GME Gestore Mercati Energetici

Press Release

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Rome, 14 July 2026 – The new issue of the newsletter of *Gestore dei Mercati Energetici* (GME) is now available at www.mercatoelettrico.org.

The newsletter opens with an article by Agata Gugliotta and Gian Paolo Repetto – from *Ricerche Industriali Energetiche* (RIE) – about the impact of the Hormuz crisis on natural gas procurement in the EU and Italy. The two researchers note that, *at the end of February 2026, after yet another predominantly mild winter, European spot gas prices appeared to settle around 30–32 €/MWh, while futures pointed to a downward trend well below the 30 €/MWh threshold for the following winter half-year, and especially from early 2027. Although stored gas reserves were below the average in the past three years, Europe counted on a progressive increase in global availability of LNG, expected especially from the second half of the year and then more substantially in subsequent years, thanks to the gradual commissioning of new liquefaction facilities, above all in the United States and Quatar. In practice, the market anticipated a progressive return to equilibrium – if not of oversupply in the medium term – after the shock triggered by the Russian invasion of Ukraine.* Gugliotta and Repetto stress, however, that *this scenario failed to materialise from 28 February onwards, owing to the war that led to the closure of the Strait of Hormuz.* Indeed, the conflict of 28 February marked the beginning of a "selective closure" of the Strait by Iran. *Moreover, Iranian bombings in March struck the Ras Laffan hub in Qatar, a crucial LNG production infrastructure with an overall capacity of 105 billion m^3/year, disrupting 17% of its capacity for at least 3–5 years. Extensive damage was also inflicted on the Pearl GTL (Gas-to-Liquids) plant and other connected facilities in the Ras Laffan Industrial City. Qatar Energy was therefore compelled to invoke the force majeure clause for its export contracts – a measure extended several times over the past few months, the latest notification issued at the end of June and postponed at least until early September.* As a result, while in March the EU had managed to receive another 1.1 billion m^3 of LNG (as various gas tankers were already on route beyond the Strait when the war broke out), *arrivals fell to 117 million m^3 in April and then dropped to zero in May and June: the EU thus faced a shortfall of roughly 1 billion m^3 on a month-on-month basis.* The two researchers emphasise that, at the same time, compared with the corresponding months of 2025, *LNG imports from Russia were*

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growing, whereas those from the United States remained around the levels of the previous year only until April. In effect, the June data reveal that overall LNG imports by the EU were 20% lower than in the previous year, a difference not entirely justified by the shortfall of supplies from Quatar. The EU received less LNG also from the United States, as well as lower volumes from Angola, Trinidad, and other countries; conversely, at the global level, LNG imports in June slightly increased on a year-on-year basis. Concurrently, in the second quarter of 2026, *imports via pipelines increased by only 1% (+450 million m*^{3}*) compared with the same period of last year, with a moderate rise in flows from Algeria and to a lesser extent from Azerbaijan, whereas supplies from Norway remained unchanged.* Gugliotta and Repetto acknowledge that, *in fact, faced with a slightly higher EU demand compared with last year, the above-described scenario is having a major impact on the filling of storage facilities.* Furthermore, as of 30 June, EU storage sites had an average filling level of 49.2%, significantly lower than in recent years. In particular, with respect to last year, storage facilities contained 10.8 billion m^3 less. *The situation in Italy is definitely better, with a filling level of 67.5% vs. 71.6% last year, which had led to a 95% level as of 31 October.* Nevertheless, the lower availability of LNG has driven a sharp increase in international prices. *Against the backdrop of uncertainties surrounding the Strait, other factors have also contributed in recent weeks to sustaining European prices: the need to make progress in filling storage sites; the rise in consumption for thermal uses to cope with heatwaves, which divert volumes away from storage; and increased Asian competition, which – by offering a price premium – reduces the number of spot LNG cargoes reaching European shores*. The two RIE researchers conclude that, *according to an analysis published in June by OIES (Oxford Institute for Energy Studies) (…), the most likely scenario is that storage levels will reach around 70% by 31 October, against the target of 80%. The issue of restocking will therefore be a factor that is expected to contribute to sustaining prices over the coming months, even if the geopolitical situation were to show signs of improvement.*

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This issue of the newsletter comes with the usual technical commentaries about European and national power exchanges and environmental markets, a section focused on the analysis of Italian gas market trends, and a section with insights into the trends of the main European commodity markets.

As has become customary, the publication also reports the summary data of the electricity market for June 2026.

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