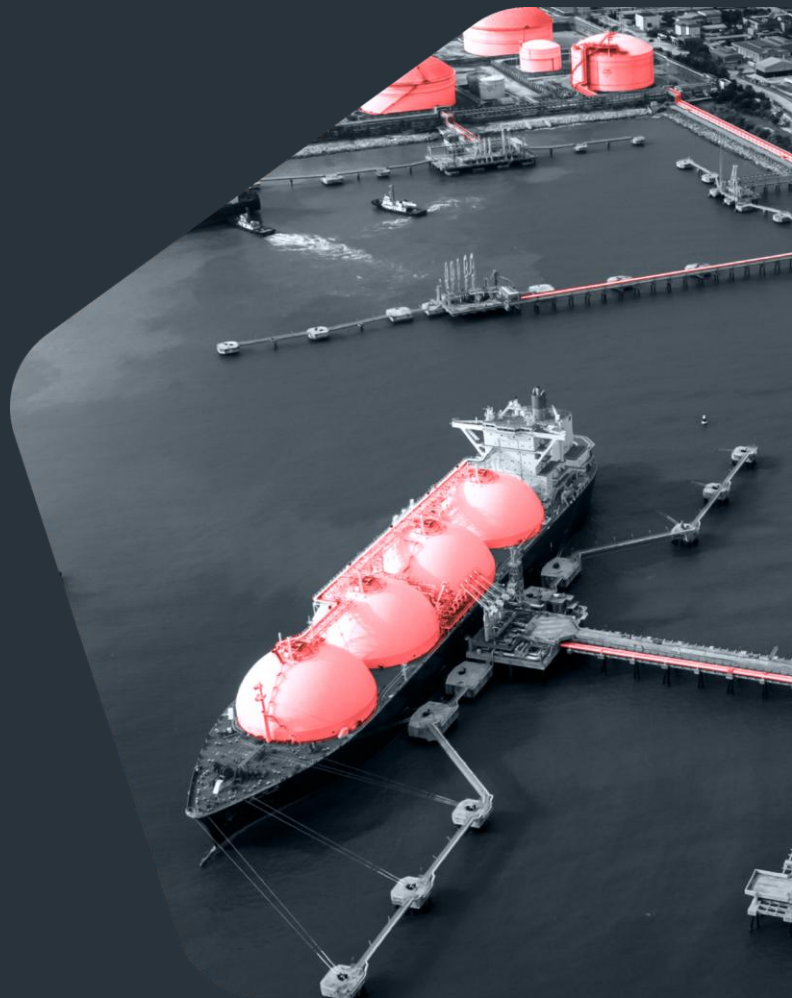




# Asian LNG near-term demand outlook 2025: weather, risk & regional drivers

Kpler Insight webinar

25 July 2025



# Agenda

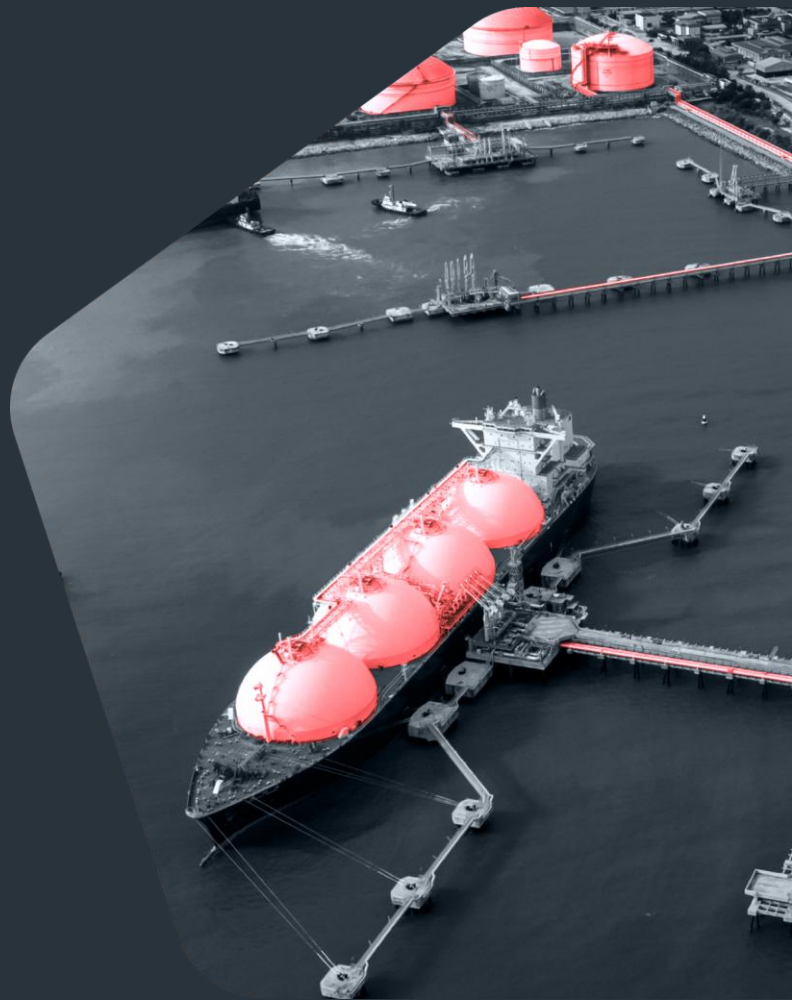
**Webinar will focus on Major Asian LNG importers: China, Japan, Korea, Taiwan, India and Thailand leading up to this winter**

