GIIGNL
International Group Of Liquefied Natural Gas Importers

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Global LNG Market Review Q1 2026

Price Dynamics, Year-on-Year Trade Trends and Supply Outlook

Executive Summary

Prices Movement: TTF rose from around 9–10 $/MMBtu in late December to 14–15 $/MMBtu in January, driven by colder weather and stronger demand, before easing back to 11–12 $/MMBtu in February as conditions normalized. Asian LNG prices followed a similar but more moderate increase, reaching 11–12 $/MMBtu by late January. In early March, the Hormuz crisis triggered a sharp market reaction. Asian prices (EAX) surged abruptly from around 15 to 25 $/MMBtu, reflecting a significant geopolitical risk premium linked to potential shipping disruptions. European prices also increased, though less dramatically. The EAX/TTF spread narrowed through January and February as markets converged, before widening sharply in March in favor of Asia, with increased volatility as both regions competed for supply.

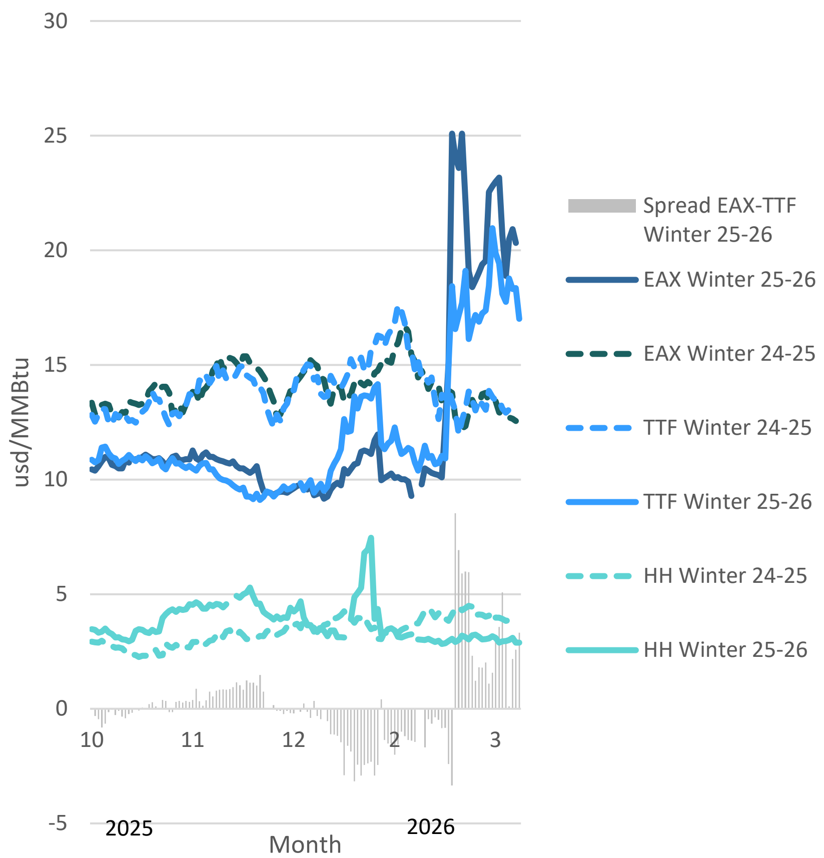
Charter rates also spiked in early March—by about $100,000/day—driven by war-risk premiums and supply concerns, before stabilizing and easing into April, while remaining supported by ongoing geopolitical uncertainty.

Tradeflow: Global LNG trade reached approximately 115 mt in Q1 2026, up 3 mt year-on-year, with Europe emerging as the primary driver of growth. European imports rose sharply to 40 mt, supported by strong winter demand across Germany, the UK and Belgium, while France posted a modest decline. Asian imports edged up to 68 mt, with South Korea and Thailand recording notable gains, partially offset by lower Chinese imports as rising domestic gas production continues to displace LNG. Egypt anchored a modest increase in Middle East and Africa volumes. While Q1 trade data remains largely unaffected by the Strait of Hormuz closure, the disruption is expected to materially reshape global trade flows from Q2 onwards, curtailing Middle Eastern exports and redirecting supply toward Atlantic Basin and Asia-Pacific sources.

