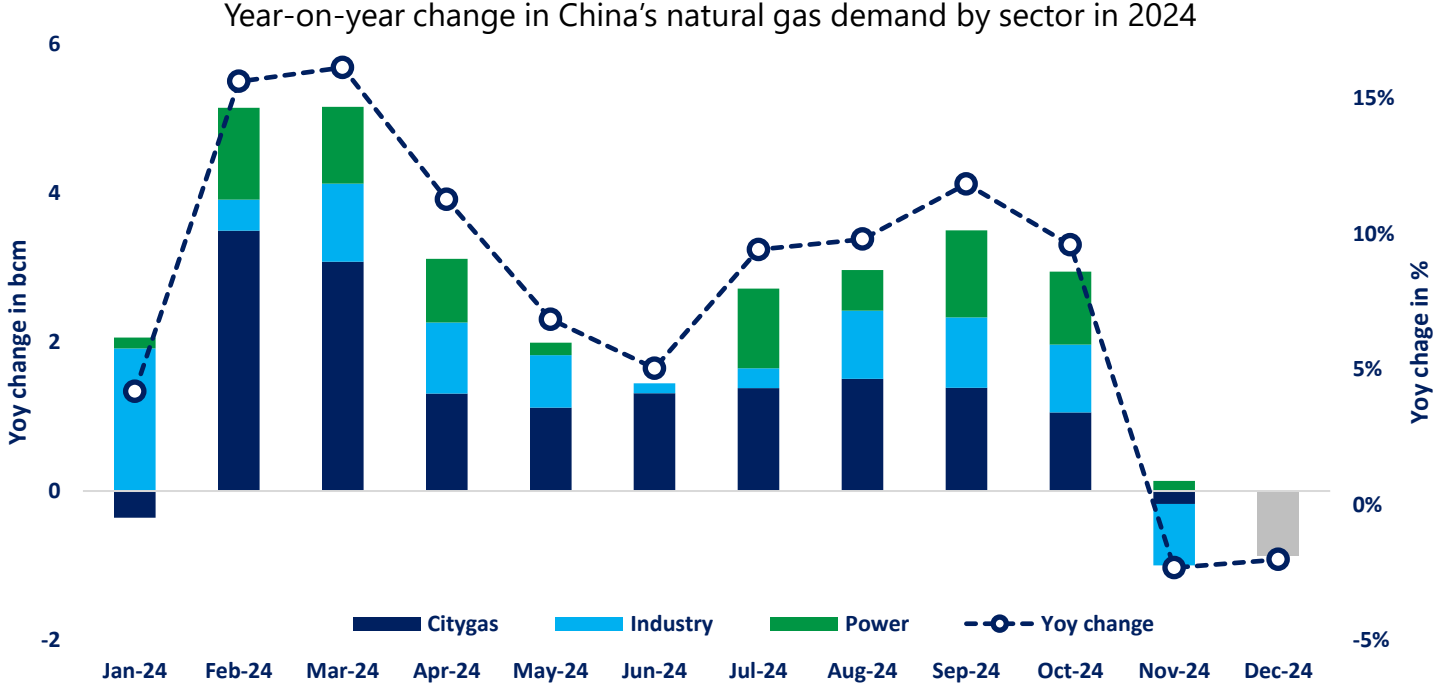
Focus on Asia

Asia's LNG imports rose by near 10% to a new all-time high in 2024



Strong demand growth combined with declining production in several markets boosted Asia's LNG imports by almost 10% in 2024 to an all-time high of 380 bcm, driving LNG flows away from Europe.

