KYOS

Gas Storage and Swing Report

No. 46 – April 2025

Storage and swing contract developments

Storage

Market	Product	Period	Cycle Cost	Intrinsic	Rolling Intrinsic		Option	
					Average	10%	Average	10%
TTF	30/30	SY2026	0.50	0.00	6.78	2.75	7.74	4.13
TTF	60/60	SY2026	0.50	0.00	4.01	1.90	4.66	2.14
TTF	60/120	SY2026	0.50	0.00	2.82	1.27	3.40	1.14
NBP	30/30	SY2026	1.00	4.67	26.83	15.30	26.20	16.90
NBP	60/60	SY2026	1.00	4.68	16.90	10.72	17.13	10.08
NBP	60/120	SY2026	1.00	3.87	13.07	8.40	13.55	7.13

Swing

Market	Max/day	Min/Max	Period	Price	Intrinsic	Rolling Intrinsic		Option	
						Average	10%	Average	10%
TTF	4	360/360	2026	41.39 ▼	-0.02 ⇔	0.10 ⇔	-0.02 ⇔	0.15 ▲	-0.53 ▼
TTF	1	0/365	2026	41.39 ▼	0.00 ⇔	3.81 ▼	0.40 ▲	3.78 ▼	0.71 ▲
TTF	4	360/360	2026	MA	-0.02 ⇔	2.16 ▲	0.90 ▼	3.24 ▲	2.15 ▲
NBP	4	360/360	2026	107.40 ▼	-0.02 ⇔	0.29 ▲	-0.01 ⇔	0.36 ▲	-1.68 ▼
NBP	1	0/365	2026	107.40 ▼	0.00 ⇔	8.51 ▼	0.85 ▼	8.97 ▼	1.55 ▲
NBP	4	360/360	2026	MA	-0.02⇔	6.35 ▲	2.89 ▼	8.56 ▲	5.80 ▲

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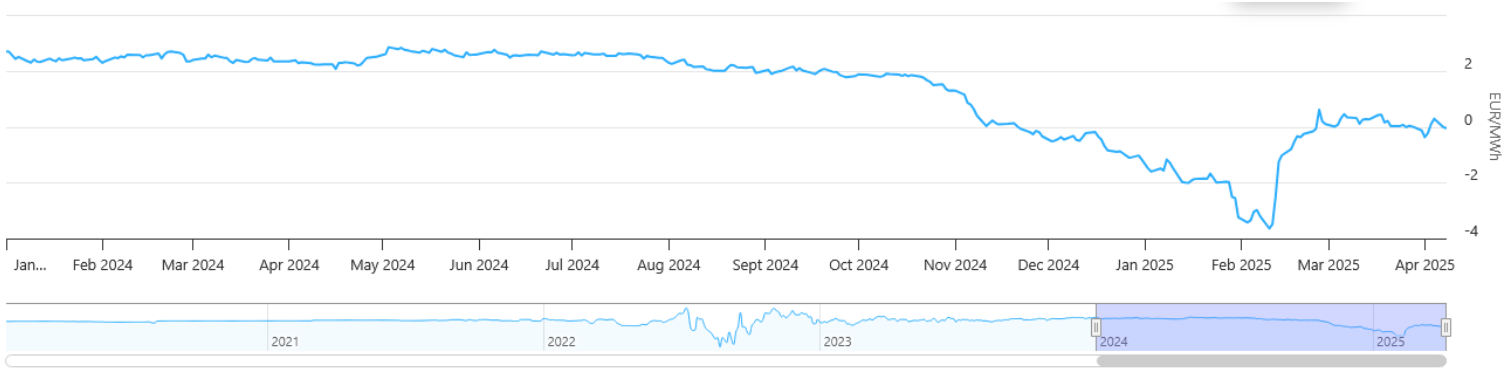
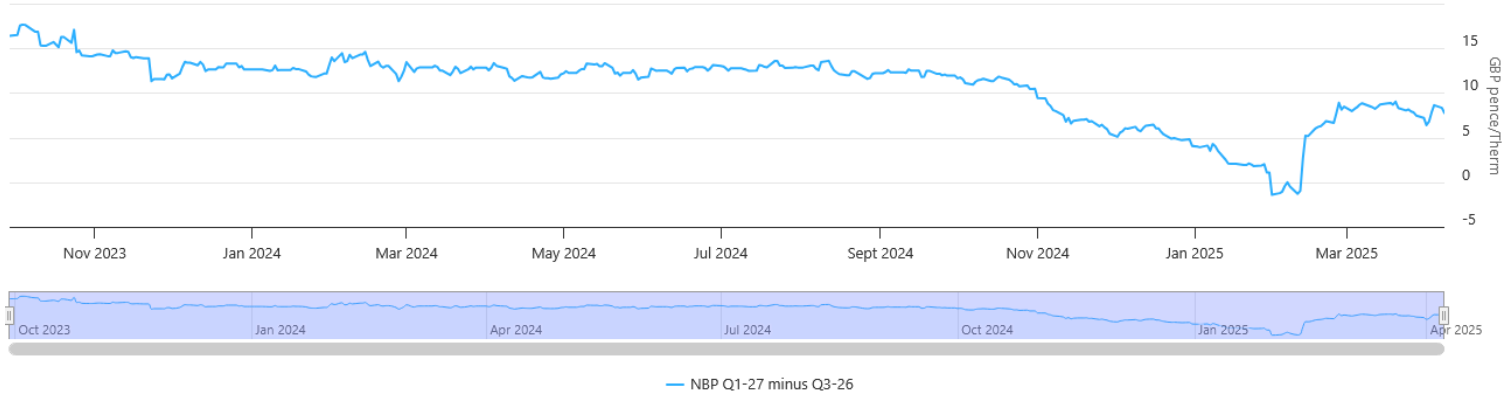
Price History

