

The future prices for the natural gas prices on the Romanian Commodity Exchange fell below the central European benchmark set on the Austrian CEGH exchange, following the introduction of the gas release program.

This trend will likely remain in place for the coming quarters, as the domestic market faces over-supply. Gas storages are nearly 90 % full, and local production increased in September as the regional gas price went above the break-even price of local producer Romgaz.

According to natural gas transmission system operator Transgaz, local production has risen from about 230,000 MWh per day in August to 250-255,000 MWh in September, due to an increase in Romgaz' production.

Romgaz CEO Adrian Volintiru said that as of September, the prices in the regional market increased above Romgaz's break-even level. Thus, the domestic market has offered Romgaz the opportunity to sell larger amounts. In response to this demand, production has increased to the potential. The market is preparing for the beginning of the cold season, the early demand being determined by the estimate that the prices will increase.

However, data indicate that not only the domestic market has driven up Romgaz's output. For the first time since the summer of 2018, Romania exported gas to Hungary, through the point from Csanadpalota. On 13 and 14 September, small export volumes were reported (4.75 GWh and 5.08 GWh respectively).

After Romania imported some 60 GWh per day from Hungary in June, the amounts halved to 27 GWh per day in July and August, and the flows reached a balance in September.

The trend toward exports from Romania could maintain for at least several quarters, as the future price of gas for next year in Romania is 12.75 euros/MWh, some 9 % below that on the CEGH.