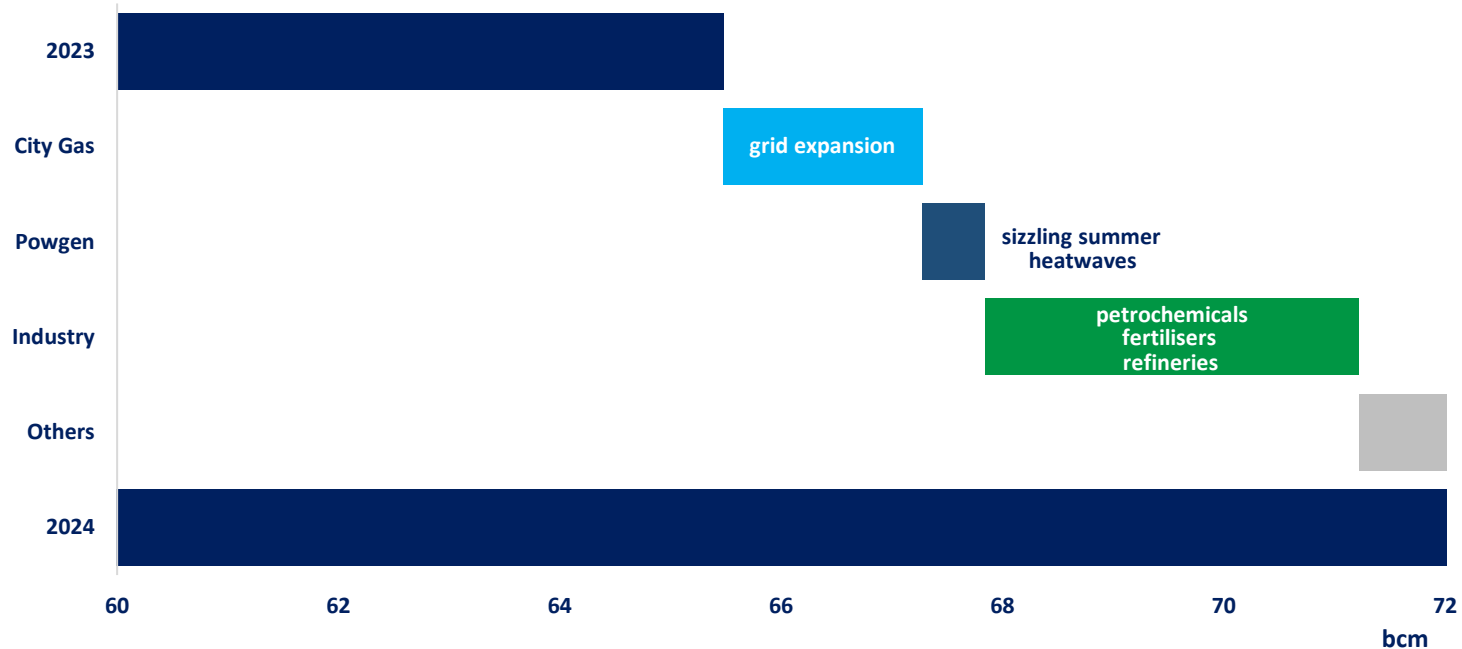
From Dragon to Snake: is China's gas demand slowing down?



China's natural gas consumption grew by 8% in 2024, with the country accounting for ~25% of incremental gas demand. Demand growth is expected to slow down to below 7% in 2025.

India: Asia's rising natural gas superstar

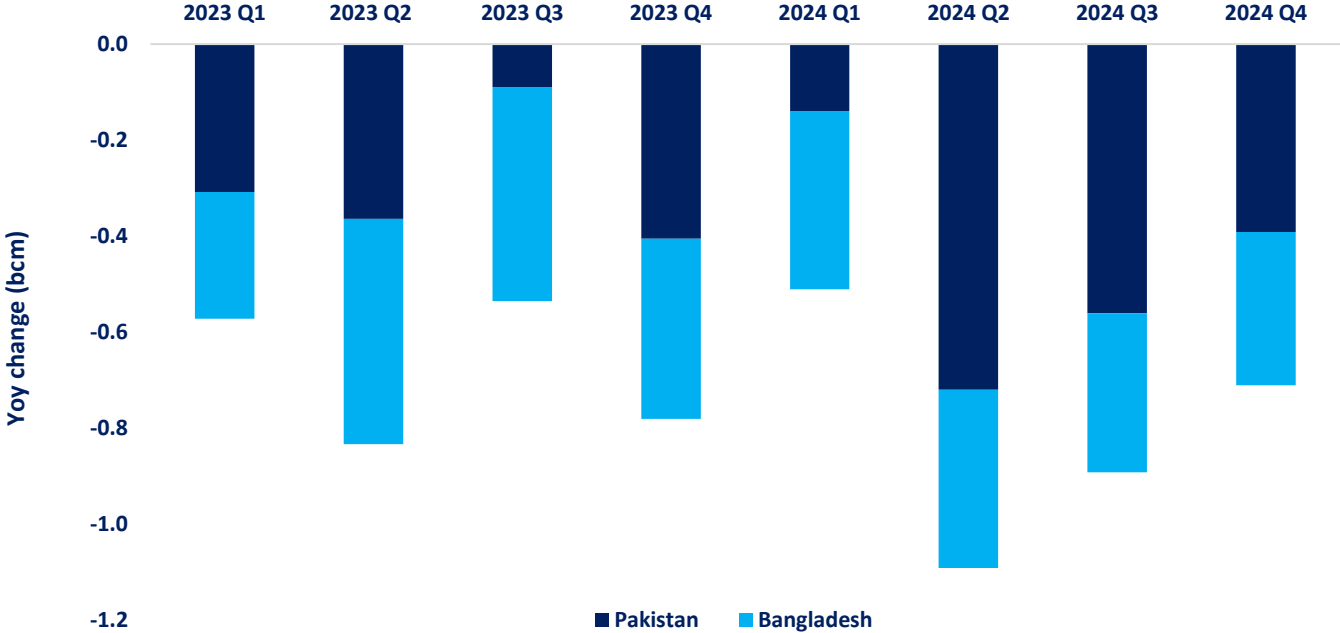
Estimated yoy change in India's natural gas demand by sector, 2024 vs 2023



