

Platts: Prices of Asia LNG for April Delivery Fell 7.9% on Weak Asian Demand

On an annual basis, LNG prices for April Delivery Rose 16.2% from 2012

PR Newswire
SINGAPORE

SINGAPORE, March 22, 2013 /PRNewswire/ -- Prices of liquefied natural gas (LNG) for April delivery to Asia fell 7.9% from March to \$17.636 per million British thermal units (MMBtu), the first drop in the monthly average since October 2012, according to the latest monthly Platts Japan/Korea Marker (JKM) for month-ahead delivery. Price declines were attributed to weak demand as traditional buyers relied on previously-negotiated term contract supplies to meet spring needs, which are seasonally low.

This followed an all-time high of \$19.85/MMBtu in March and the month's average of \$19.139/MMBtu, which was buoyed by South America's competing strong demand. The monthly JKM assessments are prices of LNG for month-ahead delivery to Asia and are an average of the daily JKM price assessments reported by Platts. The monthly average Platts JKM for delivery in April was assessed between February 18 and March 15.

"With buyers in such key markets as Japan and South Korea amply covered by term contract supplies for April, those who have some space for additional cargoes have the flexibility to wait on the chance that prices will come down," said Sarah Cottle, Platts editorial power director, Asia and Europe. "Furthermore, it appears LNG sellers have plenty of ready supply available for April delivery, despite ongoing power outages at both Nigeria LNG and Norway's Hammerfest LNG plants."

On a year-on-year basis, the April Platts JKM was up 16.2% from last April's \$14.775/MMBtu, marking the third consecutive month of year-over-year gains.

Meanwhile, the month-ahead prices of thermal coal and fuel oil, which are substitute fuels burned by Asian utilities, dropped 1.6% and 0.8%, respectively, according to Platts' latest monthly data.

Platts Spot JKM and Substitute Fuel Prices (Monthly Averages)*

	Apr-13	Apr-12	Mar-13	Year-On-Year Change %	Month-On-Month Change %
JKM (\$/MMBtu)	17.636	15.180	19.139	16.2	7.9
Qinhuangdao coal (\$/MMBtu)	4.11	5.09	4.17	-19.4	-1.6
180 CST fuel oil (\$/MMBtu)	16.42	19.26	16.55	-14.7	-0.8

Source: Platts

*Referred to as month-ahead, the figures in the table are monthly averages of daily values assessed by Platts from February 18(th) to March 15(th). Platts JKM rolls on the 16(th) of each calendar month.

For more information on [natural gas](#) or the [methodology used by Platts](#) in its power assessments, visit the Platts website www.platts.com.

Platts' monthly reports on Asia LNG prices and market developments are typically published shortly after the 15(th) of each month.

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