International Energy Agency

Gas Market Report –Q3 2026

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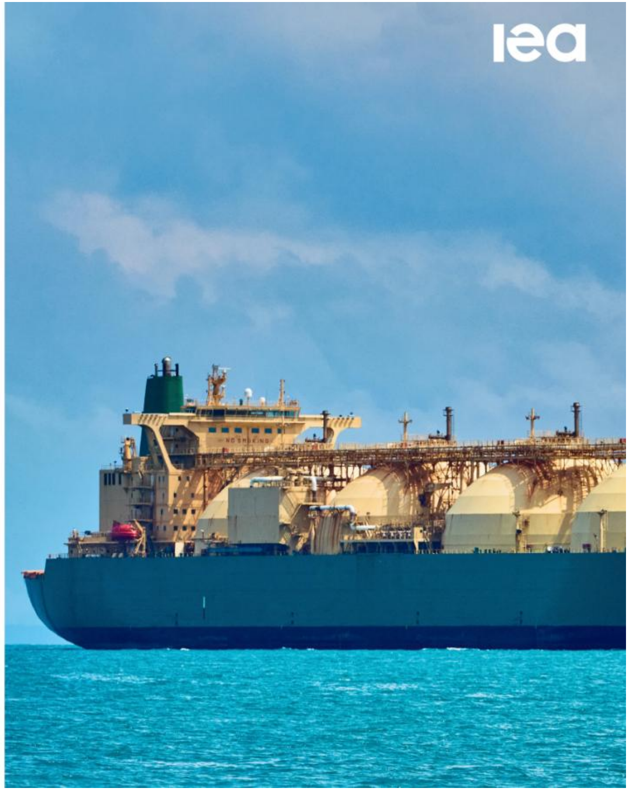
Centre for International Energy Policy – Istituto Affari Internazionali, 15 July 2026

IEA Quarterly Gas Report –Q3 2026

Gas Market Report, Q3-2026

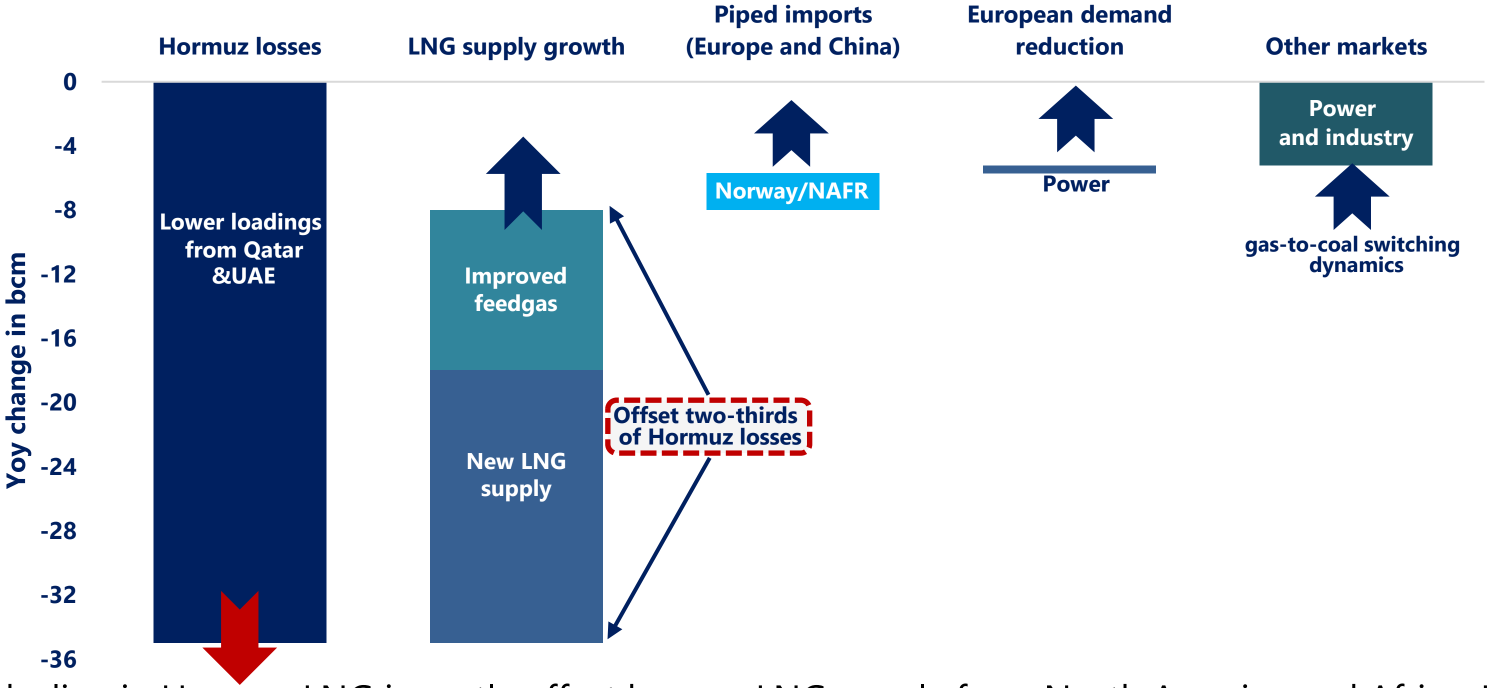


https://www.iea.org/reports/gas-market-report-q3-2026

The impact of the Middle East conflict on natural gas markets

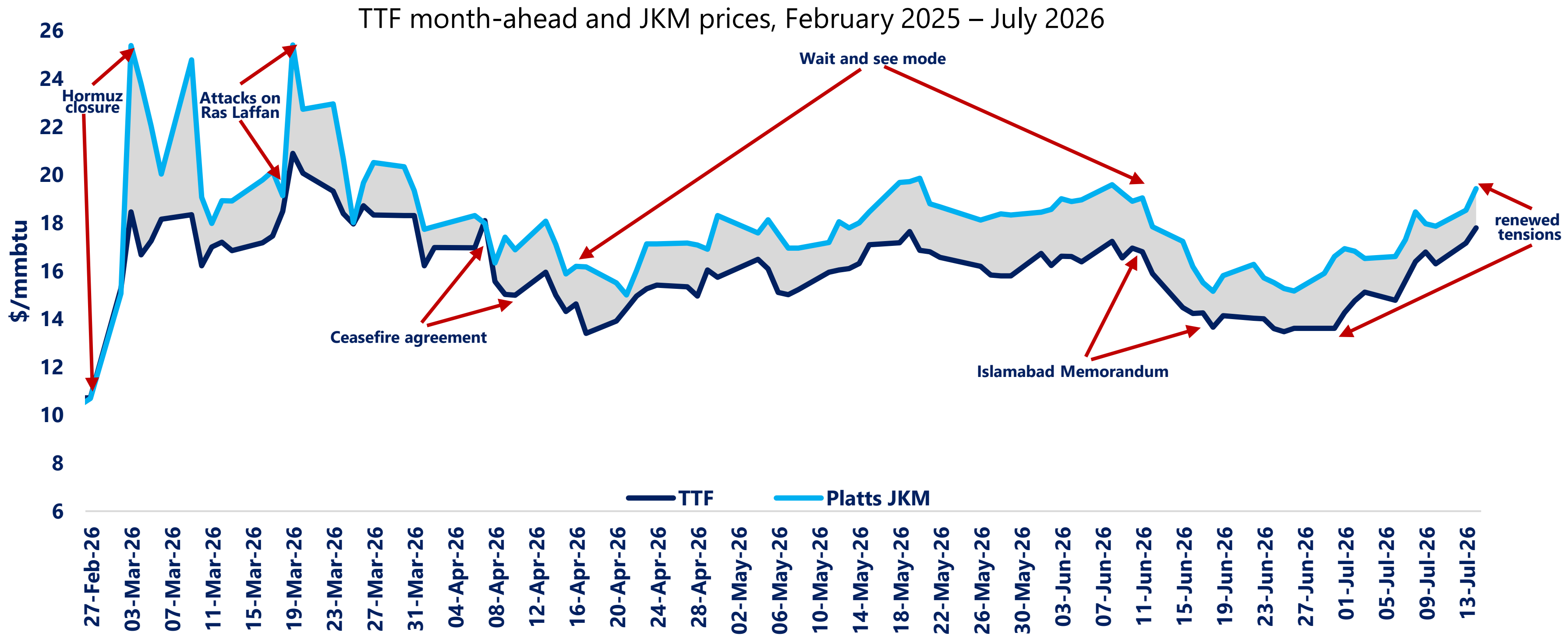
I will survive: how is the global gas market balancing out?