India's natural gas consumption surged by more than 10% in 2024, supported by a healthy macroeconomic environment, continued expansion of the gas network and higher cooling demand during the summer.

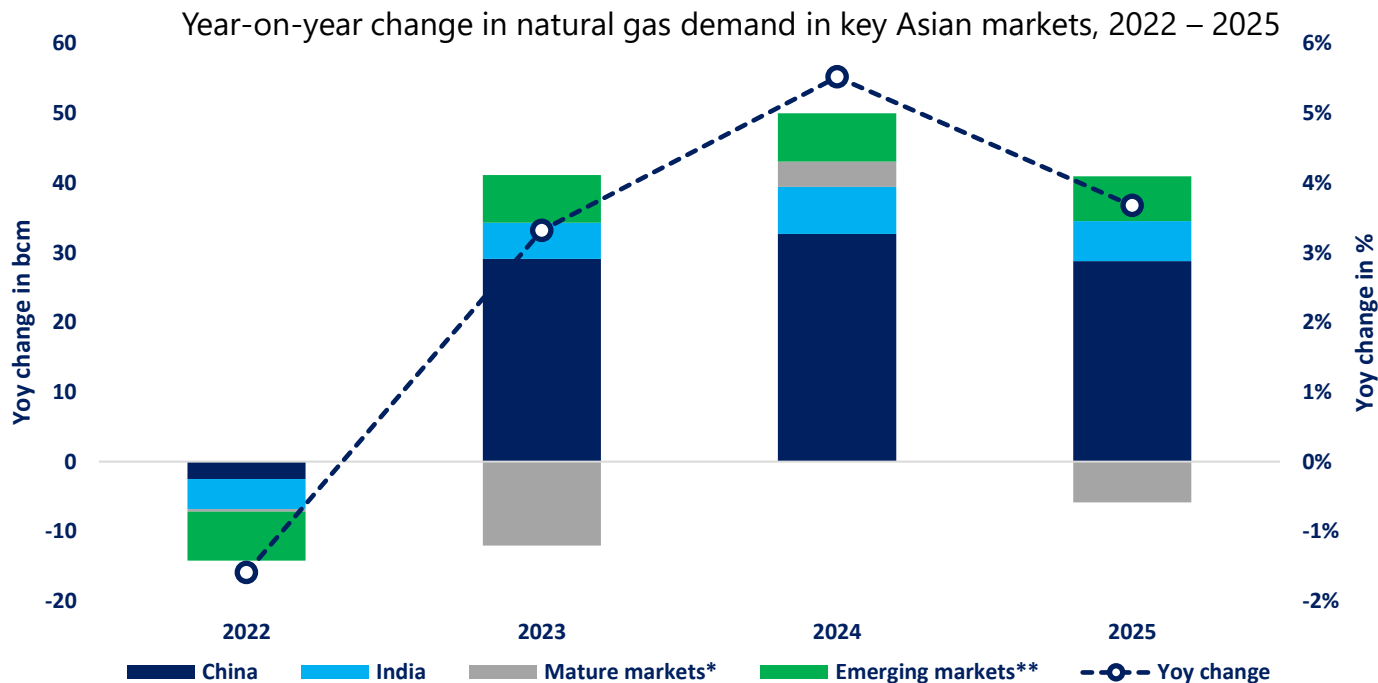
Gas production in Bangladesh & Pakistan continued to decline

Estimated yoy change in natural gas production in Bangladesh and Pakistan, 2022 – 2024



Estimated natural gas demand in Bangladesh and Pakistan fell by 1% in 2024. The strong increase in LNG imports (up by 13%) was not sufficient to offset the decline in domestic production.