- **H1 2025 LNG imports summary – Major Asian LNG importers**
- **Base case LNG demand outlook: Jul–Oct 2025**
- **High/Low demand scenarios: Jul–Oct 2025**



## H1 2025 LNG imports summary

H1 2025 LNG demand fell by ~10 mt y/y to 117 mt among major Asian countries



# H1 2025 LNG demand fell by ~10 mt y/y to 117 mt among major Asian countries

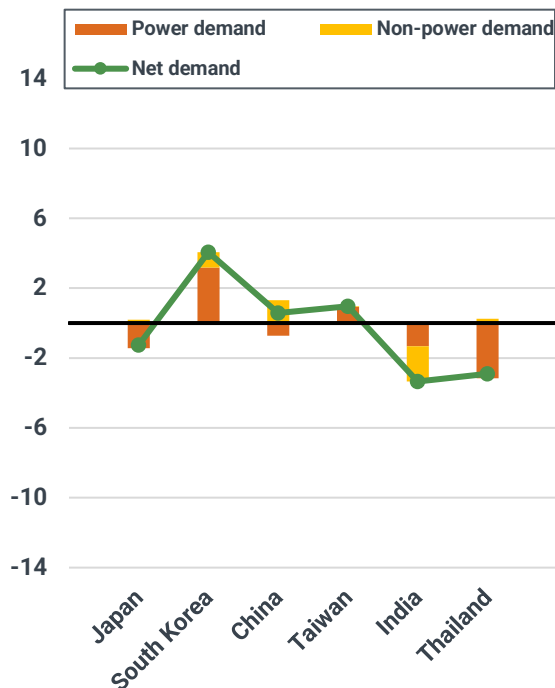
H1 China cuts LNG imports by 9 mt y/y as rising domestic output and stronger pipeline flows reshape the gas supply mix

LNG demand in major countries in Asia (mt)



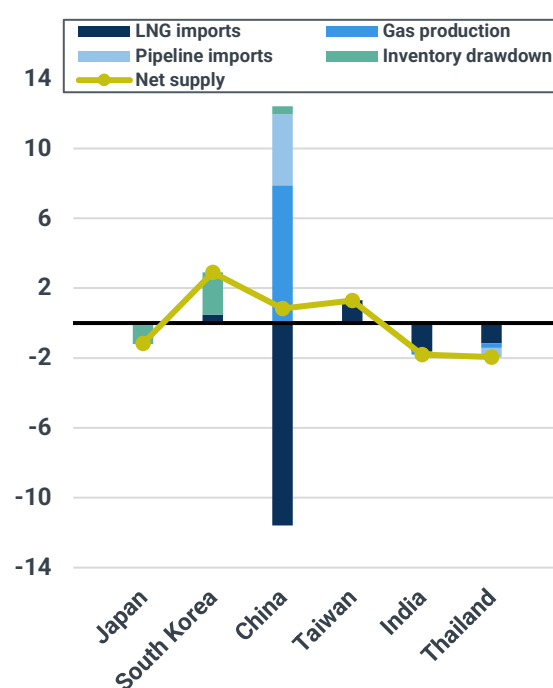
Source: Kpler Insight

H1 2025 gas demand – y/y sectoral changes (bcm)



Source: Kpler Insight

H1 2025 gas supply – y/y change by source type (bcm)

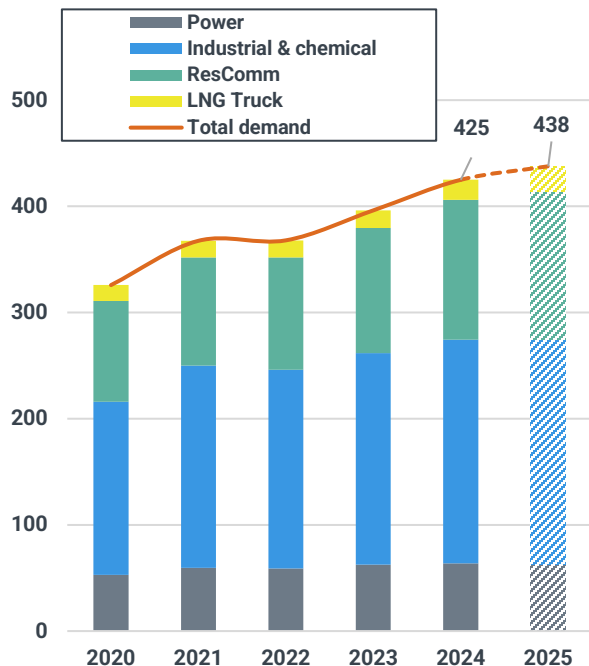


Source: Kpler Insight

# China's LNG imports fell ~9 mt y/y to 40 mt in H1 2025

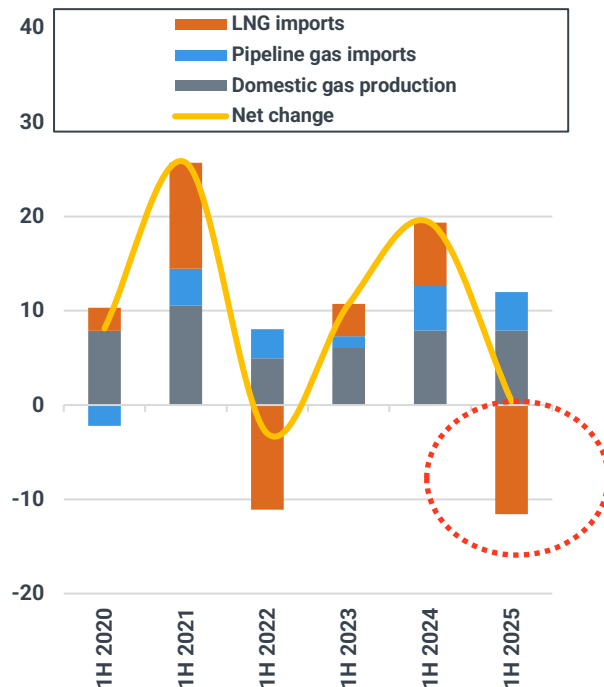
LNG demand slumped amid robust domestic and pipeline gas, tepid demand growth, and elevated LNG inventories