Supply Outlook: Global LNG supply was forecast to reach 475 mt in 2026, representing growth of 47 mt year-on-year, driven primarily by US capacity additions, LNG Canada ramp-up, and incremental volumes from other producing regions. The escalation of conflict in the Middle East has materially altered this outlook. Confirmed infrastructure damage to Qatari liquefaction trains has already resulted in an estimated loss of approximately 11 mt of exports for the remainder of 2026, while the closure of the Strait of Hormuz and Qatar's force majeure declaration introduce significant further downside. Under a full-year closure scenario, global supply could fall to approximately 410 mt, below 2025 levels. Should a ceasefire be held and exports resume by mid-year, supply could partially recover to around 437 mt. The 2026 supply outlook is therefore no longer driven by project execution but by the resolution of the Hormuz crisis.

Prices Movement

US (HH), Europe (TTF) and Asia (EAX) Spot prices [1]



EAX, TTF and spread

TTF strengthened from late December into January, rising from roughly 9-10$/MMBtu to around 14-15$/MMBtu as colder weather boosted demand and

[1] Source for prices : ICIS, Month +1 daily prices

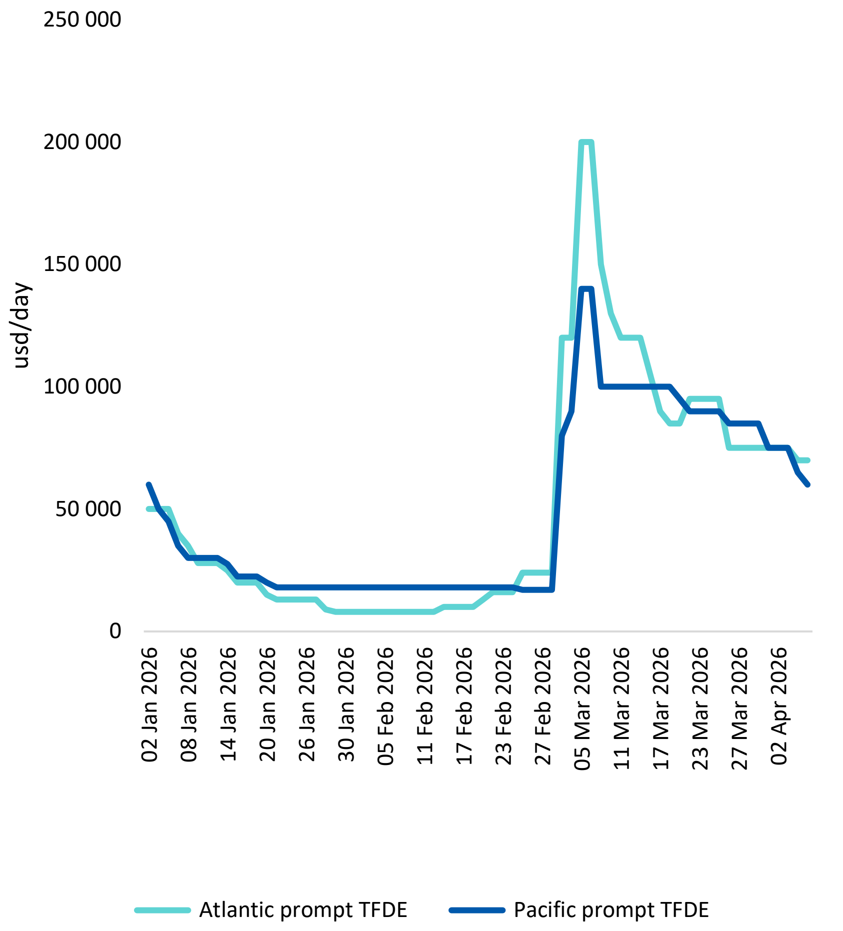
accelerated withdrawals. It softened in February back toward 11-12$/MMBtu as temperatures normalized.

Asian spot LNG prices moved higher into late January, increasing from around 9-10$/MMBtu to 11-12$/MMBtu, supported by winter demand and Atlantic-to-Asia cost linkage rather than a broad spot buying scramble. In early March, EAX surged from 15 to 25 $/MMBtu between 3 and 4 March, as Hormuz shipping risk forced a higher risk premium into Asian delivered pricing.