Asia's gas demand growth is set to slow down in 2025



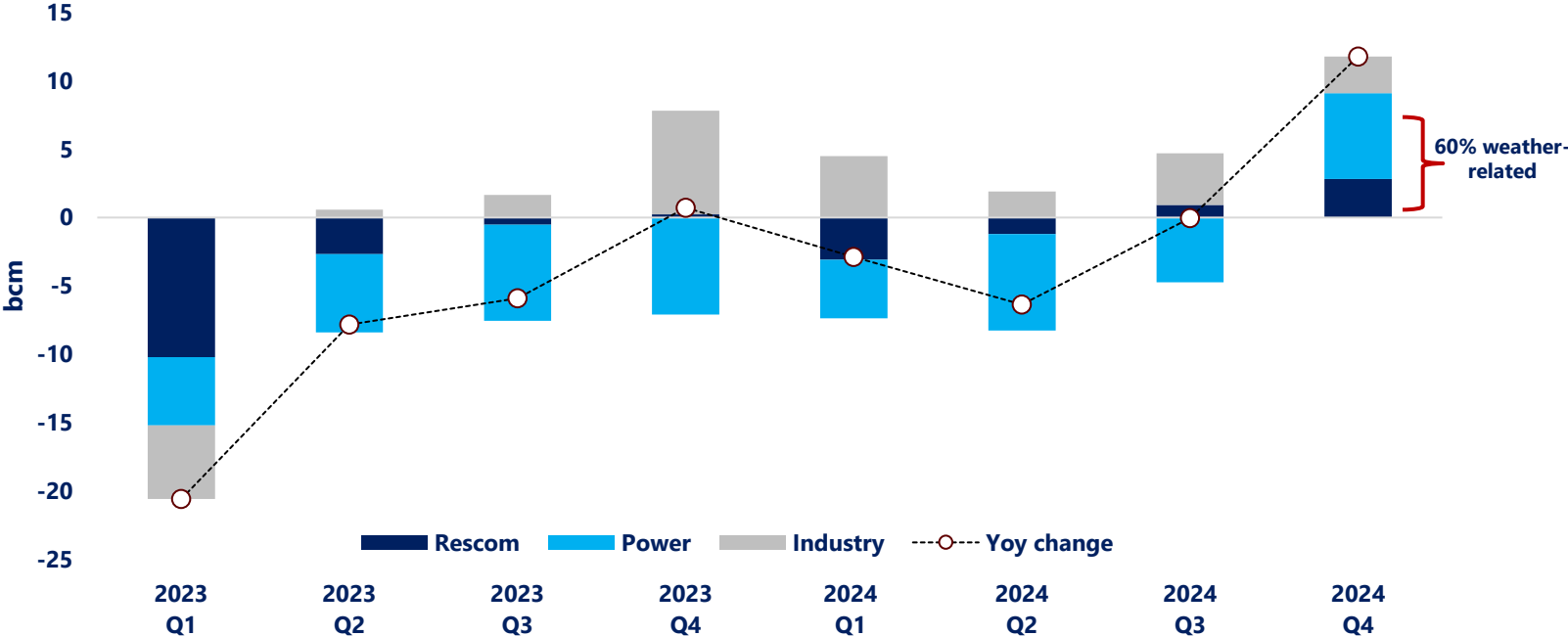
Following a strong increase in 2024, Asia's natural gas demand growth is expected to slow down to below 4% amid tighter market conditions and fiercer competition with Europe for flexible LNG.

*Australia, Japan, Korea, New Zealand, Singapore. **Bangladesh, Brunei, Pakistan, Indonesia, Malaysia, Myanmar, Pakistan, Philippines, Thailand and Vietnam.