Selected supply and demand factors influencing price formation in March-June 2026



The decline in Hormuz LNG is partly offset by new LNG supply from North America and Africa. Higher piped deliveries and strong renewables power output in Europe also mitigated the impact of the shortfall.

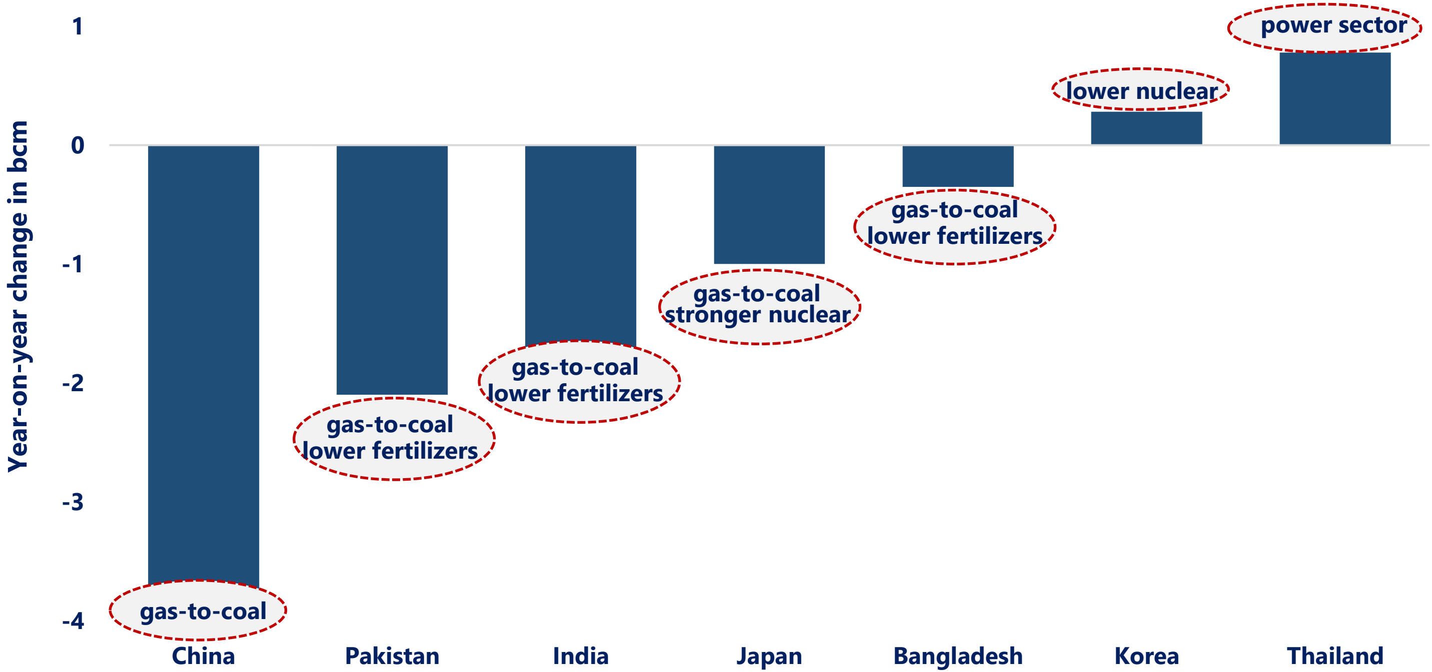
Asian and European prices rose to their highest since Q2 2022



Following the sharp increase in March, both TTF and JKM prices moderated down through April-June, albeit remaining well-above their last year’s levels and averaging at their highest Q2 levels since Q2 2022.

Toxic: tight supply fundamentals are weighing on Asian gas demand

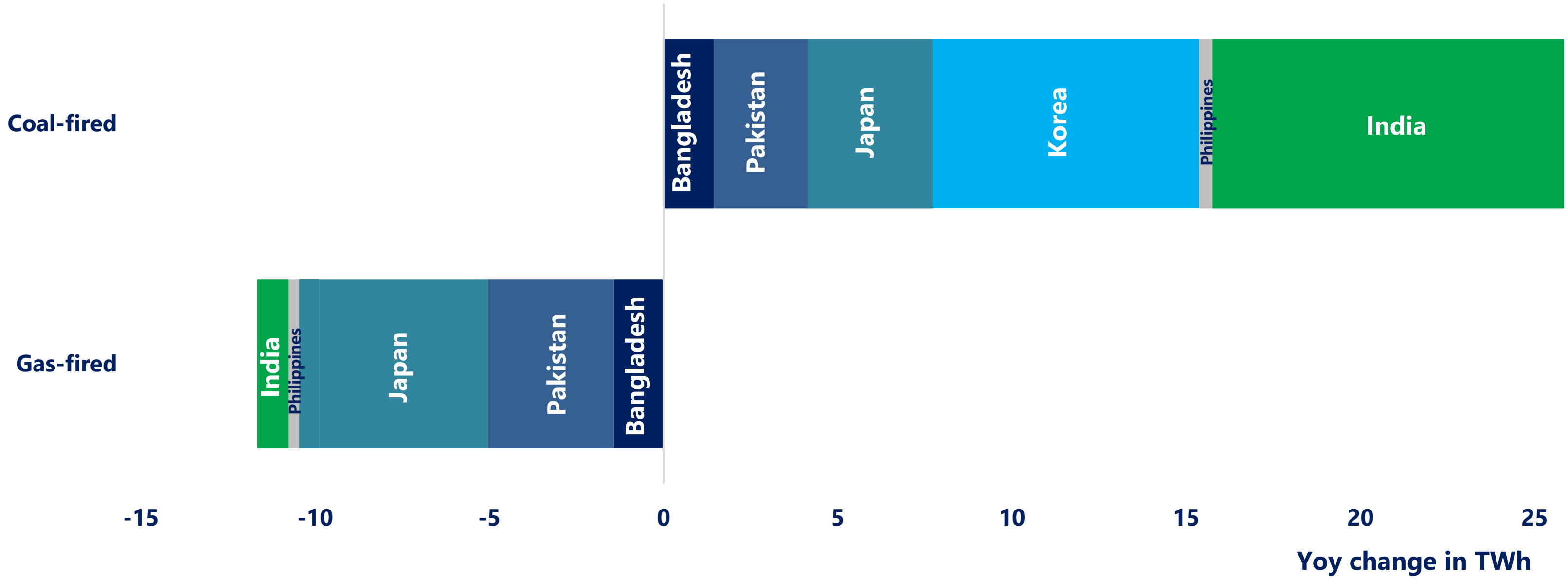
Estimated year-on-year in natural gas demand across key Asian markets, March-May 2026



Asia's natural gas demand fell by an estimated 4% y-o-y through March-May. Tighter LNG supply and higher gas prices supported gas-to-coal switching and weighed on production rates in gas-intensive industries.