China apparent gas demand by sector – 2025 estimate (bcm)



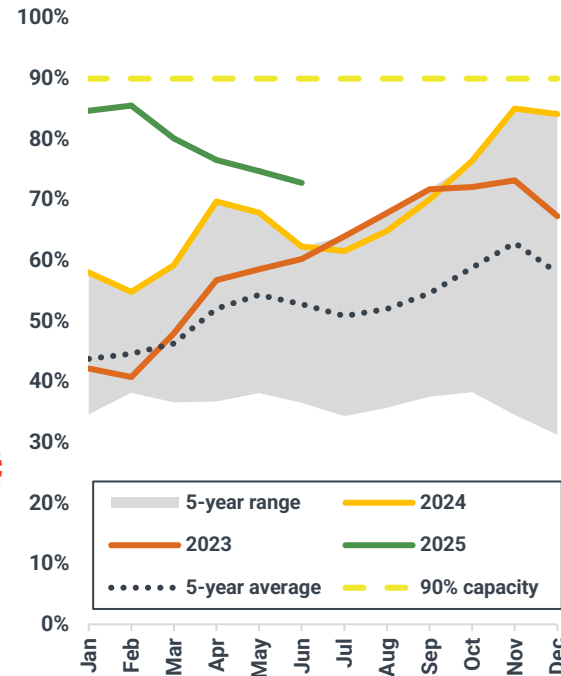
Source: NEA, CEC, NDRC, Kpler Insight

China H1 2025 gas supply – y/y change by source (bcm)



Source: Customs, NBS, Kpler Insight

China implied LNG inventory levels (%)

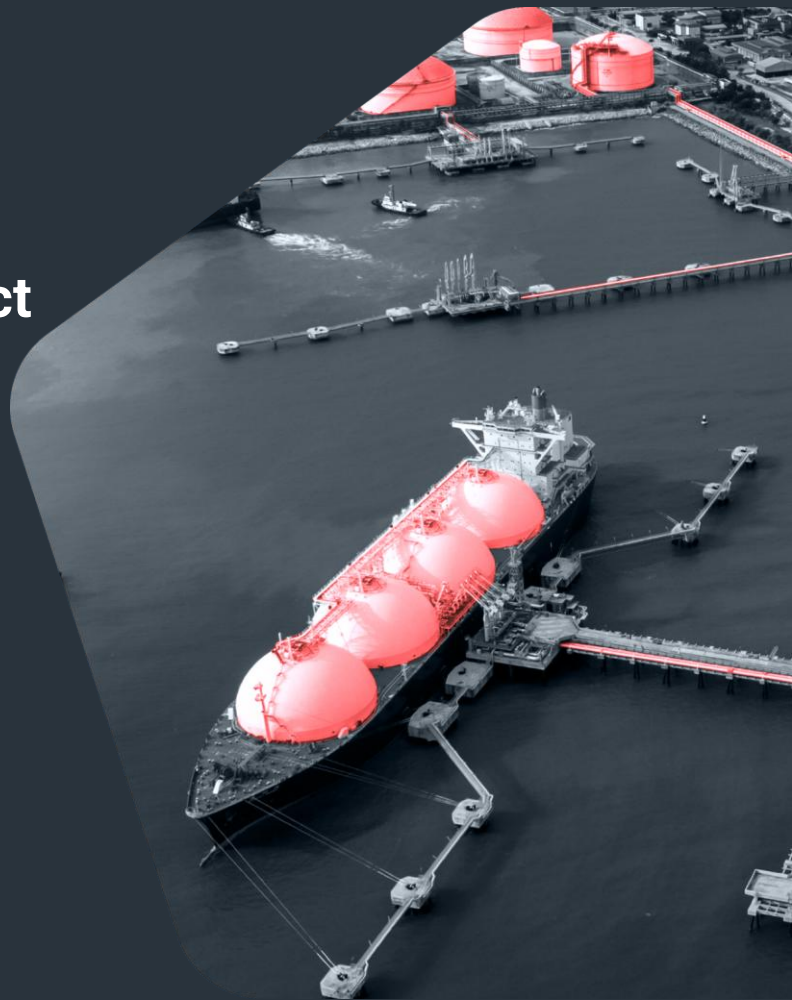


Source: Kpler, Kpler Insight



## Base case LNG demand outlook: Jul–Oct 2025














Jul-Oct 2025 LNG demand falls ~5 mt y/y to 79 mt across Asia



# Base case demand drivers: weather, nuclear, LNG prices, GDP growth

These factors feed into our bottom-up, country-level LNG demand models to project July–October forecast

## Key driver assumptions for Kpler Insight's base case – major Asian markets

Demand driver	Japan	South Korea	China	Taiwan	India	Thailand
Temperature						
Hydropower (load factor)						
Nuclear availability						
Renewables (load factor)						
Asia spot LNG price	Average of \$11.9/MMBtu across July-Oct					
GDP growth	0.7%	1.8%	5.0%	2.7%	6.2%	2.0%