TTF



NBP

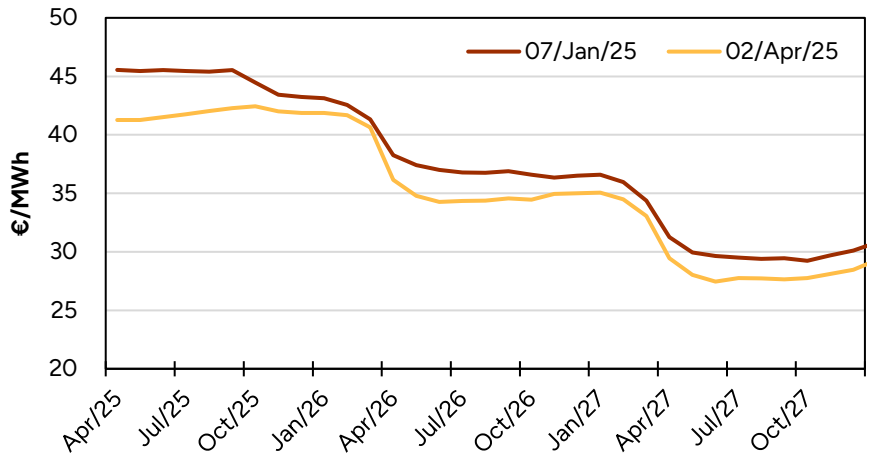


Volatility and price forward curves

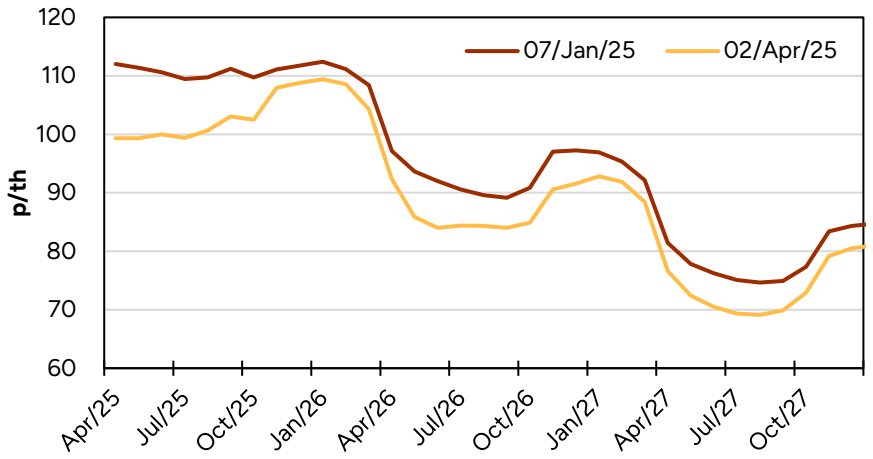
Market	Spot Volatility				
	1m	3m	6m	12m	KYOS sugg.
TTF	23% ▲	23% ▲	21% ▲	21% ▼	38% ⇔
NBP	29% ▲	31% ▲	31% ▼	40% ▼	46% ⇔
THE	18% ▲	16% ▼	16% ▼	20% ▼	38% ⇔
PEG	36% ▲	30% ▲	30% ▲	21% ⇔	46% ⇔