Coal me maybe: Asia turns to coal amid disrupted LNG supplies

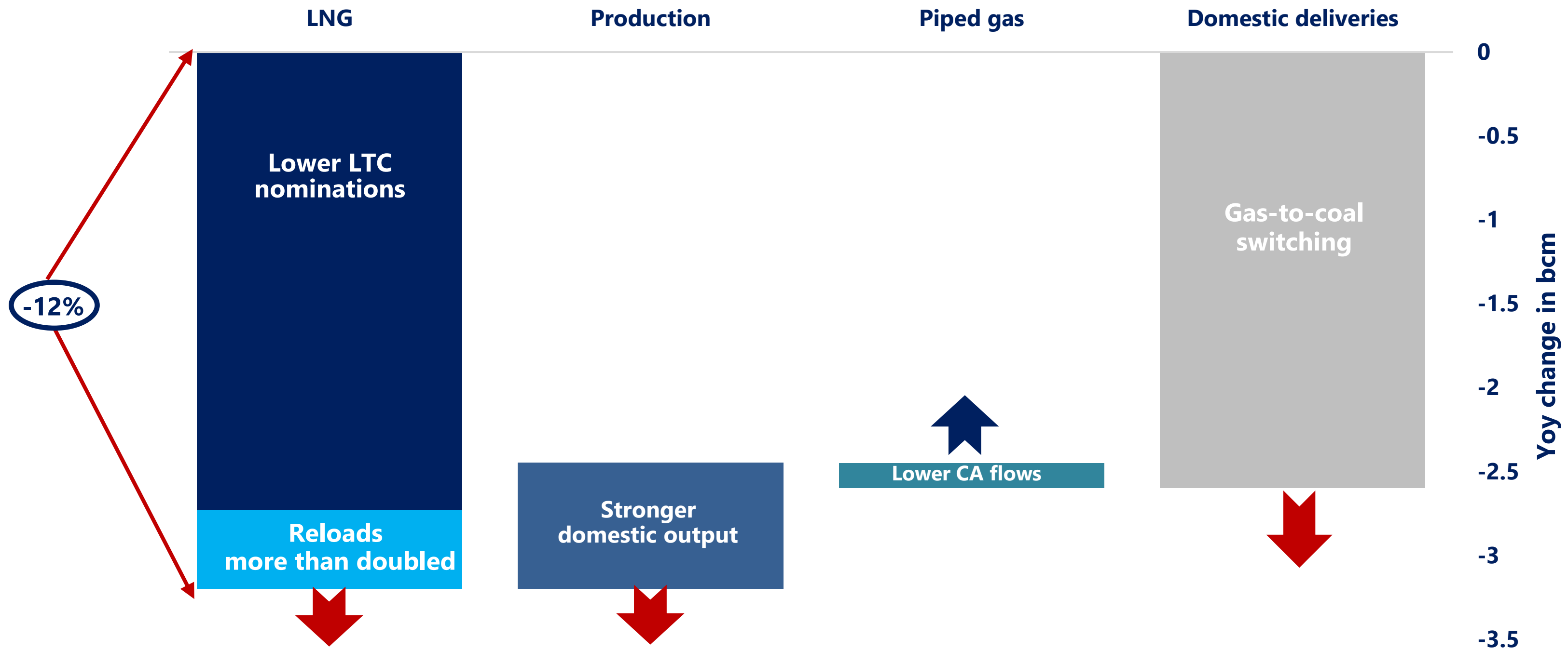
Estimated year-on-year change in gas- and coal-fired power generation in selected Asian LNG import markets, March-May 2026



Higher gas-fired power generation costs, together with administrative measures promoting coal-based generation is weighing on Asia's gas burn in the power sector, leaving more space to coal.

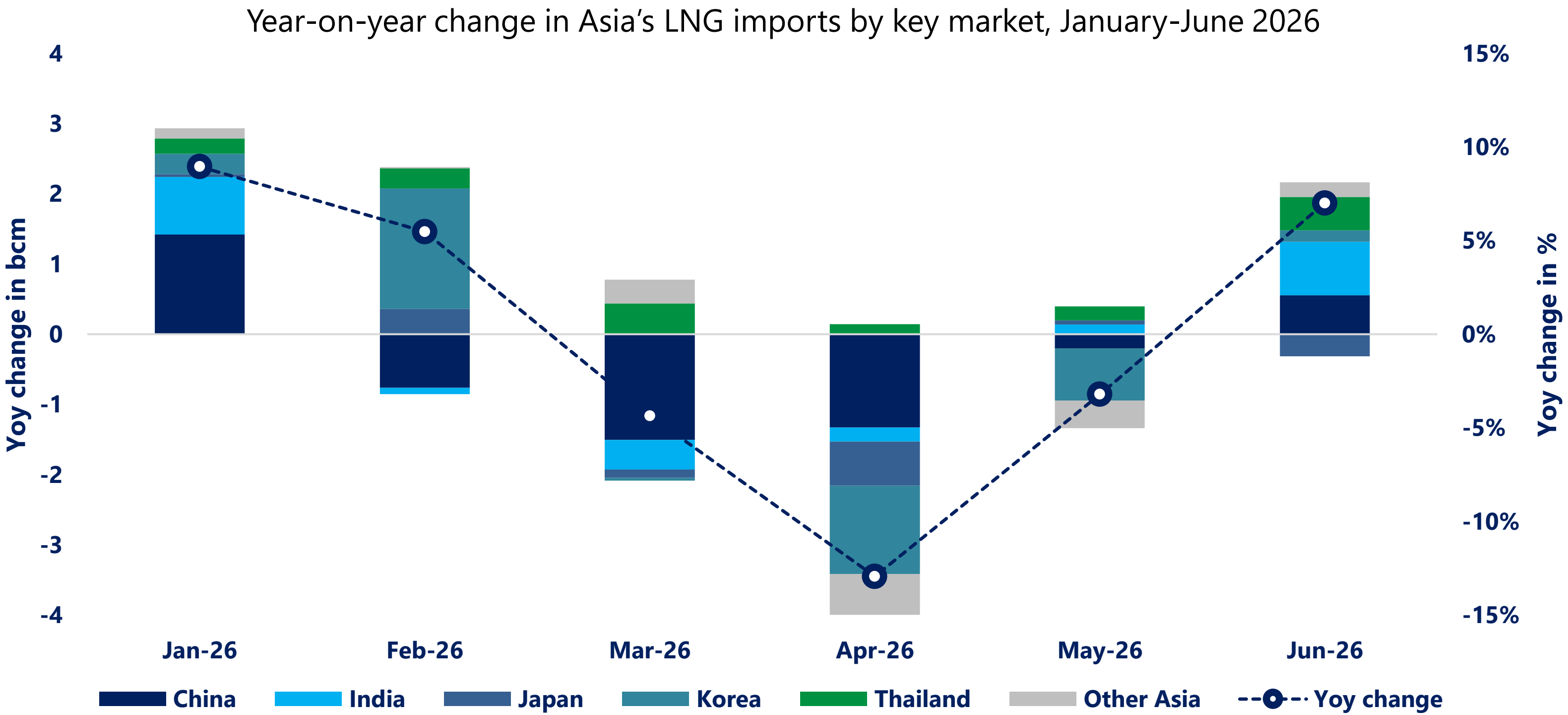
Swing like a King: China is playing a key balancing role

Supply-demand drivers behind China's lower LNG imports in March – June 2026



China's LNG imports fell by 12% yoy in March amid stronger domestic production while gas-to-coal switching reduced natural gas use.