The spread EAX/TTF narrowed in January with Europe pricing at a premium of roughly 2-3$/MMBtu as European winter stress dominated. It widened through February toward ~1$/MMBtu as the prompt European balance loosened. In March, the spread became significantly more volatile, first widening in favor of Asia as Middle East disruptions tightened LNG availability and triggered cargo diversions, then fluctuating as both basins competed for marginal supply. Weak European demand and thin liquidity limited TTF upside despite geopolitical risk, keeping the spread biased toward Asia even as it intermittently narrowed.

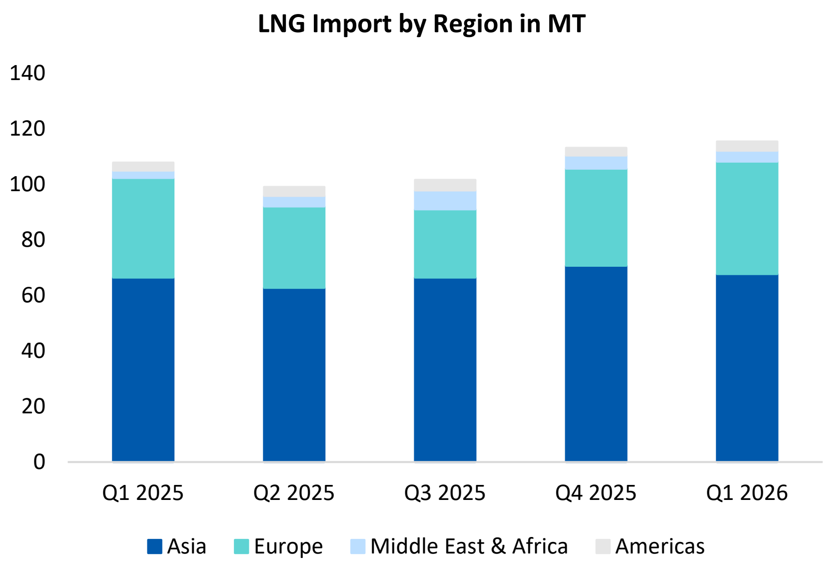
Charter rates

In early March, rates spiked sharply, with an increase of around $100,000/day on 3 March, driven by Hormuz-related tensions, war-risk premiums, and fears of Qatari supply disruption that tightened prompt vessel availability. This surge proved short-lived, with the market turning more volatile and then stabilizing as trading activity thinned and demand softened. By early April, rates had eased back and moved largely sideways, although underlying geopolitical risks and longer-haul trade shifts continued to provide structural support.



