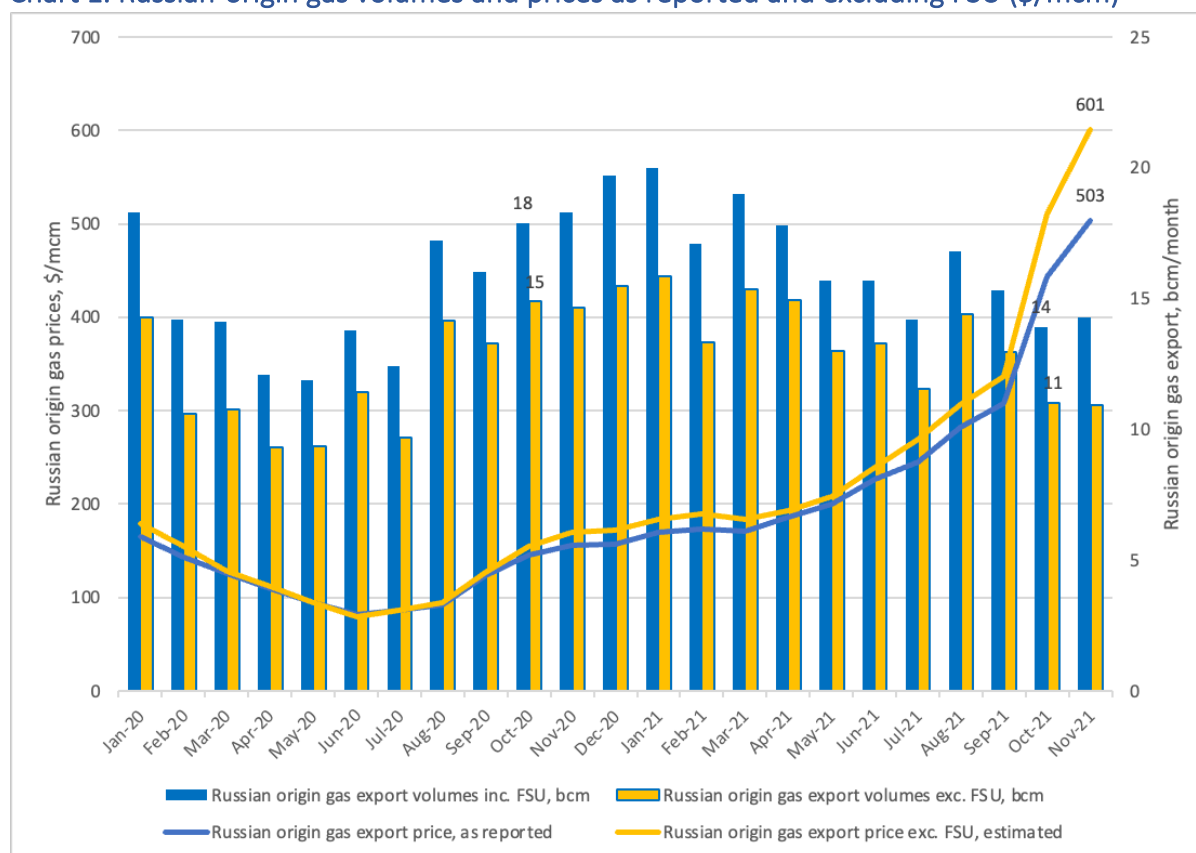


Russian-origin gas price to all export markets at \$503 in November, export to Europe drops by 29% YoY

- The weighted-average price of Russian-origin gas to Europe, Turkey and the Former Soviet Union (FSU) was \$503 per 1,000 cubic meters (mcm) in November, compared to [our forecast](#) of \$511/mcm. This is based on the Russian customs data, released on January 14. It does not include sales to China.
- The Russian customs report the total value of Russian-origin gas shipped across the border. We work out average prices paid for Russian gas by customers in the FSU, Europe and Turkey.
- We estimate that Russian gas price to Europe only (excluding FSU, Turkey and ESP sales) was \$668/mcm in November. This is at a 39% discount to the average price of TTF November futures of \$1,112/mcm.
- Based on our pricing model, the weighted average price of Russian-origin gas to all destinations (Europe, Turkey and the Former Soviet Union) in December was \$580/mcm. The Russian gas price to Europe only (excluding FSU, Turkey and ESP sales) is estimated at \$855/mcm, at a 14% discount to the average price of December TTF futures (\$1,001/mcm) and 38% discount to TTF average spot price for December.
- We estimate that Russian gas exports to FSU, Europe, Turkey and China was 16.08 bcm in November 2021, down 22% YoY. This is based on various data points released by Russian customs and Gazprom. Detailed data for November with a breakdown of gas export by country is yet to be published by the Russian customs. However, the preliminary numbers indicate that Russian-origin gas export to Europe was down 29% YoY in November.
- As we discussed in the recent report on November and December Russian gas balances, the fall in exports was offset by a drop in withdrawal from Russian gas storage. Please see ***Gazprom output hits 13-year high in 2021 to meet domestic needs.***