I know what you want: Asian LNG imports surge in June on cooling

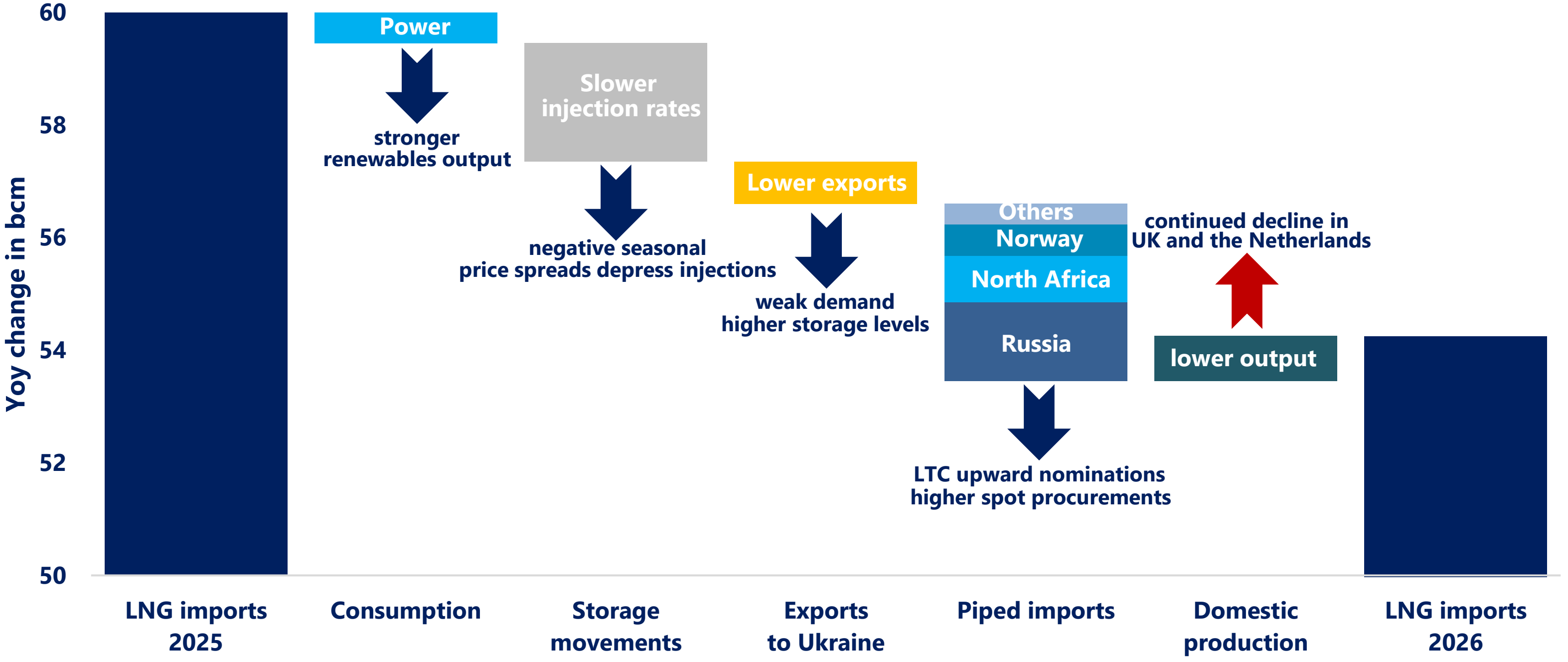


Following a decline of 7% yoy through March-May, Asia's LNG imports surged by 7% yoy in June. This could indicate an intensifying competition with Europe for flexible LNG cargoes.

Focus on Europe

Without me: Europe's LNG imports plummeted since March

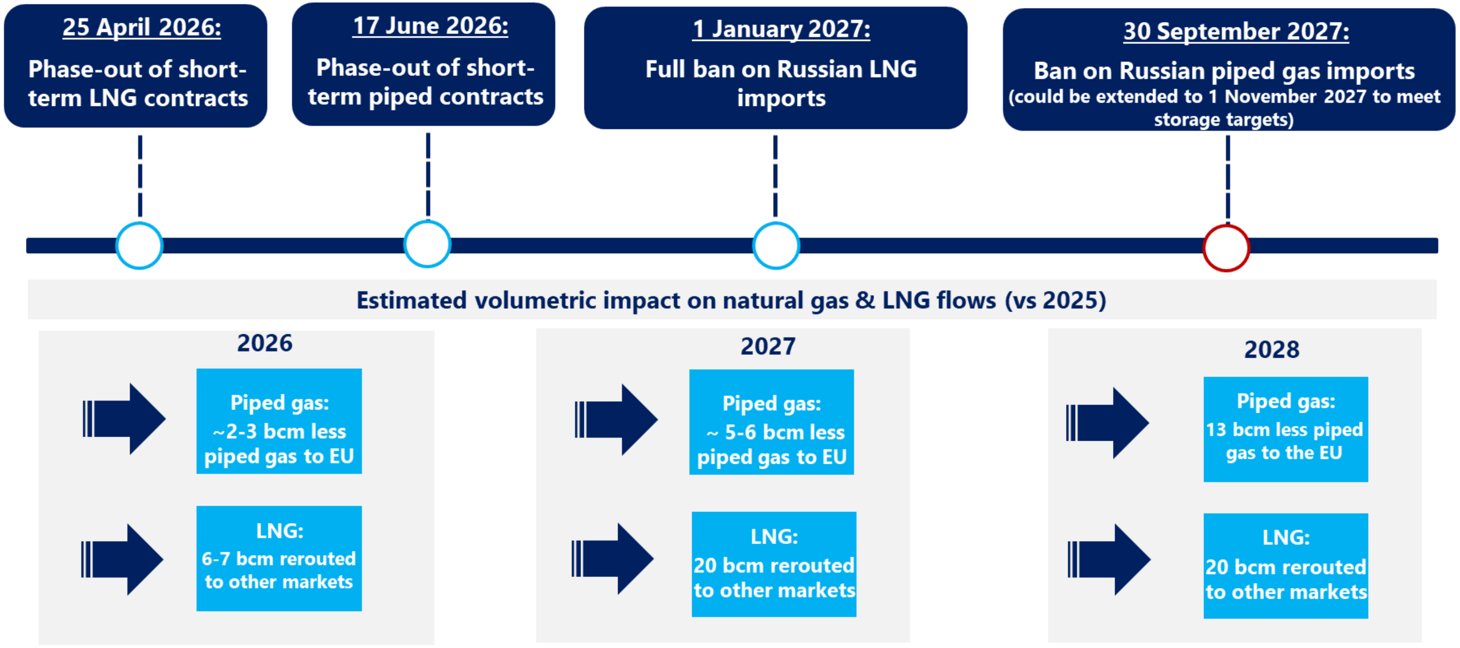
Supply-demand drivers behind Europe's lower LNG imports in March – June 2026



Europe's LNG imports fell by 10% yoy through March-June, due to a combination of lower demand, slower storage injections, less piped exports to Ukraine and stronger piped gas deliveries.

Не люби меня: the Russian gas phase-out gradually kicks in…

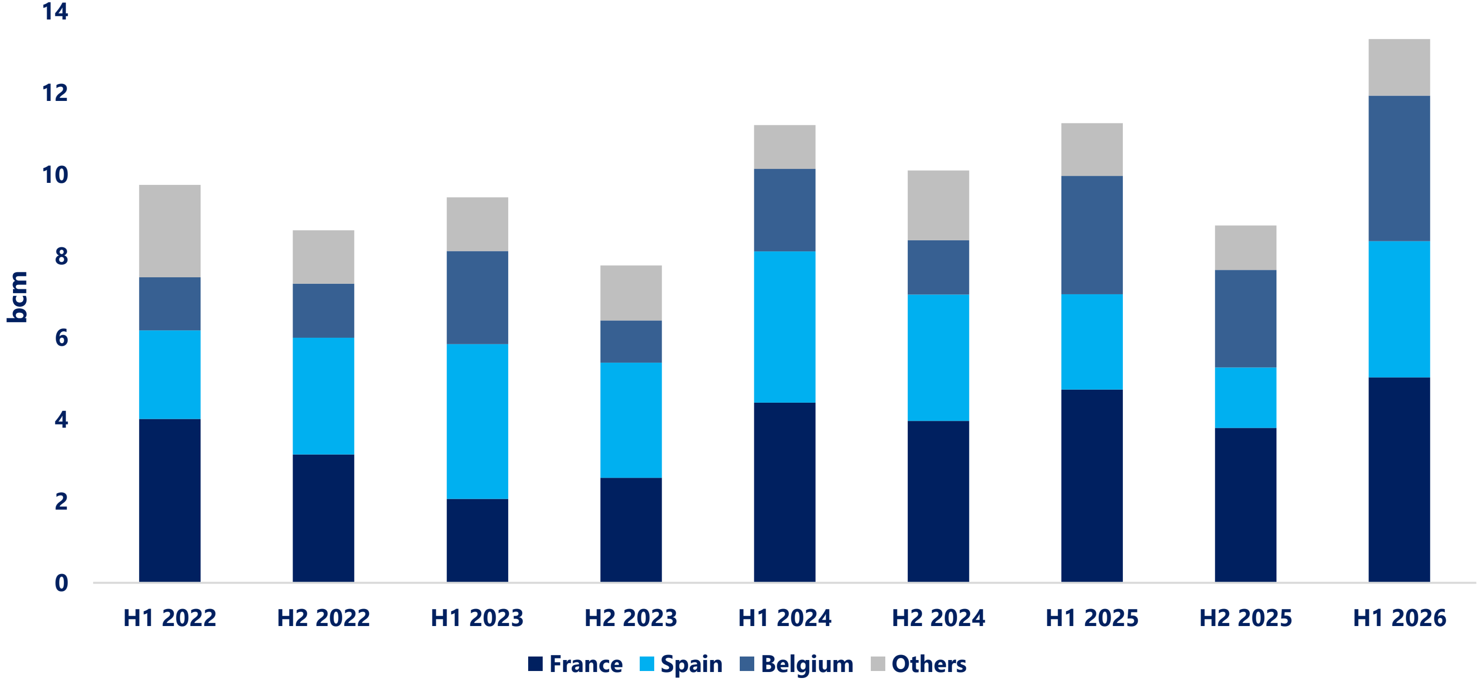
Timeline for the phase-out of Russian natural gas imports into the European Union and estimated volume impact



The new regulation is expected to reduce Russia's natural gas deliveries to the European Union by over 30 bcm by 2028, creating additional market space for non-Russian LNG suppliers.