Focus on Europe

European gas demand increased marginally in 2024

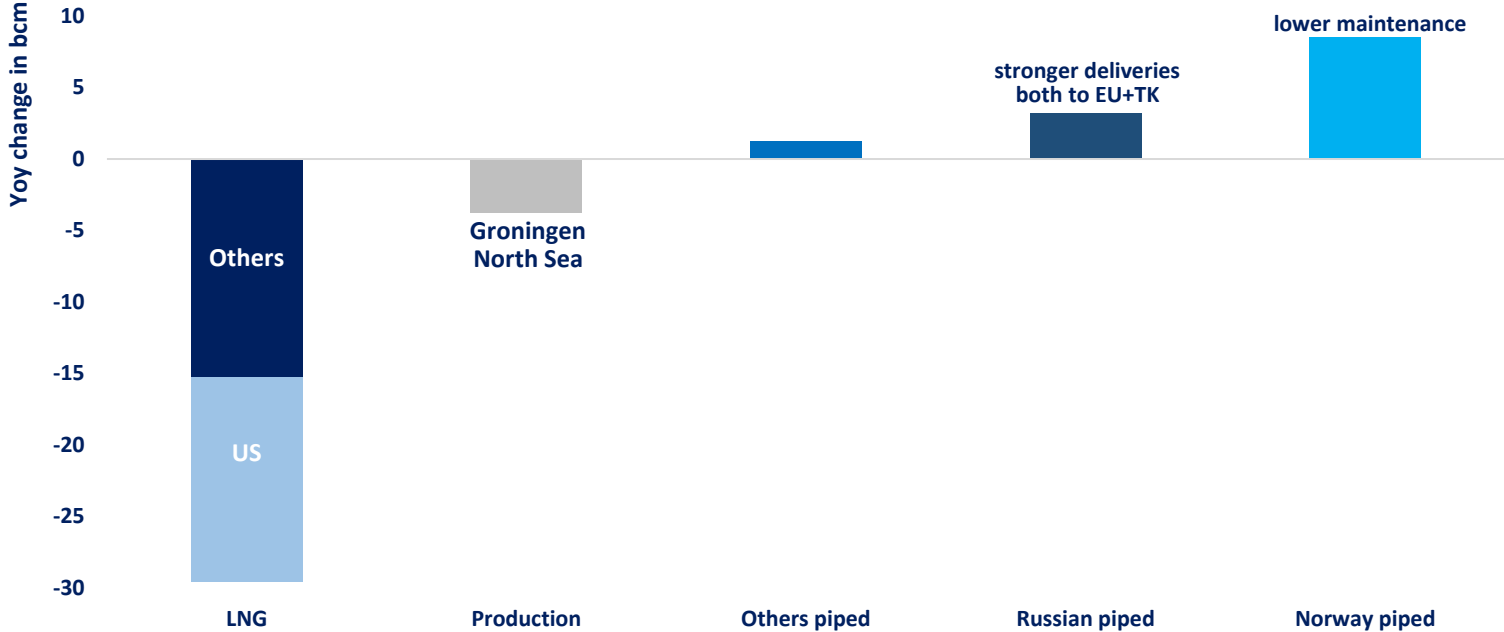
Estimated yoy change in OECD Europe's gas demand by sector, 2022 – 2024



European gas demand increased marginally in 2024. While gas burn in the power sector continued to decline, this has been offset by stronger gas use in industry and rescom.

Europe's LNG imports plummeted by 18% in 2024

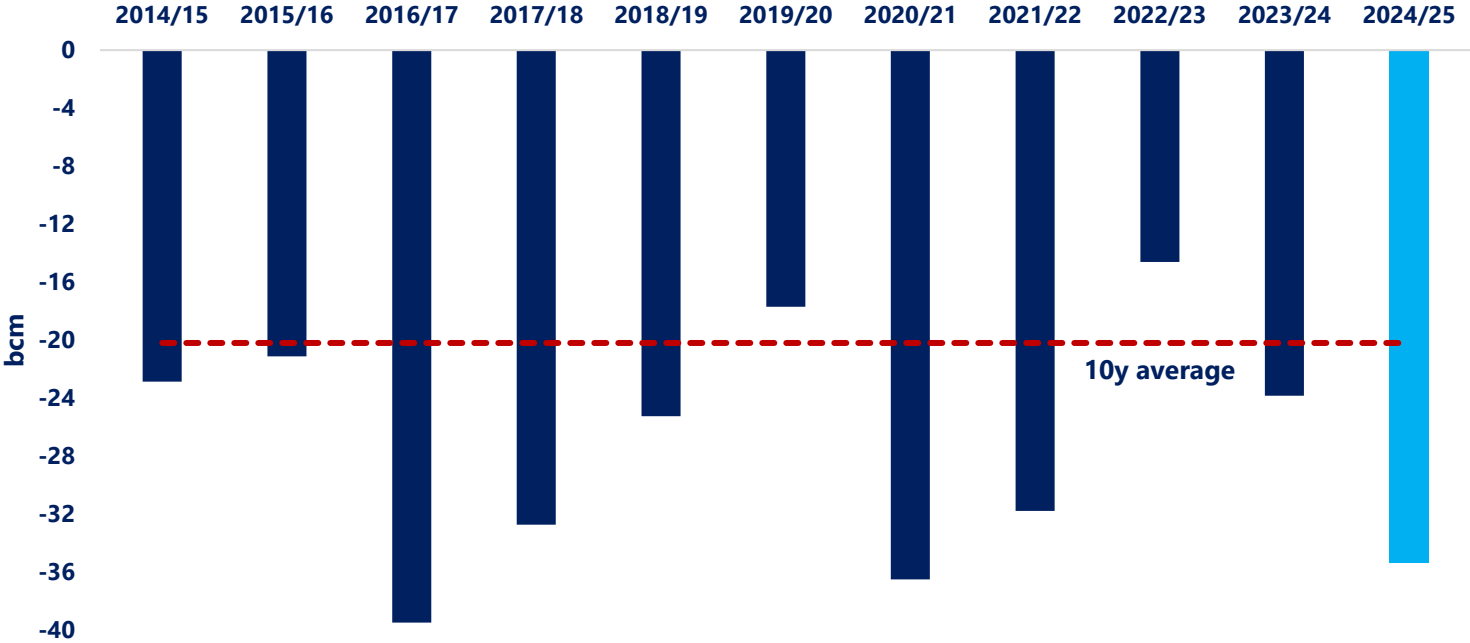
Y-o-y change in OECD Europe's primary natural gas supply, 2024 vs 2023