Above historic averages



Historic average

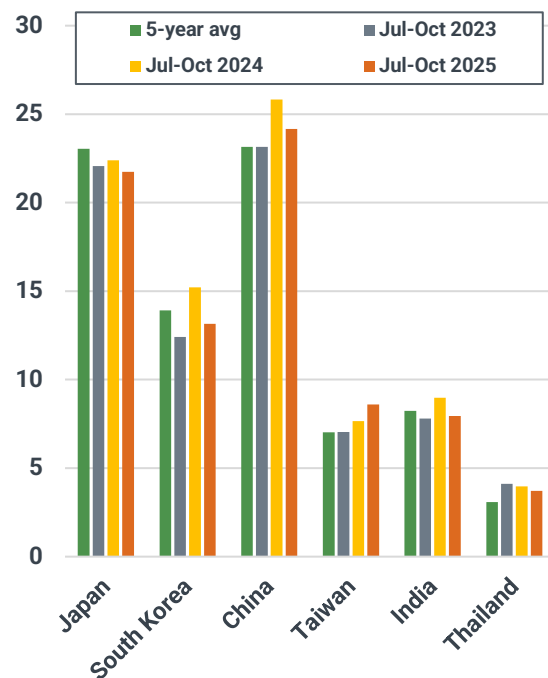


Below historic averages

# Base case: Major Asian countries LNG demand to fall 5 mt y/y to 79 mt in Jul-Oct

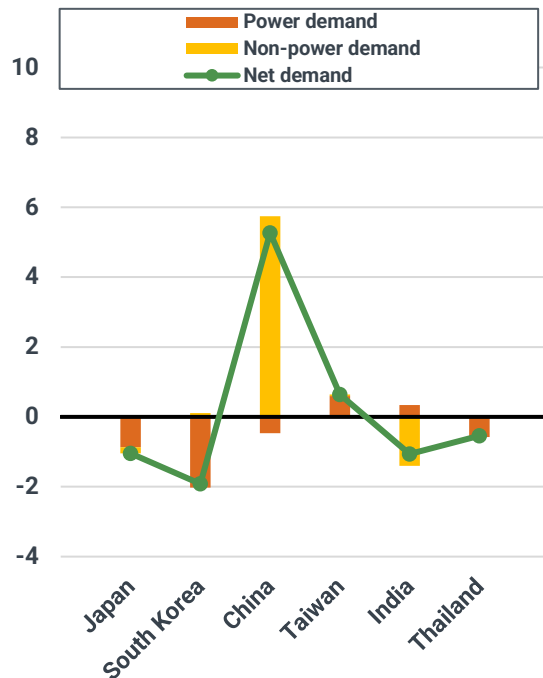
South Korea, China, and India to drive year-on-year LNG demand decline in July–October

Jul–Oct LNG demand forecast by country – base case (mt)



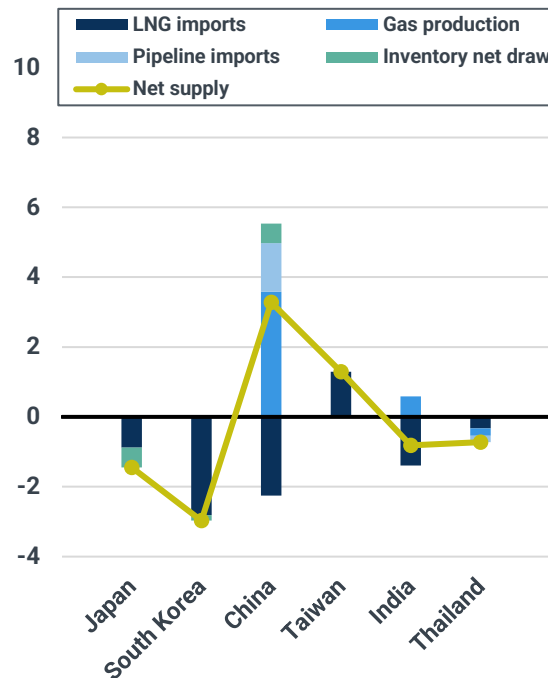
Source: Kpler Insight

Y/y change in Jul–Oct base case gas demand by sector (bcm)



Source: Kpler Insight

Y/y change in Jul–Oct base case gas supply by source type (bcm)