…although LNG inflows from Yamal climbed to a new all-time high

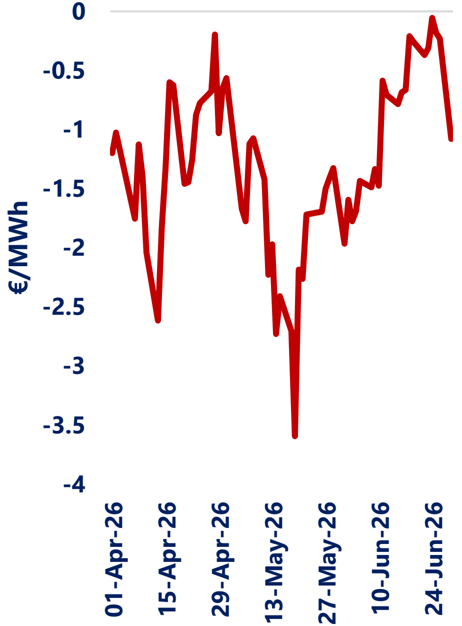
LNG exports from YAMAL LNG to the European Union by key delivery market, H1 2022- H1 2026



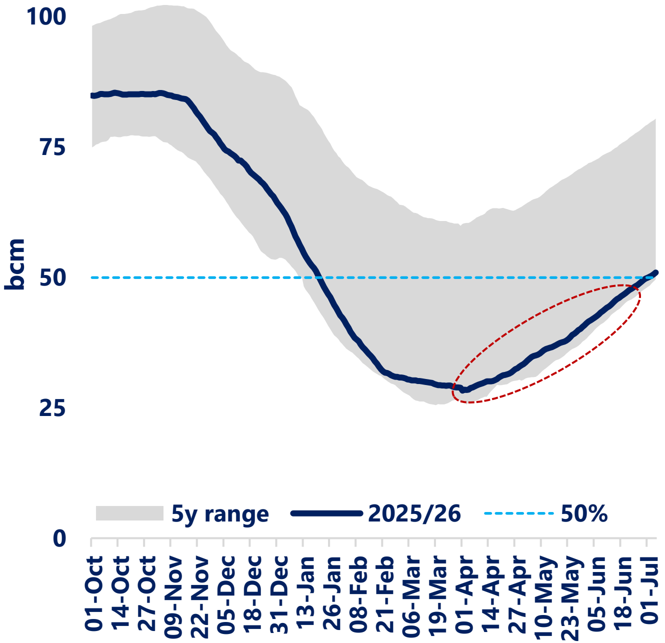
Russia's LNG exports to the European Union grew by 18% y-o-y in H1 2026, solidifying its position as the EU's second largest LNG supplier. Belgium, France and Spain accounted for 90% of Russian LNG imports.

It is Fifty in da house: EU storage dynamics

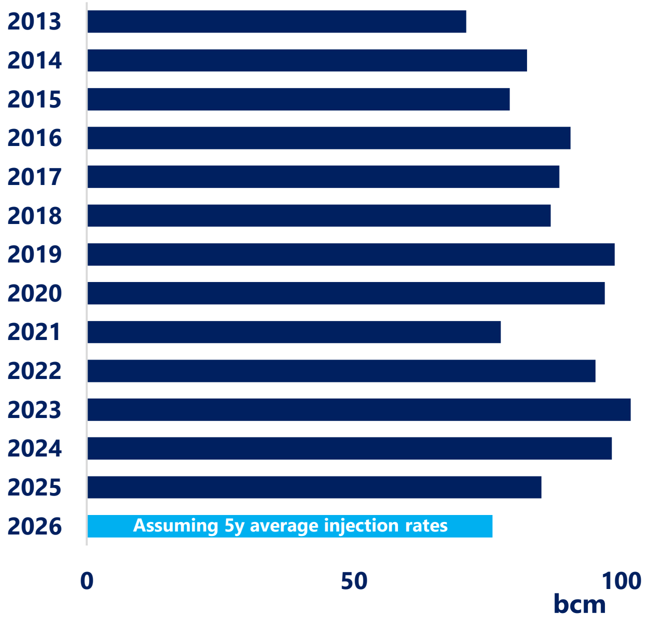
TTF seasonal spreads,
1 April – 28 June



EU underground storage levels,
2021/22 – 2025/26



EU storage levels by on 1 November,
2013 – 2026

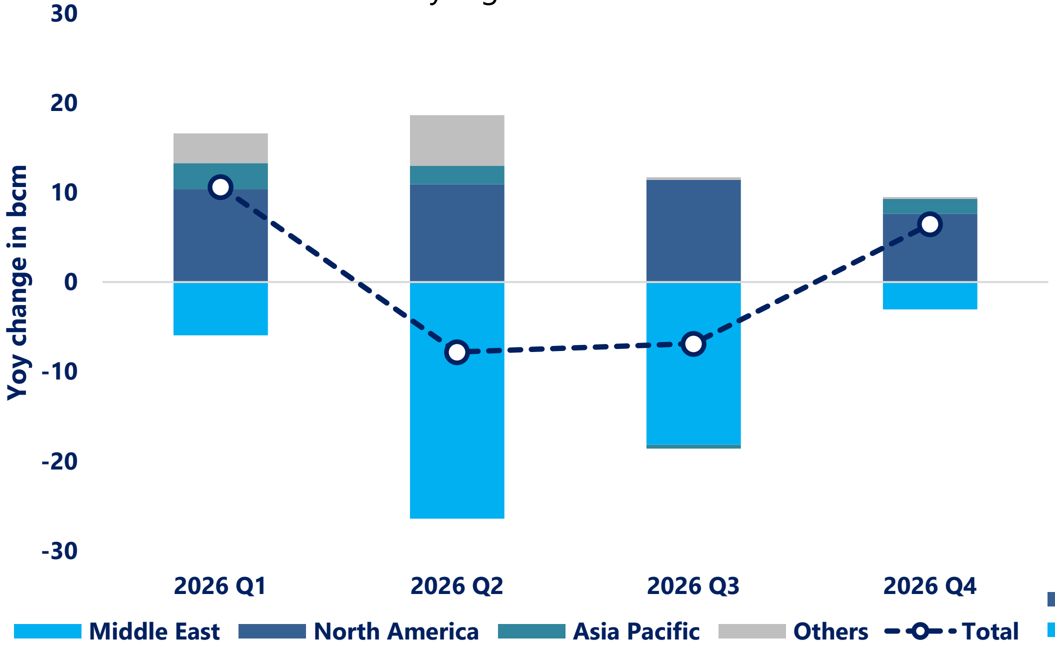


Negative seasonal spreads are reducing the incentive for storage filling. Injections are down by 17% yoy since the start of April. 5y average injections would suffice to fill storage up to 75% capacity by 1 Nov.