Europe's LNG inflows fell by 18% in 2024, amidst lower gas demand, high storage levels and stronger piped gas deliveries from Norway and Russia.

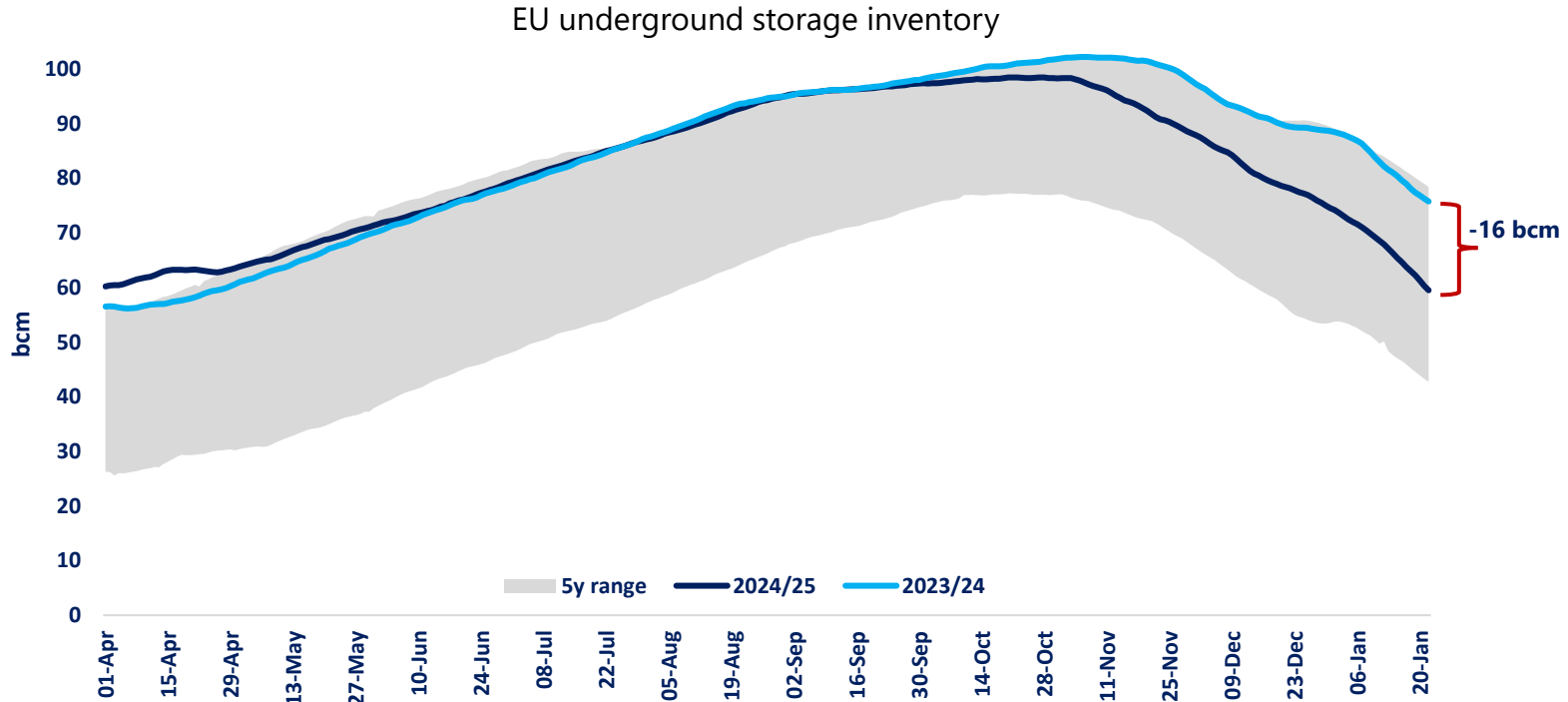
EU storage draws surged to their third highest in a decade...