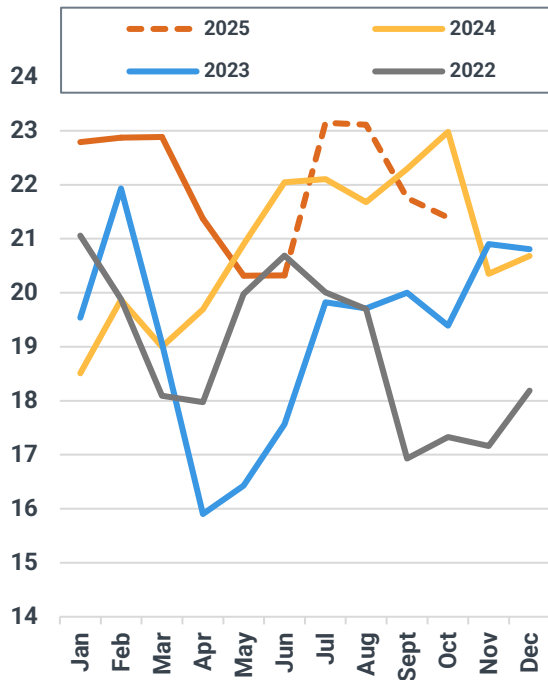
Source: Kpler Insight



# LNG declines to be demand-led in South Korea and India, supply-led in China

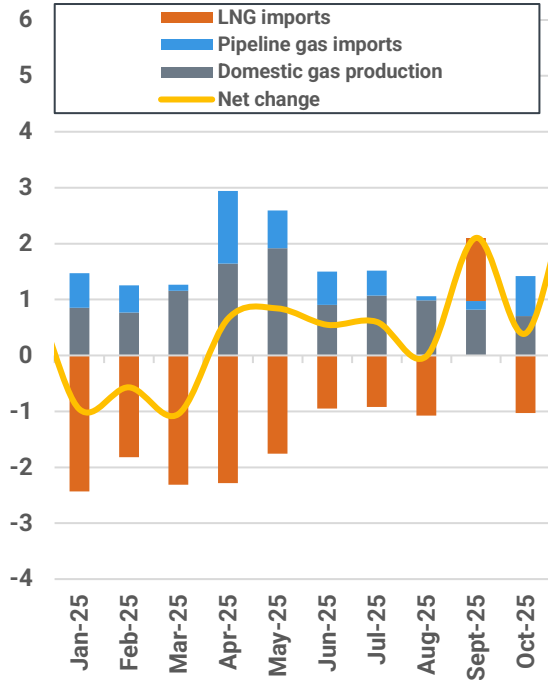
China's total gas demand set to rise, but domestic supply continues to displace prompt LNG

South Korea monthly nuclear availability (GW)



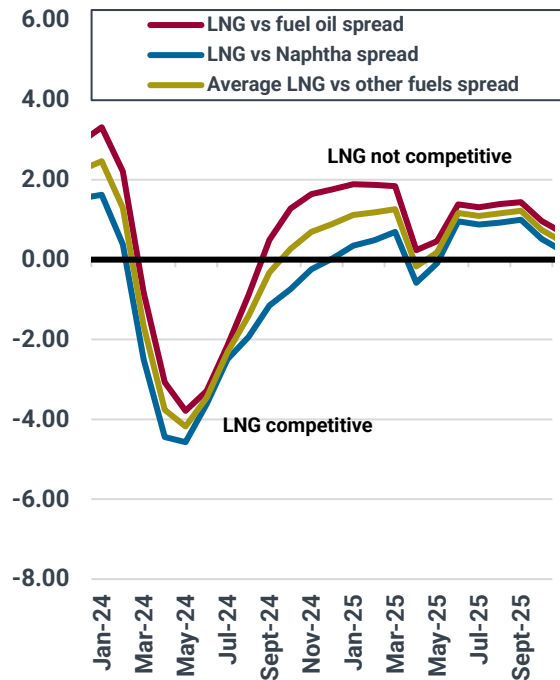
Source: KHNP, Kpler Insight

China monthly y/y change in gas supply (bcm)



Source: NBS, Kpler Insight

Asian LNG Spot vs. alternative fuel prices in India (\$/MMBtu)



Source: Kpler Insight, Argus Note: Naphtha LR1 Mideast Gulf FOB, Fuel oil 3.5%S 180cst cargo Singapore fob, Butane India cfr prompt are the various price curves. Positive spread imply LNG is not competitive, while negative spreads favor LNG usage



## High/Low demand scenarios: Jul–Oct 2025

High demand case adds 4 mt, low case reduces demand by 7 mt during Jul-Oct



# High demand case assumes hotter weather, lower non-gas output, cheaper LNG

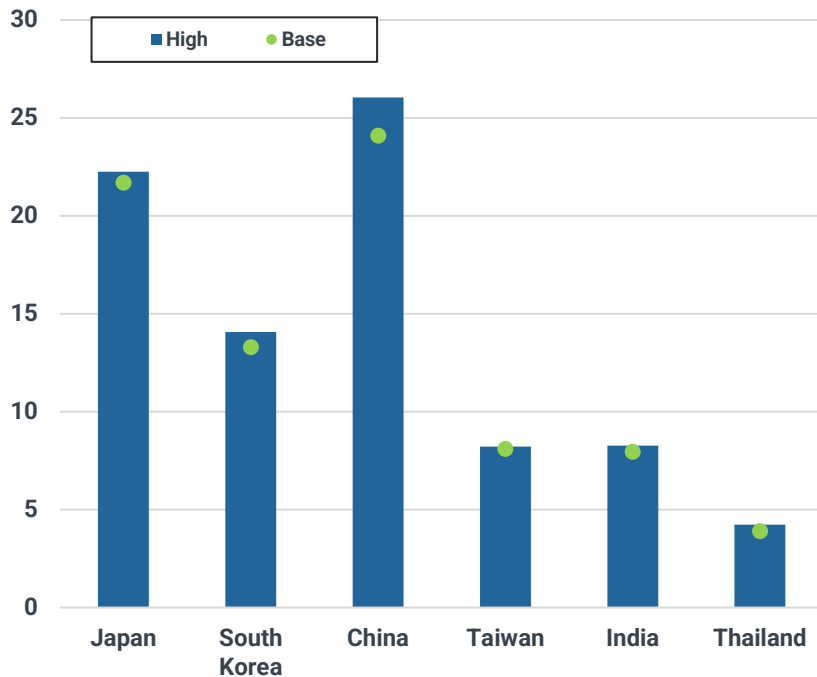
High demand case does not assume stronger GDP growth