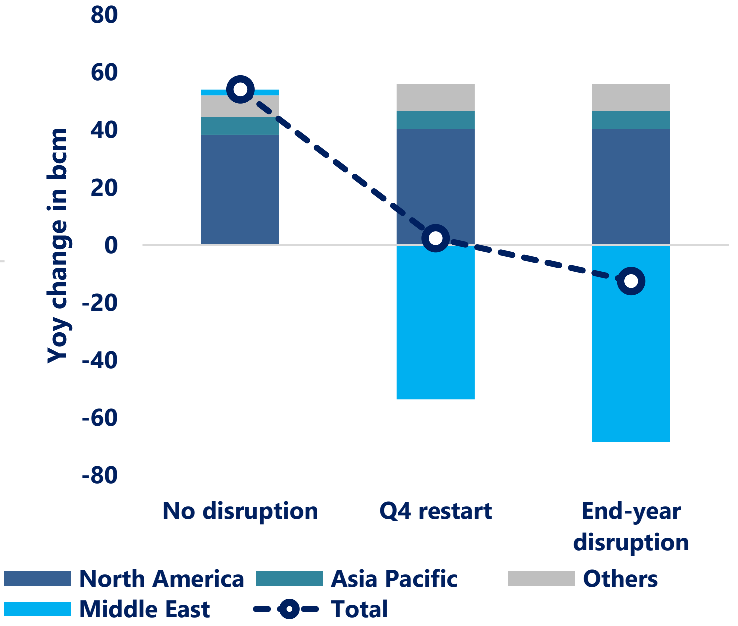
Short-term outlook for 2026

Not gonna get us: LNG trade is assumed to stay broadly flat in 2026

Assumed year-on-year change in quarterly delivered LNG supply by region in 2026

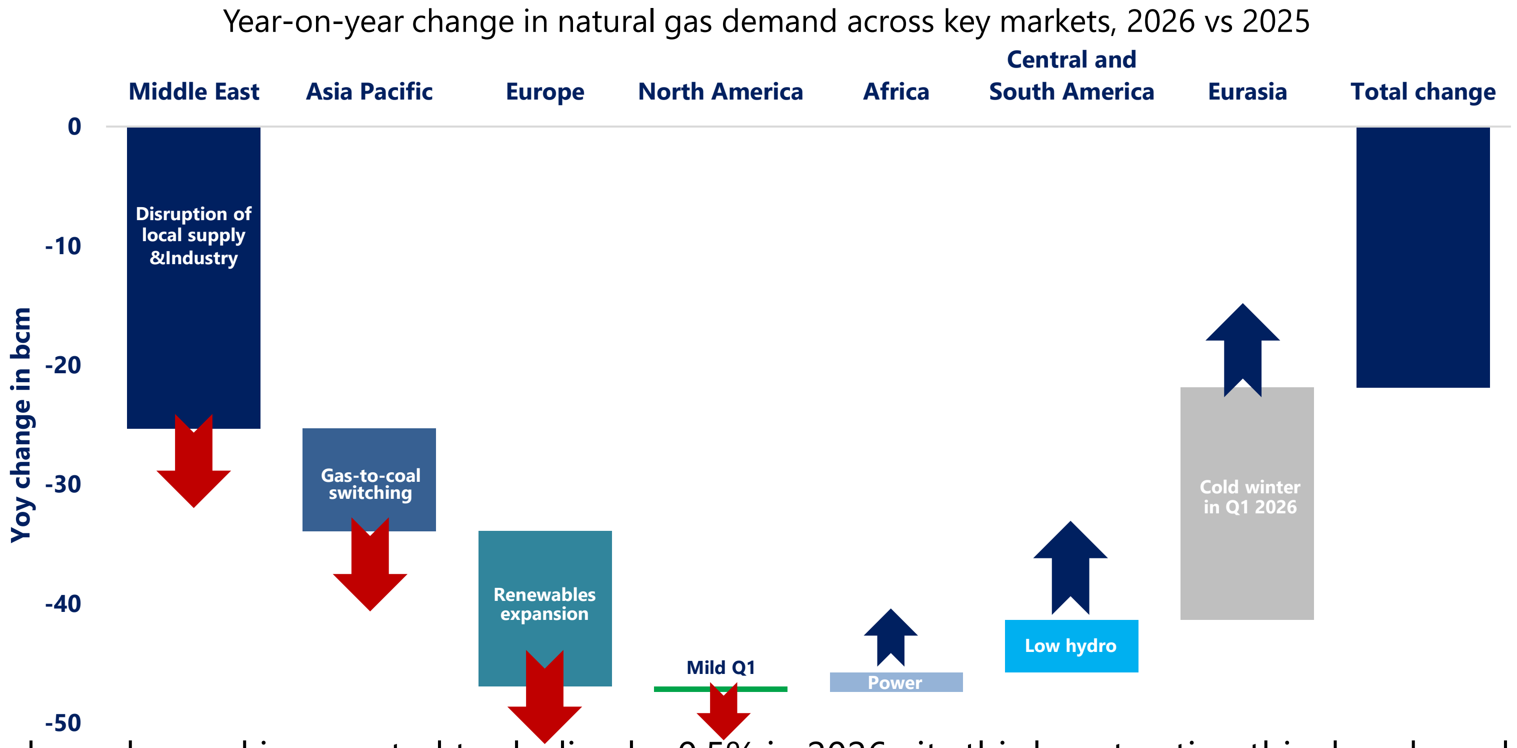


Year-on-year change in global LNG supply in 2026 based on different disruption assumptions



Assuming a progressive recovery ramp-up of Gulf LNG deliveries until full operations by the start of Q4, global LNG supply is expected to remain broadly in 2026. Delays could push LNG trade into contraction.

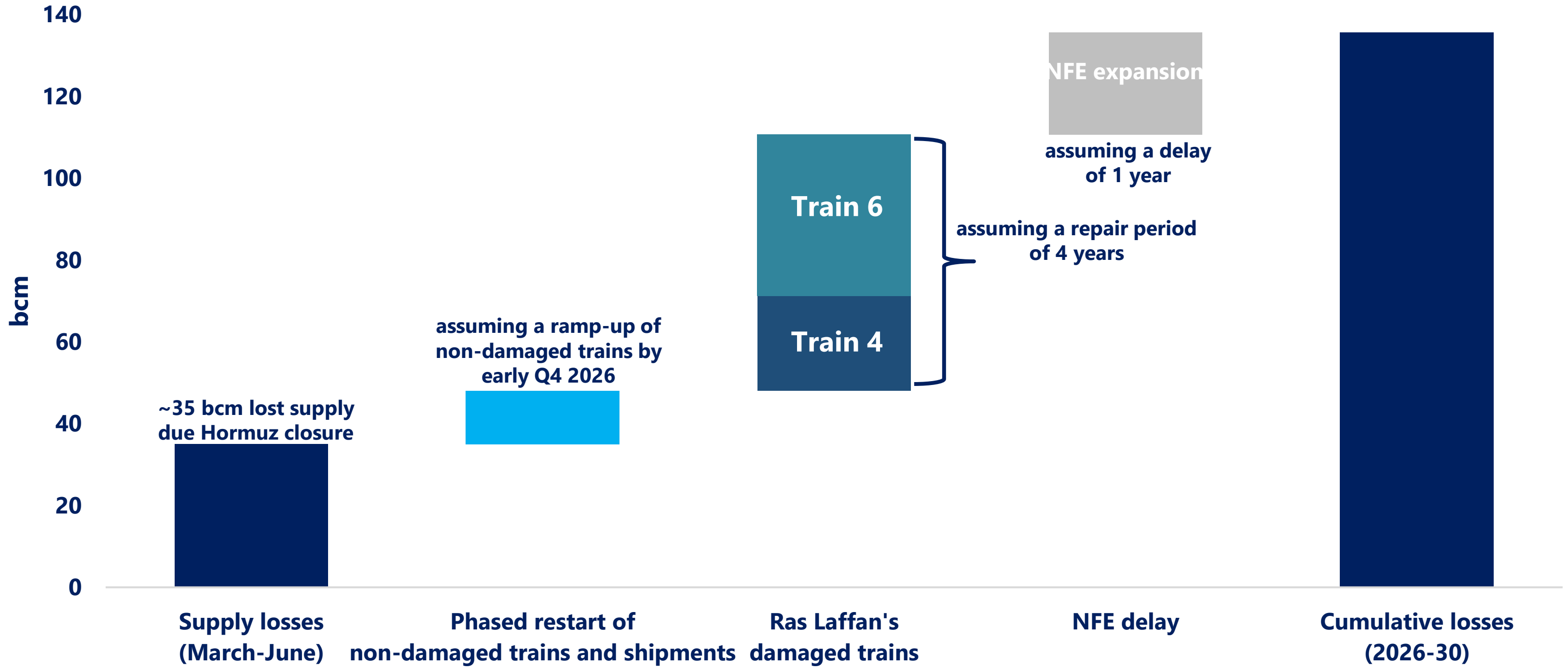
Oops I did it again: global gas demand is set to decline in 2026



Global gas demand is expected to decline by 0.5% in 2026 –its third contraction this decade and with losses largely concentrated in the Middle East, Asia and Europe.