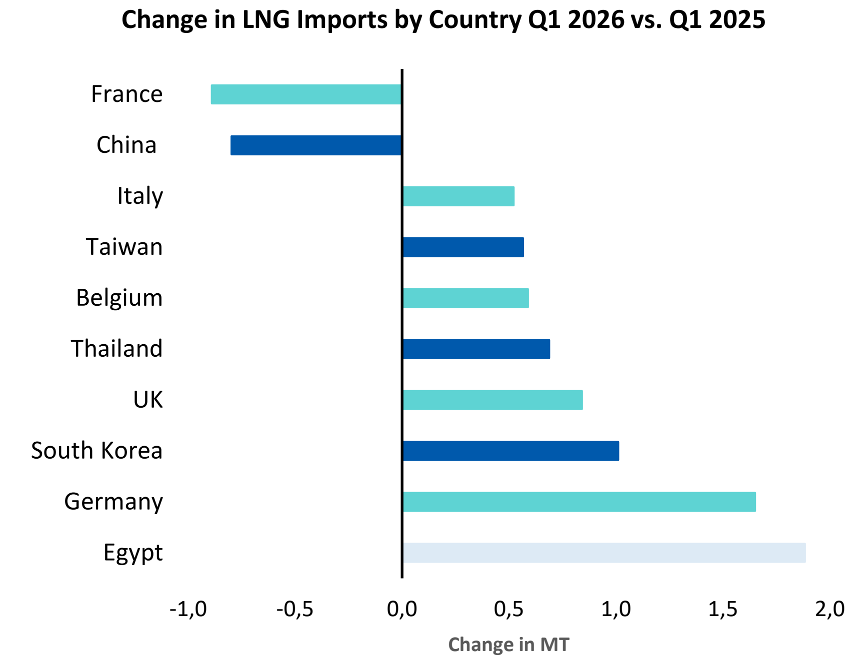
Tradeflow

Global LNG trade growth continues into early 2026



Sources: GIIGNL, Kpler

Global LNG trade volumes reached approximately 115 mt in Q1 2026, up 3 mt year-on-year. This continues the growth trajectory observed throughout 2025, where full-year trade was underpinned by strong European demand and steady Asian imports. In Q1 2026, Europe remained the primary driver of incremental demand, while Asia recorded modest growth and other regions were broadly stable. The Strait of Hormuz closure emerged toward the end of the quarter and is expected to materially reshape trade flows from Q2 onwards.



Note: Only countries with a year-on-year change exceeding ±0.5 mt are displayed.
Sources: GIIGNL, Kpler

Europe drives Q1 2026 growth on strong winter demand

European LNG imports rose sharply to 40 mt in Q1 2026 from 36 mt in Q1 2025, making it the strongest performing region of the quarter. Germany and the UK posted the largest gains, supported by higher gas consumption driven by cold weather and reduced renewable output, while Belgium and Italy also recorded modest increases. France was the only major market to post a decline, driven by reduced US LNG arrivals compared to the exceptional volumes recorded in 2025, alongside lower Algerian supply following the expiration of a long-term contract.

Asian imports edge higher amid diverging market trends

Asian LNG imports reached 68 mt in Q1 2026, up modestly from 66 mt in Q1 2025, with diverging trends across markets. South Korea was a notable gainer, driven by reduced nuclear and coal availability during the winter season. Thailand recorded a standout performance, with March imports reaching a record high despite elevated spot prices following the Hormuz closure, reflecting the country's willingness to absorb higher costs to meet seasonal cooling demand and secure supply amid declining domestic gas production. China's own imports edged lower year-on-year, reflecting the continued displacement of LNG by rising domestic gas production, with pipeline imports remaining broadly stable. Spot procurement was further weighed down by deeply unfavorable import economics, with the spread between domestic terminal prices and delivered spot costs deteriorating to approximately -6 $/MMBtu in March, which not only suppressed new purchases but also incentivized Chinese long-term contract holders to divert cargoes to higher-priced regional markets, as reflected in the 0.28 mt supplied to Thailand, highlighting China's growing role as a regional balancer. Japan's imports were largely unchanged, remaining stable as shifts in the power generation mix broadly offset one another.

Egypt anchors Middle East and Africa import growth

Middle East and Africa imports edged up to 4 mt in Q1 2026 from 3 mt in Q1 2025, with Egypt accounting for the bulk of the increase. Egypt's imports rose by over 1 mt year-on-year, driven by a combination of deferred cargoes from late 2025 rescheduled into Q1, new import contracts commencing deliveries, and an ongoing structural supply-demand gap that continues to underpin elevated import requirements.

Hormuz closure set to reshape global trade flows from Q2 onwards

The Q1 2026 trade data largely predates the full impact of the Strait of Hormuz closure, and the picture is expected to change materially from Q2 onwards. With Qatar and the UAE unable to export, traditional trade flows from the Middle East to Asia and Europe will be significantly curtailed. Atlantic Basin suppliers, primarily the United States, and Asia-Pacific producers are expected to absorb some of the shortfall, with supply routing shifting accordingly. However, given the scale of the disruption, partial rerouting will not fully compensate for lost Middle East volumes, and overall global trade flows in 2026 will be heavily contingent on the duration of the crisis and the timeline for any resumption of Qatari exports.

