

Platts Atlantic LNG Price Assessments: FAQ

What are Platts Atlantic LNG Price Assessments?

Platts assesses three main price benchmarks for Atlantic Basin Liquefied Natural Gas (LNG): two are delivered-ex-ship (DES) Europe assessments and the other is a free-on-board (FOB) US Gulf Coast assessment. In addition to these price assessments, Platts publishes many netback and netforward prices, such as DES Brazil and FOB Murmansk, based on freight formulae from specific loading or delivery locations.

The European price assessments Platts publishes are DES Mediterranean (MED) and DES Northwest Europe (NWE). The US assessment is the Gulf Coast Marker (GCM). Platts has published these European LNG assessments since June 2010, while GCM has been published since June 2016.

Platts NWE reflects LNG cargoes with gross heating value (GHV) of 1010–1030 Btu/Scf, a cargo size of 3.5TBtu +/-5% operational tolerance (optol) for delivery into LNG terminals in the UK, Netherlands, Belgium and Northern France.

Platts MED reflects the same GHV and optol as NWE, but reflects a cargo size of 3.3TBtu. MED reflects deliveries into Iberia and Southern France.

Platts GCM reflects cargoes with a GHV of 1,010–1,050 Btu/Scf and a cargo size of 3.5TBtu +/-2% optol. GCM reflects cargoes loading from terminals in the US Gulf Coast.

For the full methodology of Platts Atlantic LNG price assessments, please see [here](#).

How does Platts assess Atlantic LNG?

Platts Atlantic LNG assessments reflect the daily tradeable value of a spot LNG cargo at the given delivery period and location, based on trades, bids, offers and indications of tradeable value reported to S&P Global Platts pricing specialists. Platts uses a Market-on-Close (MOC) assessment methodology, which is an all-day process that reflects a 4:30 p.m. London time value — the timestamp for Platts LNG assessments in the Atlantic Basin.

The MOC is a structured and highly transparent process in which LNG bids, offers and transactions are submitted by participants to Platts editors and published in real time throughout the day until the market close. Following the close, Platts editors examine the data gathered through the day, conduct their analysis and develop price assessments that reflect value at 4:30 p.m. London time. Firm bids, offers and trades from companies are published on the Platts Editorial Window (eWindow) — an online communications tool that enables users to electronically enter and immediately view, bids, offers and transaction data. Platts launched the Atlantic LNG eWindow on September 24, 2021.

Platts MOC data is published in real time on Page 008 of Platts LNG Alert (LNG) and Page 001 of Platts Natural Gas Alert (PGN) as well as on Platts Platform.

An entity may communicate its interest to participate in the Platts MOC assessment process using the following link: <https://www.spglobal.com/platts/en/our-methodology/participation-review>. For MOC participation questions please contact pricegroup@spglobal.com.

In addition to information gathered through market surveys is considered in the final assessment alongside bids, offers and trades reported in the MOC. The firm bids, offers that are open to the whole market, and trades resulting from that take precedence in the final assessment.

These inputs are published throughout the day, in real-time, in the form of “market hearsds”, to allow Platts to test the information, which forms the basis of the assessment and for market participants to give feedback on those inputs.

Platts assessments normalize for a range of dimensions including timing/delivery dates, quantity, location, terms of trade and quality. For more details, please refer to our LNG methodology and specifications guide.

What are assessment periods for Platts Atlantic LNG price assessments?

Platts DES Europe price assessments are assessed in half-monthly cycles. Platts assesses cargoes for delivery in the third, fourth and fifth half-month cycles forward from the date of publication. The DES NWE and MED monthly assessment is based on the average of the two half-months that match the JKM delivery month period. The assessment rolls on the 16th of the month, or next business day after the 16th, to the following whole month. For example, on November 16, NWE and MED reflect the average of their respective H1 and H2 January assessed periods; on December 16, the month rolls to reflect February deliveries, or the average of their respective H1 and H2 February delivery periods.

Evolution of the Platts Atlantic LNG price assessments.

Platts GCM was launched in 2016, when exports from the US Gulf Coast were in their infancy. Since then the US has become one of the top-three LNG exporters globally, acting as a swing supplier into either the Atlantic or Asia Pacific Basins based on the most profitable netback pricing.

As a result, GCM has evolved as well. When first published GCM reflected a netback value derived from the most competitive delivery location Platts assesses (whether that was in Europe, South Asia or North Asia). Platts now receives market-based FOB data, including in the most transparent setting, the MOC price assessment process, to aid the assessment of GCM. As a result, GCM evolved from being a netback price to a fully-fledged market-based price assessment.

With exports from the US continuing to grow as new projects have come online, trade on an FOB basis has increased. Further projects are signing foundational contracts with a view to taking a final investment decision (FID) soon, and these developments should further bolster FOB trade volumes.

Platts NWE and MED assessments have undergone an evolution in recent years, too. In 2019, the first ever fully transparent European LNG cargo bids and offers were reported as part of the Atlantic LNG MOC price assessment process. Since then, volumes have steadily grown.

Platts clarified its standard terms for European and US LNG cargoes in 2019 as well, providing market participants with a view on which nomination deadlines, specifications and cargo sizes Platts considers standard for the assessment's respective location.

For further information on Platts Atlantic LNG price assessments please contact: LNGeditorialteam@spglobal.com

CONTACT US

support@platts.com

North America

+1-800-PLATTS8 (toll-free)
+1-212-904-3070 (direct)

Latin America

+55-11-3371-5755

EMEA

+44-(0)20-7176-6111

Russia

+7-495-783-4141

Asia-Pacific

+65-6530-6430

Copyright © 2021 S&P Global Platts Inc. All rights reserved.