EU storage withdrawals, 1 November – 18 January, 2014/15-2024/25



Gas storage draws in the European Union surged since the start of the heating season. Low wind speeds and colder weather supporter stronger demand, while LNG imports continued to decline in Q4 2024.

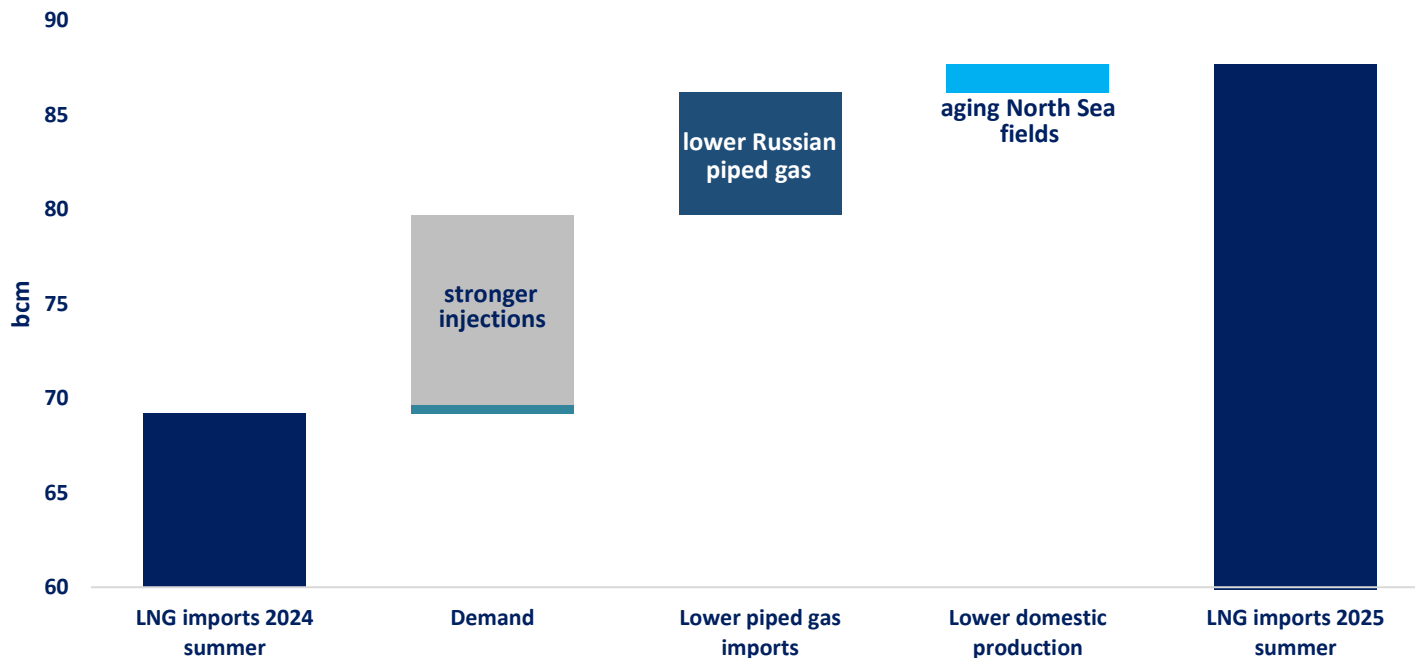
...with storage fill levels falling to below 60% of working capacity



As a result of strong withdrawals, European inventories fell from 95% at the start of November to below 60% fill levels –standing 7 bcm below their five-year average, and 16 bcm below their last year’s levels.