The Middle East conflict is altering the medium-term gas outlook

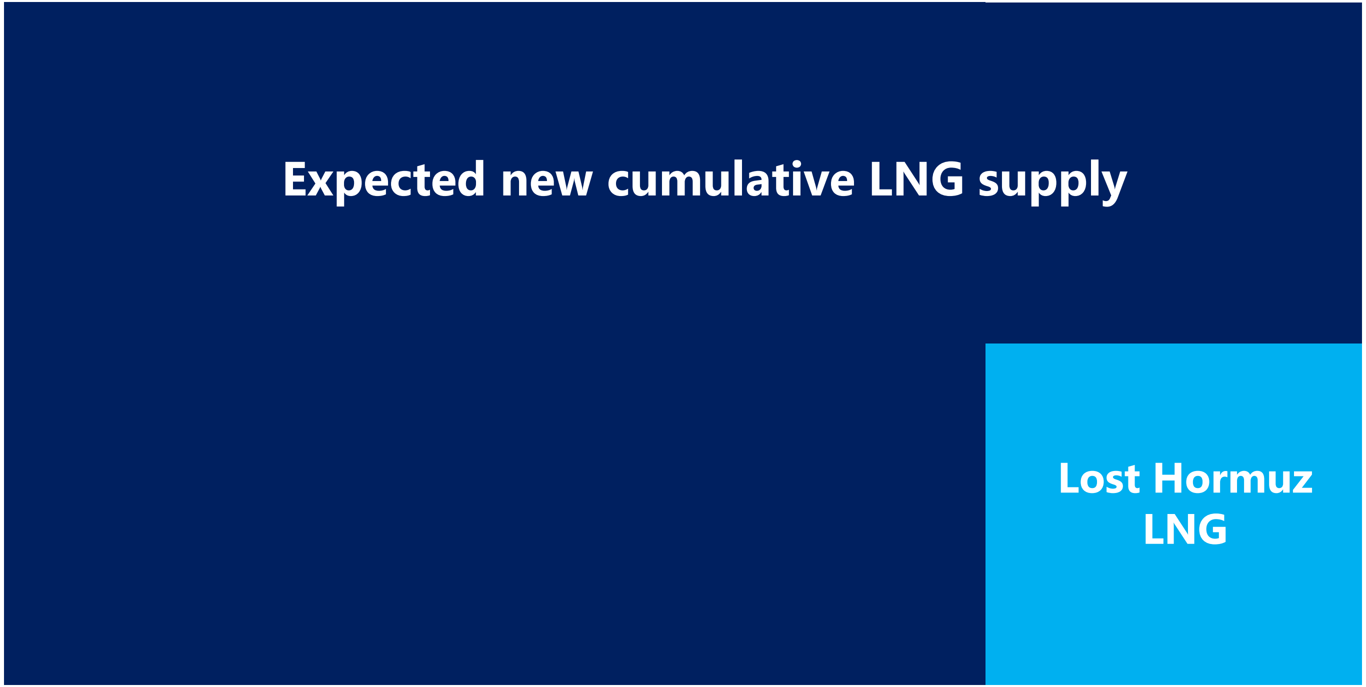
The cumulative impact of the Middle East conflict on LNG supply through 2026 – 2030



The Middle East conflict already led to a loss of ~140 bcm of global LNG supply over the 2026-30 period, largely driven by the damages caused to Qatar's LNG facilities. This alters the medium-term outlook.

The next episode: the LNG wave is set to offset losses from Hormuz

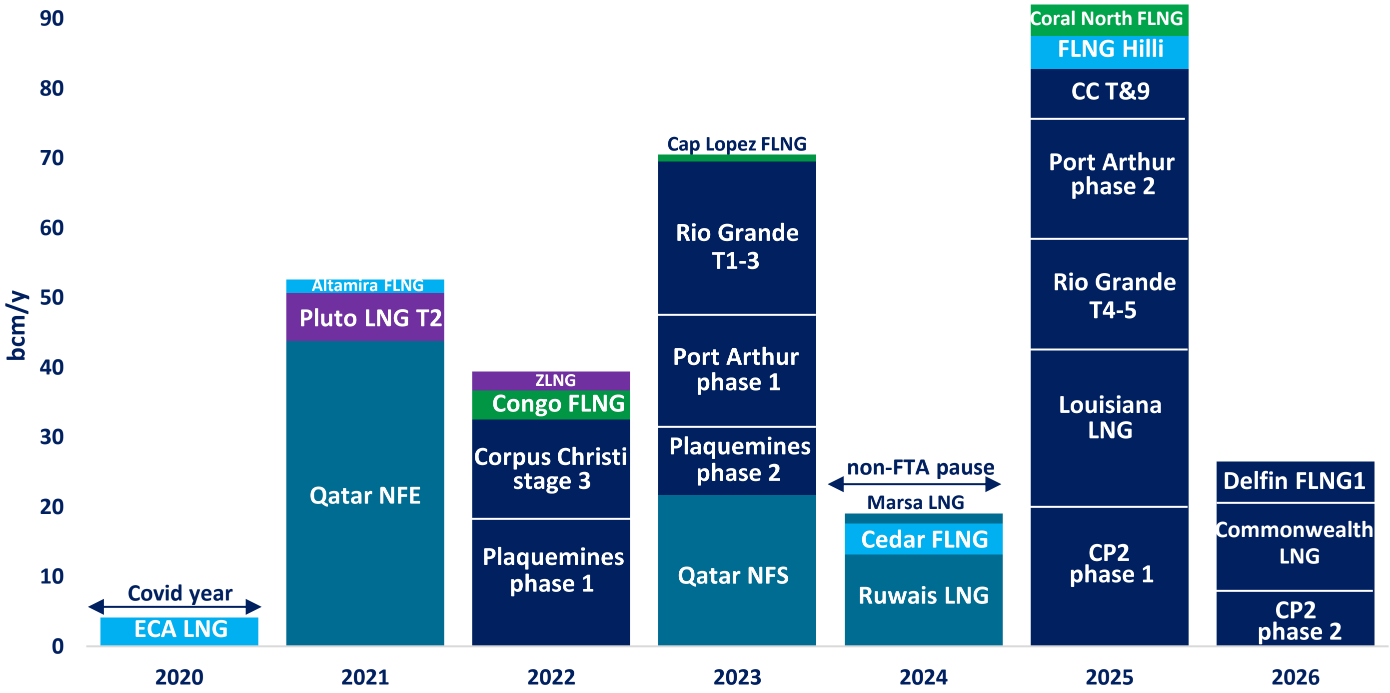
Expected cumulative increase in new LNG supply and loss of Hormuz LNG through 2026 – 2030



The strong increase in new LNG liquefaction capacity is set to offset the lost Qatar and Emirati supplies over the medium-term. Tighter market conditions could persist for longer than previously expected.