Short Term Supply Outlook

US-Led Expansion Drives Global LNG Supply Growth to 475+ MT in 2026

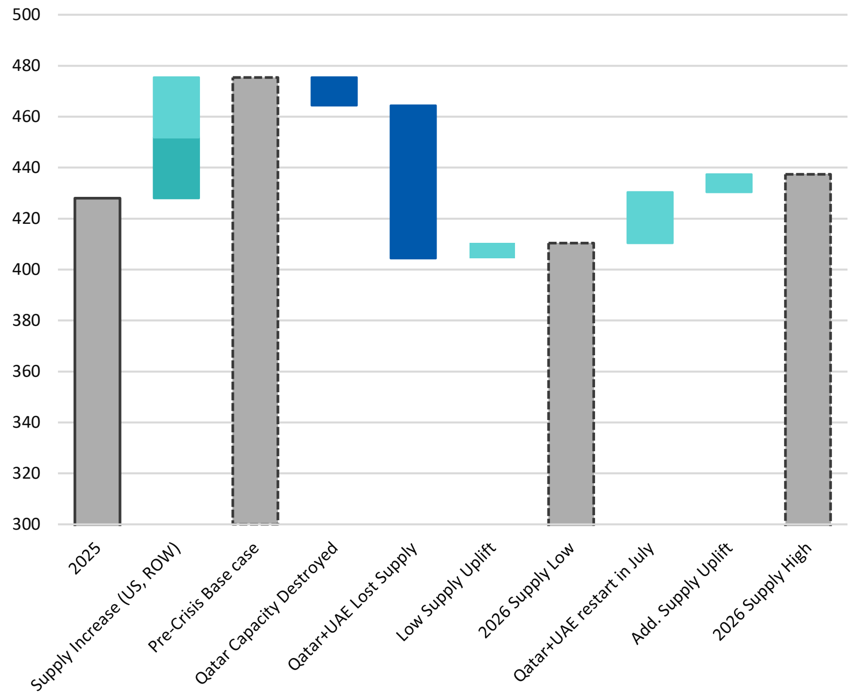
Global LNG supply in 2026 is expected to reach approximately 475 MT, representing year-on-year growth of around 47 MT. This baseline incorporates actual production data for January and February 2026 and reflects continued capacity expansion across key supply regions.

Growth is primarily driven by the United States (+24 MT), underpinned by ramp-up at Plaquemines, Corpus Christi stage 3 expansions, and Golden Pass alongside sustained high utilization at established terminals. Canada contributes an additional 8 MT through the ongoing ramp-up of LNG Canada. The remaining ~15 MT of incremental supply comes from a broader set of producing countries.

Under construction capacity contributes approximately 5-6 mt to 2026 supply, highlighting that near-term growth remains concentrated in a small number of projects, primarily in the US. As a result, the 2026 outlook is driven more by execution of projects already in advanced stages than by speculative new capacity.

However, the escalation of conflict in the Middle East has materially altered the supply outlook. Qatar's LNG infrastructure has sustained confirmed physical damage, reducing its effective export capacity by approximately by 11 mt for the remainder of 2026.

2026 Supply Forecast Scenario Analysis (in MT)



Sources: GIIGNL, ICIS

Low Scenario: Full-Year Closure

Should the Strait of Hormuz remain closed for the full year, the downside impact would be significantly larger. Qatar has declared force majeure and halted production, representing an additional loss of approximately 55 MT. The UAE, similarly, unable to export through the strait, contributes a further reduction of approximately 5 MT. Partially offsetting these losses, limited uplift of around 6 MT is expected from alternative sources, including Angola LNG and higher utilization across other large US liquefaction facilities. Under this full-year closure scenario, global LNG supply in 2026 could fall to approximately 410 MT, not only erasing the entirety of projected growth but falling below 2025 supply level of 428 MT.

High Scenario: Restart in July

A more optimistic but still conditional recovery path exists. As of the time of writing, a two-week ceasefire is in effect. However, a meaningful supply recovery would require this ceasefire to hold, progress toward a broader peace agreement, and subsequent lifting of force majeure by Qatar. Even under the most favorable conditions, the chain of diplomatic, legal and operational steps required means that resumed production could realistically begin no earlier than May, with July representing a more central estimate.

Should Qatar and UAE export resume around mid-year, this would contribute approximately 20 MT to the 2026 supply balance. Combined with an additional 7 MT of uplift from other sources, global LNG supply under this high scenario could recover to approximately 437 MT, still below the original 475 MT baseline, reflecting both the permanent capacity loss from infrastructure damage and the months of lost production during the closure period.

Forecast Update

The supply model will be updated quarterly as the situation evolves. Revisions will be driven primarily by developments in the Middle East, including ceasefire durability, force majeure status, and any further changes to regional export capacity. Secondary factors including ramp-up execution and outage realization will continue to be monitored but remain subordinate to the geopolitical outlook in determining 2026 supply outcome.