Model input/Variables	High case assumptions
Temperature	5-year maximum cooling degree days
Hydropower	5-year minimum hydro load factor
Nuclear availability	Extended outage ~ 1GW
Renewables	5-year minimum solar/wind load factor
Asia spot LNG price	\$2/MMBtu lower than base case
GDP growth	No change from base case

# High case adds 4 mt, lifting Jul–Oct demand to 83 mt for major Asian markets

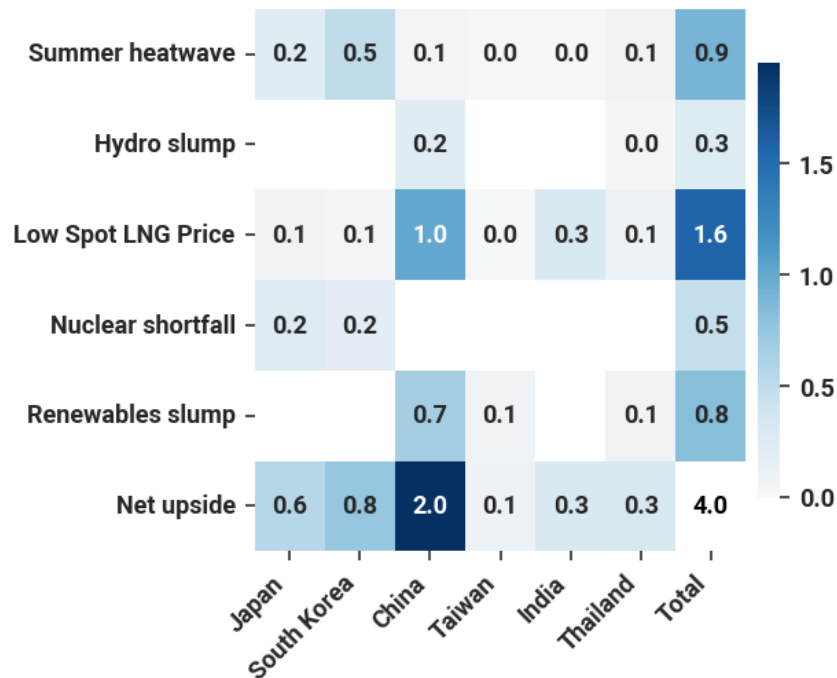
China leads upside (+2 mt) on cheaper LNG, weak renewables; limited weather-driven gains beyond S. Korea

Jul–Oct LNG demand: base vs. high case (mt)



Source: Kpler Insight

High Case: additional LNG demand by country and driver (mt)



Source: Kpler Insight

# Low case: cooler temps, higher hydro, renewables, LNG prices and lower GDP

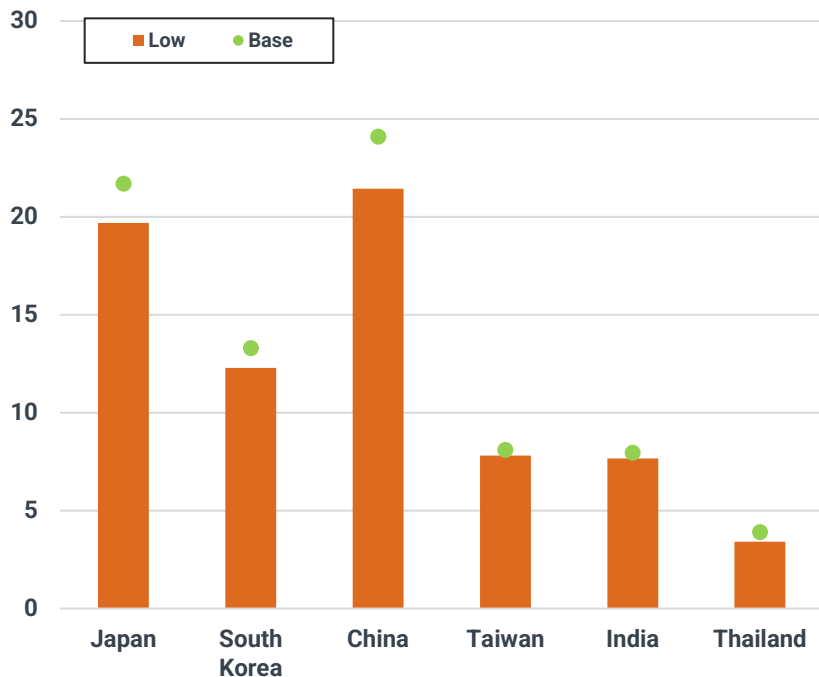
No additional nuclear capacity assumed for Jul-Oct 2025

Model input/Variables	Low case assumptions
Temperature	5-year minimum cooling degree days
Hydropower	5-year maximum hydro load factor
Nuclear availability	No change from base case
Renewables	5-year maximum solar/wind load factor
Asia spot LNG price	\$2/MMBtu higher than base case
GDP growth	Tariff impact: 0.5% reduction in GDP from base case