Average price of Russian-origin gas to all export markets was \$503/mcm in November

Chart 1. Russian-origin gas volumes and prices as reported and excluding FSU (\$/mcm)

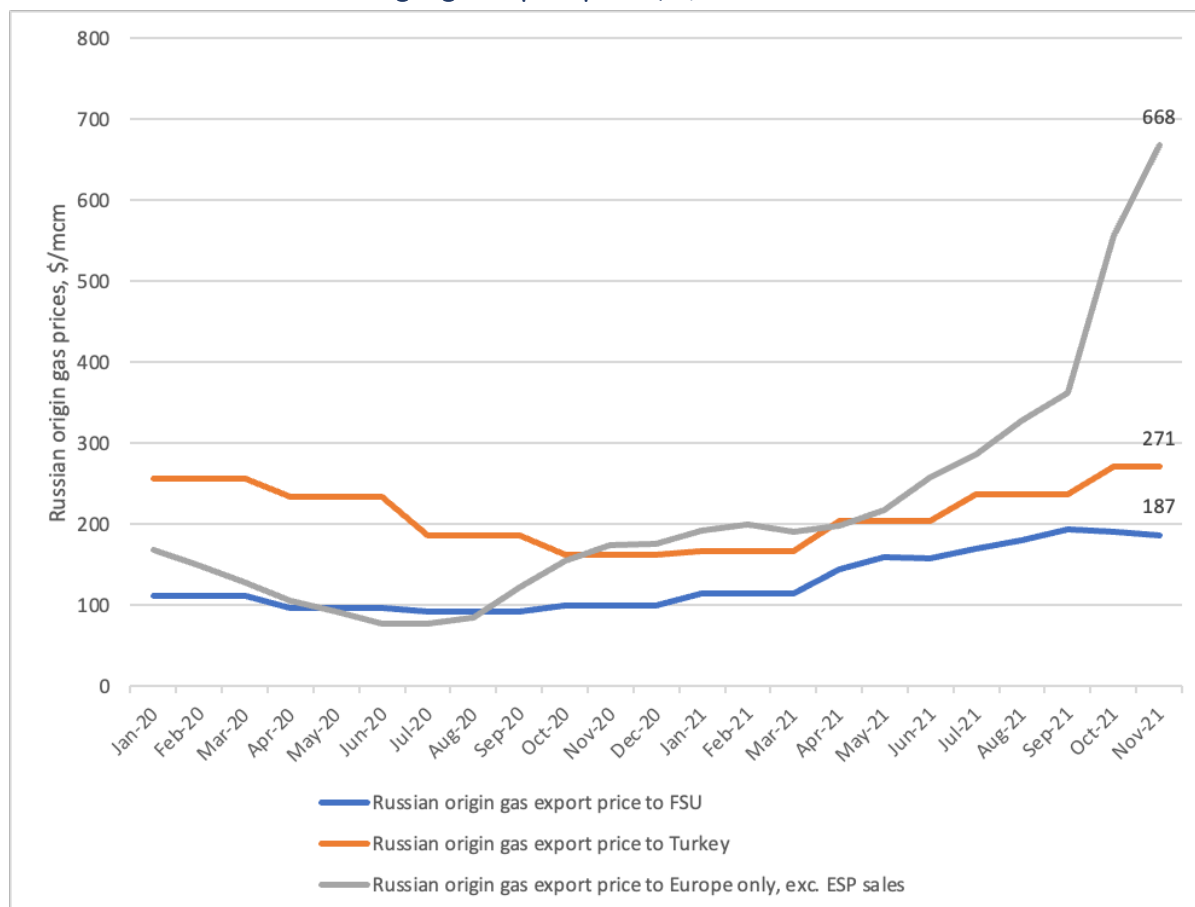


Source: Russian customs data, RAA research

- On January 14, Russian customs released data for Russian-origin pipeline gas shipments for November 2021. Total value of Russian-origin gas that crossed Russian border to Europe, Turkey and Former Soviet Union (FSU) was \$7,199 bn. Total volume was 14.3 bcm in November¹, down 21.9% YoY. The data excludes sales to China.
- Based on this data, the weighted average price of all Russian-origin gas which crossed the border in November was \$503/mcm compared to \$444/mcm in October. Excluding gas sales to FSU, the average price of Russian-origin gas to customers in Europe and Turkey was \$601/mcm in November compared to \$511/mcm in October.