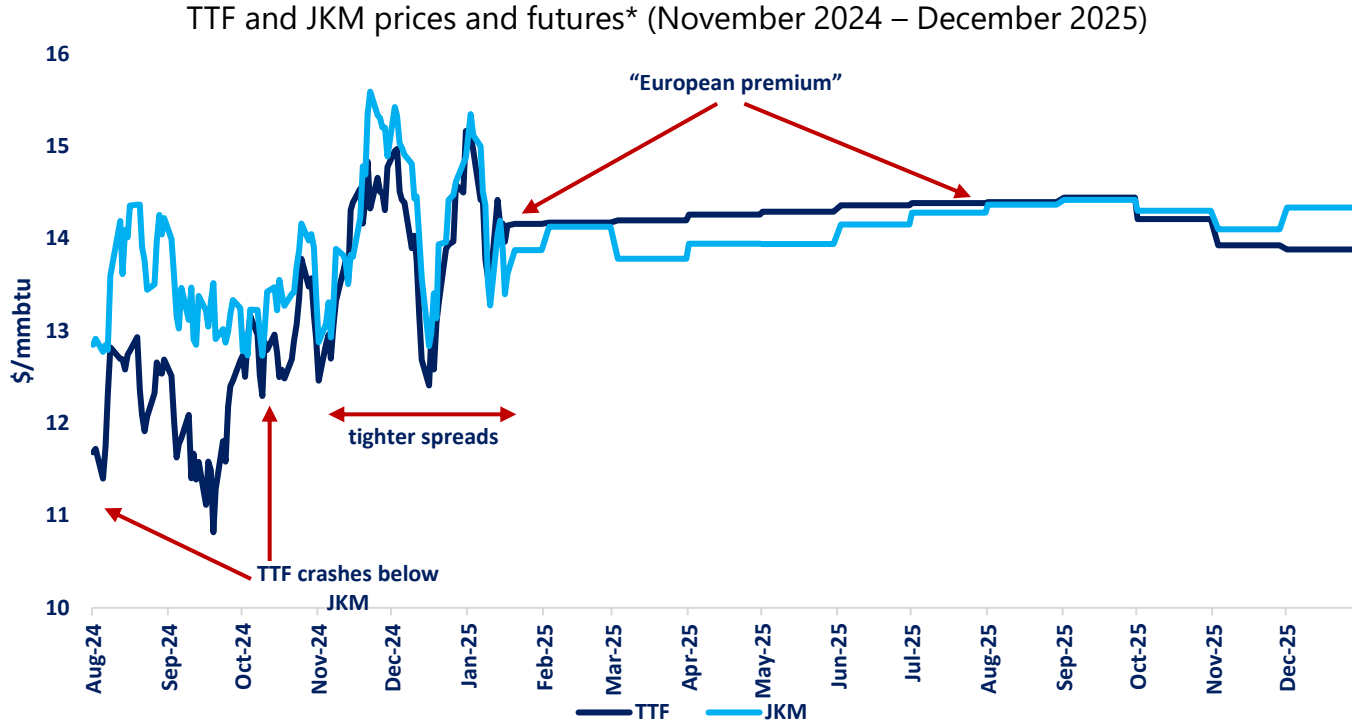
Thirsty for gas: European LNG imports are set to surge in 2025...

Forecasted y-o-y change in Europe's natural gas balance through April – October 2025



Europe's LNG imports are expected to increase by more than 25% yoy through the summer of 2025, driven by higher storage injections, lower piped gas imports and the decline in domestic gas production.

...and potentially keeping TTF above Asian spot prices



Europe's stronger LNG import requirements and a more intense competition with Asia for flexible LNG supply could keep TTF above JKM prices through the summer of 2025.

*based on forward curves as of mid-January 2025.

Key takeaways

- **Global gas demand returned to structural growth** in 2024, with first data suggesting an increase of 2.8% through the year, primarily supported by **the fast-growing Asian markets** and industry.
- Despite stronger LNG supply, **natural gas markets are set to tighten in 2025** amid lower Russian piped gas flows to Europe and higher storage injection requirements.
- **Extreme weather events** highlights the **crucial role of gas flexibility**, including in renewables-rich markets, where gas-fired power plants are backing-up variable renewables.
- **Global gas demand growth** is forecast to **slow down to below 2%** in 2025 amid tighter market fundamentals. **Asia remains the key driver** although its demand growth is set to slow below 4%.
- In **Europe, strong storage draws** drove down inventories to below 60% of working capacity, which would naturally support **higher injections and LNG imports** through the summer of 2025.
- **European premium:** Europe's **stronger LNG import requirements** and a more intense competition with Asia for flexible LNG supply **could support TTF above JKM prices** through the summer of 2025.

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