# Low case trims Jul–Oct LNG demand by 7 mt to 71 mt across key Asian markets

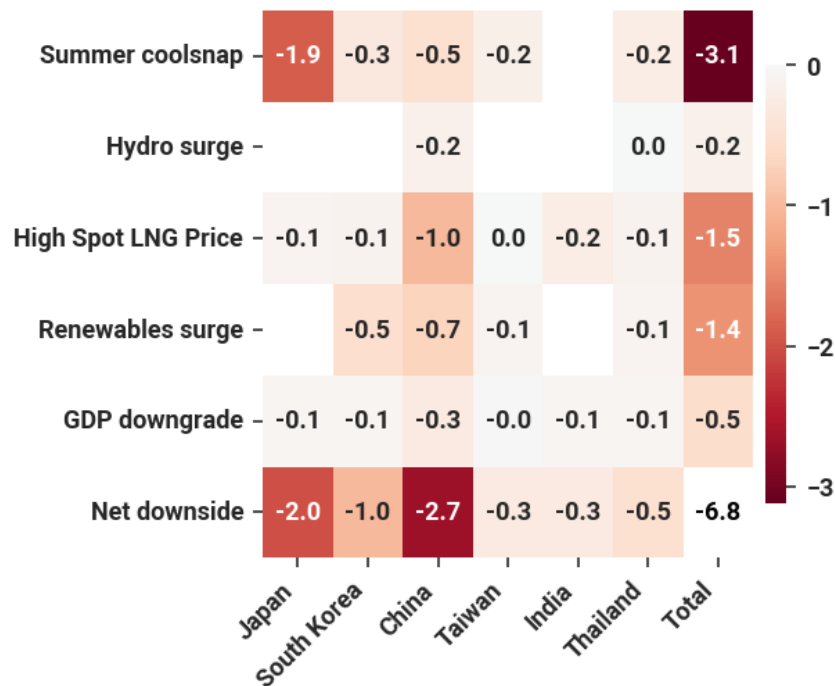
Cooler summer, weaker prices, and stronger renewables trim demand by ~6 mt—mainly in China, Japan and S Korea

Jul–Oct LNG demand: base vs. low case (mt)



Source: Kpler Insight

Low Case: LNG demand reduction by country and driver (mt)

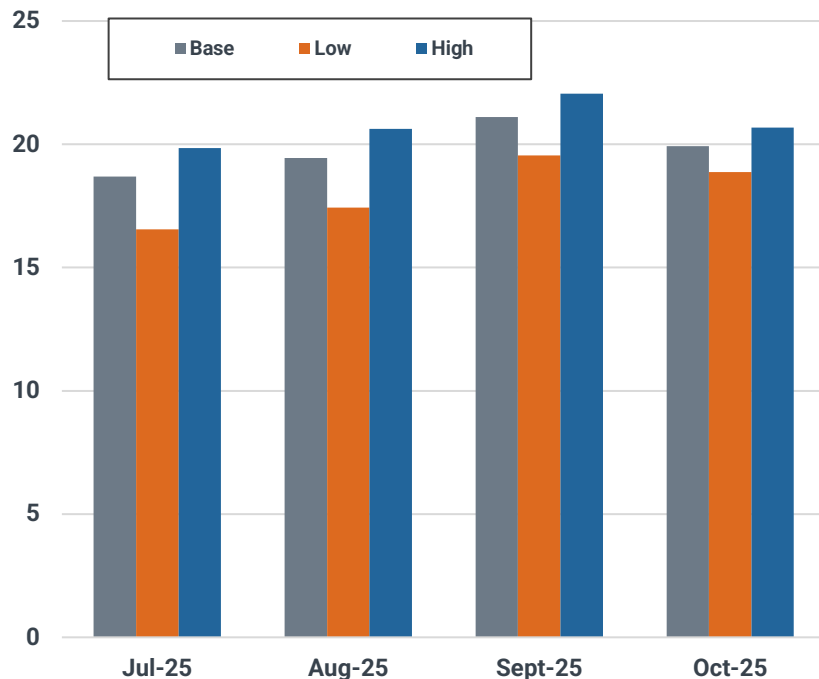


Source: Kpler Insight

# Scenario results: Jul–Oct LNG demand faces greater downside than upside risk

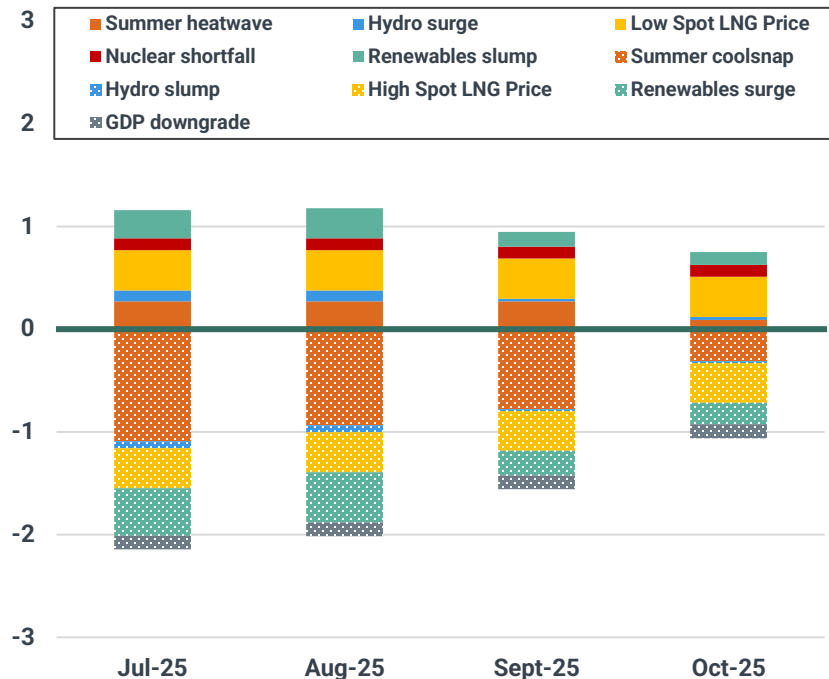
Scenario range narrows by Oct. as temp variation tightens; spot price impact steady throughout