¹ <https://customs.gov.ru/press/federal/document/322198>

Chart 2. Estimated Russian-origin gas export prices, \$/mcm

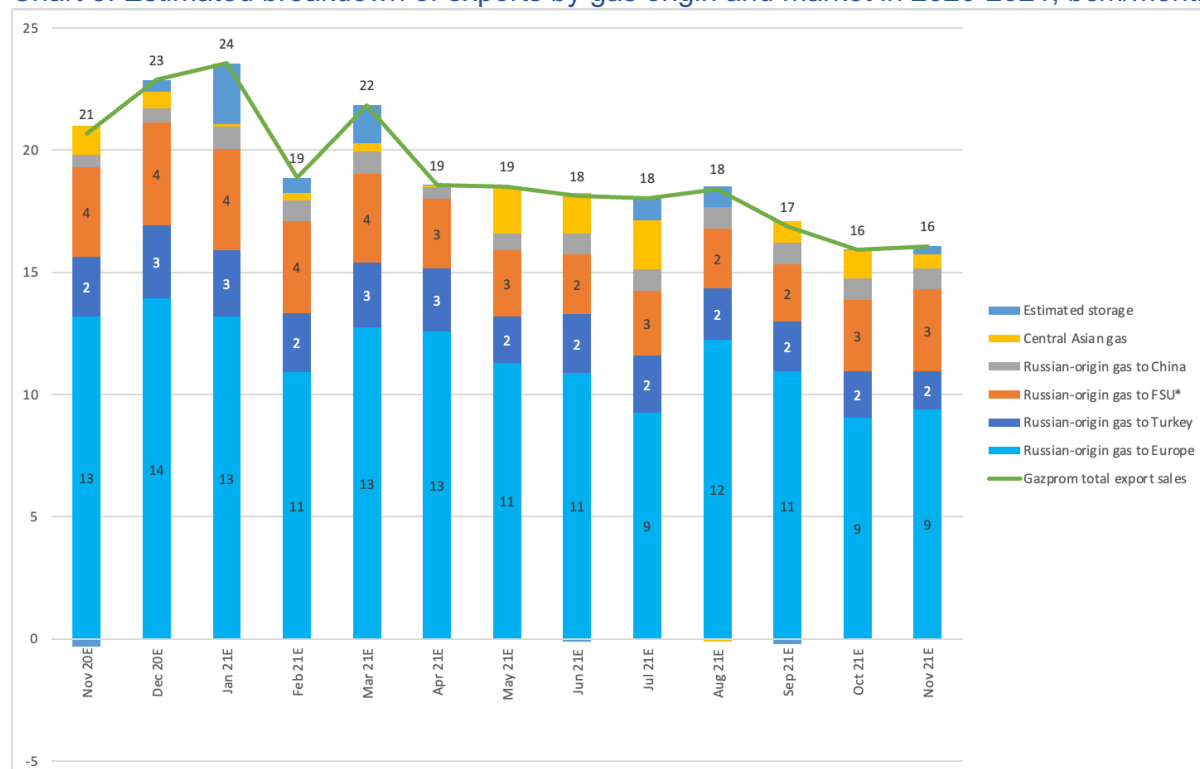


Source: Customs data, RAA research

- According to our estimates the weighted average price to Europe only (excluding Turkey and ESP sales²) was \$668/mcm, up 20% MoM. This is at a 39% discount to average price of TTF November futures.
- Based on our pricing model, we estimate that weighted average price of Russian-origin gas to Europe, Turkey and FSU was \$580/mcm in December. Adjusted price to Europe only (exc. FSU, Turkey and ESP sales) is estimated at \$825/mcm, at a 17% discount to average price of TTF December futures.

² The sales via Gazprom Electronic Sales Platform for deliveries in October 2021. We estimate that total volume sold for October 2021 deliveries was 0.34 bcm and average price was \$330/mcm.

Chart 3. Estimated breakdown of exports by gas origin and market in 2020-2021, bcm/month



Source: Customs data, Gazprom data, ENSTOG data, RAA research

- We estimate that Russian gas exports to FSU, Europe, Turkey and China was 16.08 bcm in November 2021, down 22% YoY. This is based on various data points released by Russian customs and Gazprom. Detailed data for November with the breakdown of gas exported by country is yet to be published by the customs. However, the preliminary numbers indicate that Russian-origin gas exports to Europe were down 29% YoY in November.
- As we discussed in the recent report on November and December Russian gas balances, the fall in exports was offset by a drop in withdrawals from the Russian gas storage. Please see [Gazprom output hits 13-year high in 2021 to meet domestic needs](#).

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