Year-ahead Forward volatility				
1m	3m	6m	12m	KYOS sugg.
37% ▼	45% ▲	40% ▲	36% ▲	35% ▲
33% ▼	31% ▲	39% ▲	36% ▲	35% ▲
35% ▼	43% ▲	38% ▲	35% ▲	35% ▲
36% ▼	44% ▲	39% ▲	36% ▲	35% ▲

TTF Forward



NBP Forward



Market Trend

At the beginning of the year, EU gas prices saw an increase due to cold weather and low renewable power production, which led to rapid withdrawals from gas inventories, now at 34% compared to 59% at the same time last year. This supply strain pushed the TTF front-month prices above EUR 55/MWh.

However, as speculation grew about the potential resumption of Russian gas flows, coupled with discussions around relaxing storage refill requirements and increased LNG imports, prices began to fall. The TTF Cal-26 contract decreased by 9%, and the NBP equivalent dropped by 22% over the past three months.

Additionally, the gap between Summer 2025 and Winter 2025-26 prices has narrowed significantly, signaling shifts in market expectations. Warmer weather forecasts further reduced demand, but political and logistical issues still leave the market tight as it heads into the next winter season.

To ensure sufficient storage levels for the upcoming winter, the EU will require higher LNG imports this spring and summer compared to last year. Furthermore, the low snowpack and reduced hydro reservoir levels in the Alpine region (CH, FR, IT) will contribute to higher gas consumption during the summer, increasing the demand for gas supply.

Explanation

Storage

- Product: 60/120 means 60 days of withdrawal and 120 days of injection capacity.
- The storage values are expressed per MWh (or therms) of working volume.

Swing

Product:

- Max/day is the maximum daily take
- Min/Max are the minimum and maximum annual take

Price

- A fixed price put at Q1-level or
- Month-ahead indexed price (MA)

The swing values are per MWh or therms of contract volume, which is 365 for the daily callable options (max 1 per day) and 360 for other contracts (max 4 per day).

Volatilities

The volatilities are derived from the end-of-day settlement prices of gas spot and futures exchanges. They are calculated with a history of 1, 3, 6 and 12 months. The 'KYOS suggested' volatilities are our expert view, considering the historical estimates as well as recent market developments. These estimates are used for the valuations.

Valuation Methodologies

- All valuations have been performed with KYOS software and models, KyStore and KySwing. They are expressed in €/MWh (TTF) or p/th (NBP). Inputs include the spot and forward volatilities from the table in this report, as well as forward curves and some other settings.
- The trading date for all values is 3 April 2025.
- A discount rate of 2% has been applied.
- Intrinsic values are derived from the tradable products in the market.
- Rolling intrinsic and option values are derived from Monte Carlo simulations of spot and forward prices:
  - Rolling intrinsic: the intrinsic value is locked in initially with tradable products; then this position, including spot, may be adjusted daily to capture extra value.
  - Option value: the spot trades are optimized, taking into account the optionality of the asset, based on the least-squares Monte Carlo method. In addition, the position is delta hedged in the forward market to minimize the risk.
  - Of the rolling intrinsic and option value, the table shows the average across the simulations and the 10th percentile, which is a more conservative value estimate.
  - In all trading strategies, the model takes into account transaction costs of 0.02 €/MWh (TTF) or 0.02 p/th (NBP)

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