Gimme more: LNG FIDs pick up since Middle East crisis

Final investment decisions in LNG liquefaction projects by key export market, 2020 – 2026



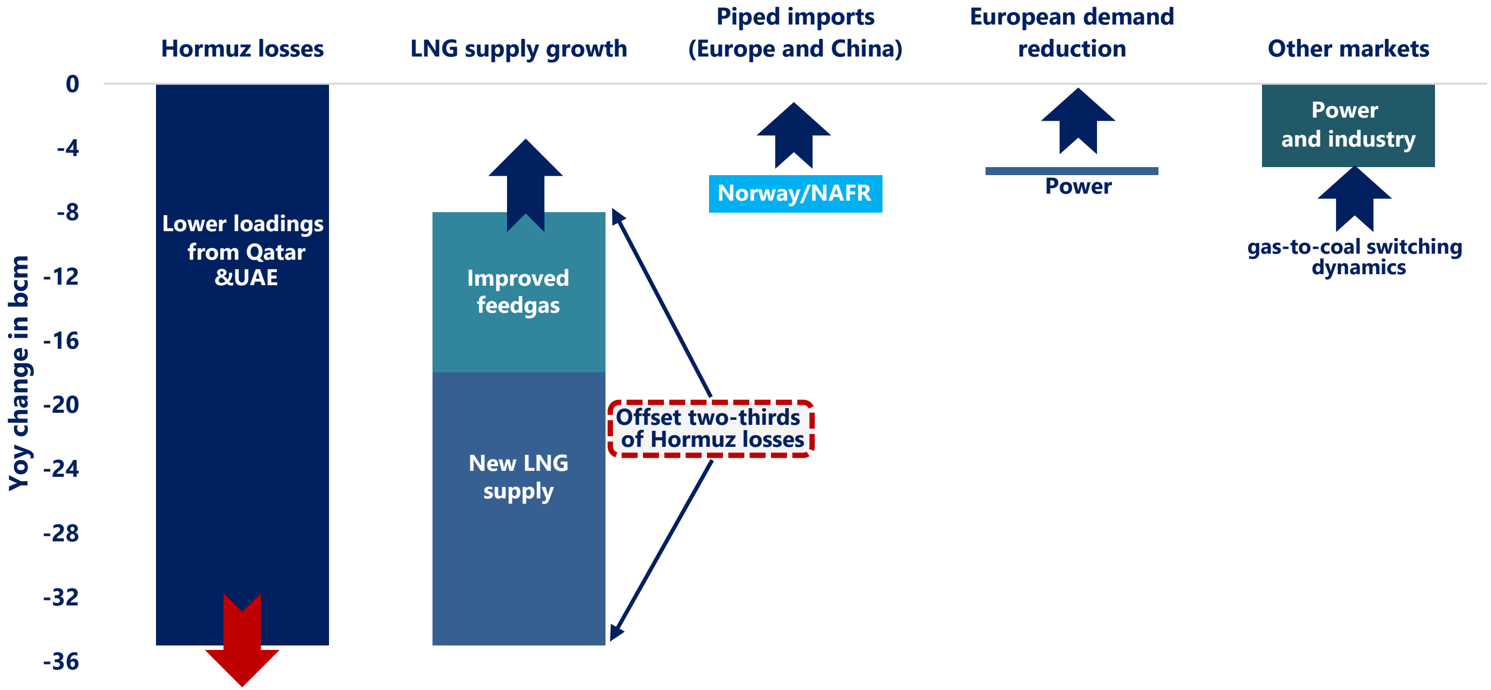
Since the beginning of March, three major LNG liquefaction projects reached a final investment decision. All three projects are located in the United States, reflecting the supportive regulatory framework.

Key takeaways: I Say a Little Prayer

- **The closure of the Strait of Hormuz** represents an unprecedented supply shock for the global LNG market, however **two-thirds of the losses are offset** by a strong increase in non-Gulf LNG supply.
- **Prices reacted swiftly** to the supply disruption, with both TTF and JKM rising to their highest Q2 average since 2022. Higher prices are driving gas-to-coal switching in Asia and **weighing on demand**.
- **Europe's LNG imports fell by 10%** yoy since March, with lower LNG inflows **weighing on storage injections**. Return to 5y average injections would suffice to fill storage up to **75% capacity** by 1 Nov.
- **Global LNG supply is could remain broadly flat in 2026**, assuming a recovery ramp-up of Gulf LNG deliveries until full operations by the start of Q4. Delays could push LNG trade into contraction.
- **Global gas demand is expected to decline by 0.5% in 2026** –its third contraction this decade. Losses are largely concentrated in the **Middle East, Asia and Europe**.
- The Middle East conflict already led to **a cumulative loss of ~140 bcm of global LNG supply** over the 2026-30 period, **delaying the effect of the unfolding LNG wave by two years**.

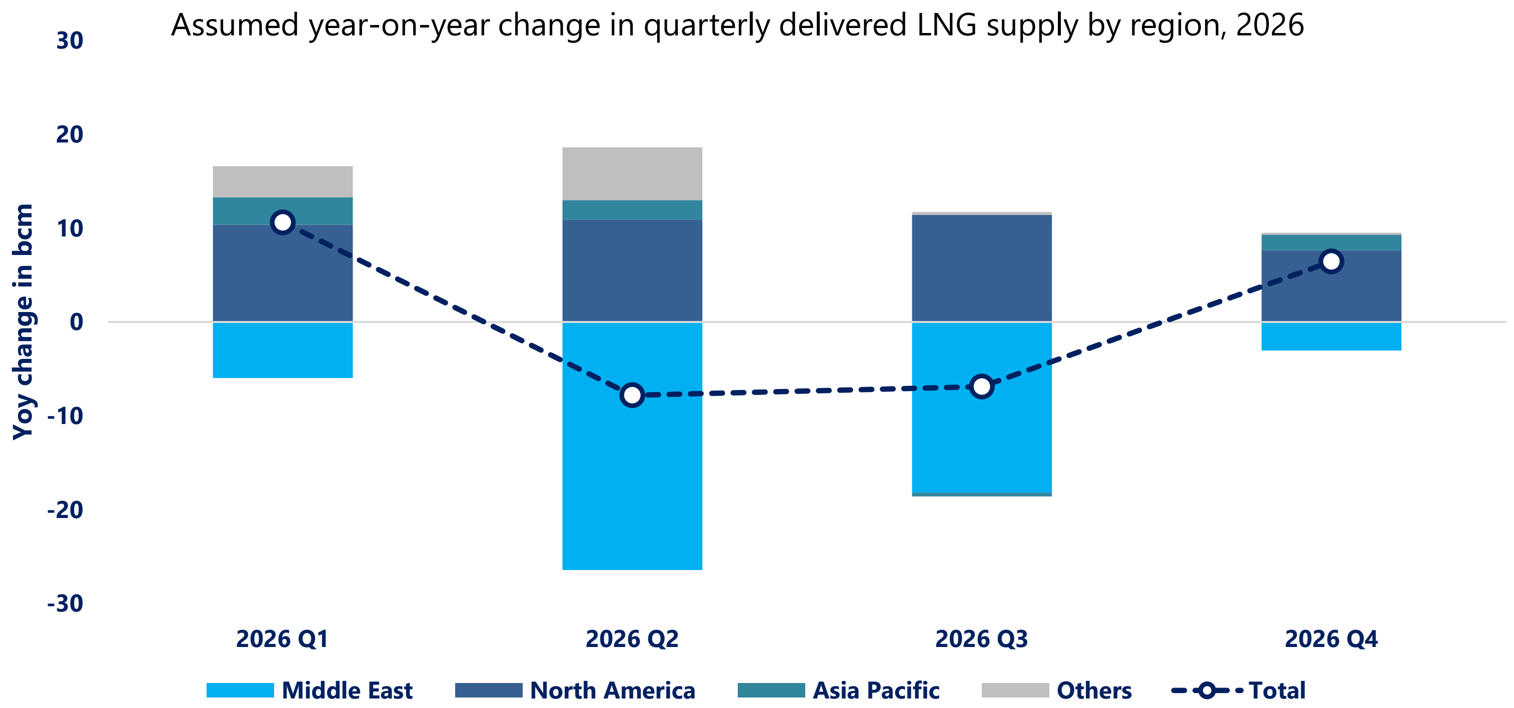
Gas webinar: IEA Quarterly Gas Report, 15 July 2026, 15:00 CET

I will survive: how is the global gas market balancing out?



Link in the comments!

Not gonna get us: LNG trade is assumed to stay broadly flat in 2026



Assuming a progressive recovery ramp-up of Gulf LNG deliveries until full operations by the start of Q4, global LNG supply is expected to remain broadly in 2026. Delays could push LNG trade into contraction.