



Leadership Roundtables

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SINGAPORE EXPO | SINGAPORE | 5-8 SEPTEMBER 2023

Knowledge Partner



Will LNG trading redefine the global gas market landscape?

Gastech 2023 Leadership Roundtables – Key Outcomes

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The Gastech Leadership Roundtables

The Leadership Roundtables formed an integral part of the Gastech 2023 strategic leadership agenda, with nine closed-door roundtables taking place within the exclusive Gastech Energy Club.

Gastech's invitation-only Leadership Roundtables brought together the energy sector's most distinguished industry leaders, strategists, and policymakers. It facilitated important discussions about the future of energy production, LNG supply and demand, financing the energy transition and more, whilst providing excellent networking opportunities which empowered attendees to build new high-level industry connections.

No comments are attributable to any one participant.

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Gastech was pleased to host Wood Mackenzie as the Leadership Roundtables Knowledge Partner for 2023.





Will LNG trading redefine the global gas market landscape?

7 September 2023

Executive Boardroom, Gastech Energy Club

LNG is evolving into a globally traded and more liquid commodity, bolstered by continued growth in flexible LNG supply and adaptation to diverse demand requirements.

The dramatic events of the past three years have highlighted the defining role that trading can play in moving LNG where needed, helping to balance the market. But while this has created opportunities for many, it has also brought challenges around managing risk as volatility has increased.

Europe emerged as the biggest LNG market for spot trade as replaced Russian gas imports. As prices have eased, Asian buyers are back in the spot market, emphasising the region's role as a traded LNG market and the importance of hub prices. It is apparent that successful trading strategies require access to supply and infrastructure globally, as players look to take advantage of price movements across markets and basins.

Some major LNG players have stepped up their in-house trading capabilities while trading houses are also becoming key market players. But it remains to be seen whether more companies will follow. Ultimately, the number of players that embrace LNG trading will be a defining element of the ever-evolving LNG business.

Roundtable participants:

Chairman:



Frank Harris
Head of Global LNG Consulting
Wood Mackenzie

Moderators:



Massimo Di Odoardo
Vice President of
Gas & LNG Research
Wood Mackenzie



Giles Farrer
Head of Gas & LNG Asset
Research
Wood Mackenzie

Participants:



Ralf Dickgreber
Chief Executive Officer – LNG
ENGIE Global Energy Management
& Sales



He Yiyong
Founder & CEO
LNG Easy Pte



George Nemeth
Chief Commercial Officer
Commonwealth LNG



William Lim
Head of LNG Trading
& Operations
Pavilion Energy



Iain Scott
Vice President – Global LNG
Trading
Woodside Energy



Vikram Mansukhani
Head of Business Development
and Derivatives Trading
Osaka Gas



Javier Moret
Head of Global LNG
RWE Supply & Trading



Joe Raia
Chief Commercial Officer
Abx Exchange



Antoine Monod
Head of Asian LNG Trading
JERA Global Markets



Sophie Ducoloner
Managing Director
Axpo Singapore Pte Ltd



Steve Brann
Head of LNG Origination
Vitol



Jean-Christian Heintz
Founder
Wideangle LNG



Oliver Simpson
Vice President - Commercial
Excelerate Energy



Will LNG trading redefine the global gas market landscape?

At this roundtable, industry leaders came together to discuss various aspects of LNG trading. It was recognised by participants as an increasingly integral part of broader business activities, bridging the gap between gas and other energy sources. Participants discussed the opportunity for continued market growth development, and highlighted the role of traders as crucial for maximising the value of physical gas assets.



Key outcomes from participants

1. The role of trading

The participants agreed that LNG trading is no longer a standalone activity but an integral part of broader energy business operations. Each highlighted the diverse motivations behind LNG trading, including portfolio optimisation, demand and supply management, diversification across different markets, flexibility, and ensuring security of supply. Trading has become crucial for maximising the value of physical gas assets.

2. New market entrants

New entrants, especially in Asia, are expected to increasingly rely on trading to manage their gas and LNG positions. The importance of financial players providing liquidity for hedging and risk management was emphasised, although recent events in Ukraine have impacted market liquidity.

3. Potential market development

Most participants expressed satisfaction with the existing infrastructure and mechanisms supporting LNG trading. However, there is still room for improvements, such as increasing financial liquidity, infrastructure debottlenecking, and promoting retail markets for LNG. The standardisation of trading and contract practices was discussed, but it was acknowledged that LNG is inherently complex and trust-based. Participants appreciated the intricacies of the LNG market, but recognised the challenges in achieving standardisation.

4. What makes a successful LNG trader?

Access to flexible FOB LNG, shipping capacity, and import/re-gas infrastructure is essential for LNG trading. Financial liquidity and a commitment to sustainability were identified as critical factors. Access to knowledgeable individuals was also highlighted, but it was noted that this could become more challenging with evolving attitudes toward fossil fuels and the energy transition.



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5. Dominating forces

The group agreed that successful LNG trading requires long-term commitment, a global focus, access to substantial financial resources, and trustworthy counterparts. Super-majors, large commodity traders, NOCs (especially Chinese ones), and European and Asian utilities were identified as the likely dominant players in LNG trading. Collaboration between European and Asian players, and the active role of Chinese buyers, are expected to counter the risk of market concentration.

Conclusion

The roundtable discussion concluded that the LNG industry is robust, and LNG trading is an integral and effective part of the sector. While minor improvements are needed, the market is well-positioned for continued growth. LNG trading will remain in the hands of large, well-capitalised, and global players, ensuring the market's stability and function. It is expected to become even more important in the LNG market's fabric as it continues to evolve.



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Company Number 2246951 VAT No. GB 494 1614 35
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