Monthly LNG demand forecast by scenario – major Asian countries (mt)



Source: Kpler Insight

Monthly LNG demand drivers – high vs. low scenarios (mt)

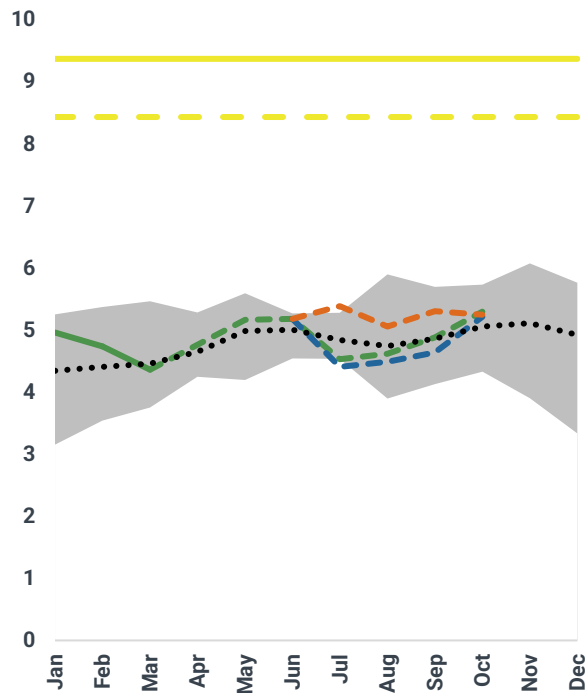


Source: Kpler Insight

# Implied LNG inventories likely to stay healthy even in high-demand case

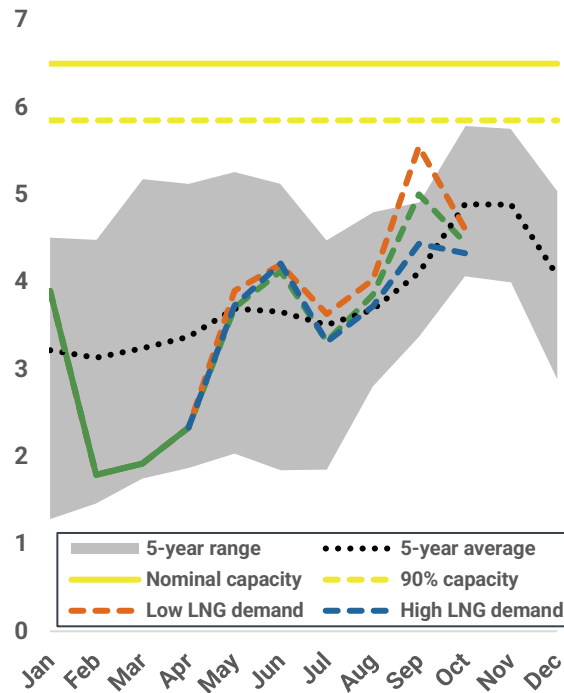
Japan, S. Korea stocks healthy even in high case; China stays well above norms, Asia spot price outlook remains bearish

Japan Implied LNG inventory levels (mt)



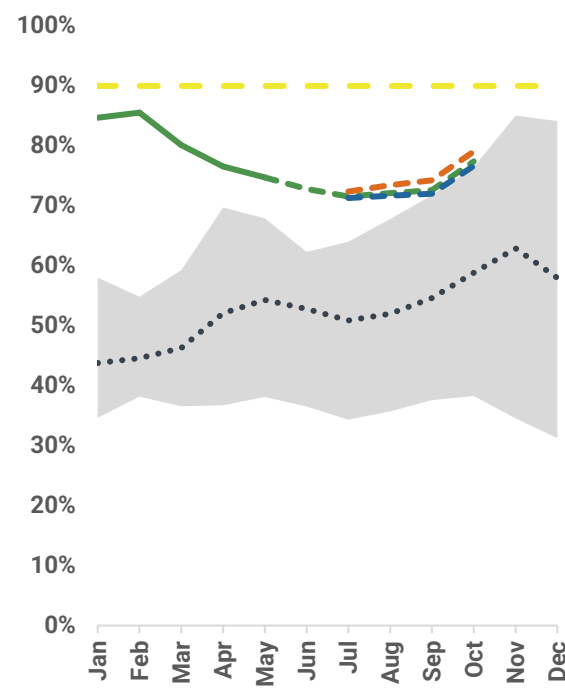
Source: METI, Kpler Insight

S Korea implied LNG inventory levels (mt)



Source: KESIS, Kpler Insight

China implied LNG inventory (%)



Source: Kpler, Kpler Insight



# Main takeaways

## Major Asian countries demand to stay soft through Jul-Oct, downside risks exceed upside risk

- **LNG demand across Asia is forecast to stay weak in July–October 2025**, down ~5 mt y/y, led by declines in South Korea (stronger nuclear output), China (domestic production growth) and India (industrial fuel switching)
- **Weather and spot LNG prices remain key demand swing factors**—while heatwaves and lower prices offer modest upside, cooler weather and elevated prices pose greater downside risk.
- **Net downside (~7 mt) exceeds upside (~4 mt)**, led by sensitivity in Japan and China.
- **LNG stocks remain healthy across key Asian markets**—especially China—even in high-demand cases, curbing prompt spot urgency and reinforcing a structurally bearish market outlook.

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## Thank you!

Q&A

