THEMATIC RESEARCH · EUROPE ENERGY

Europe's Winter Gas Squeeze

The TTF benchmark crossed €100 per megawatt-hour on 28 October for the first time since 2022. Storage is the lowest for the time of year since records began, Qatar's LNG is trapped behind Hormuz and Europe must outbid Asia for Atlantic cargoes. This report covers prices, storage, the global LNG contest, policy, the industries most exposed and the forecasts for the winter.

Global Markets Research · Commodities Desk Prepared by ANDRA MARKETS

~€31.5

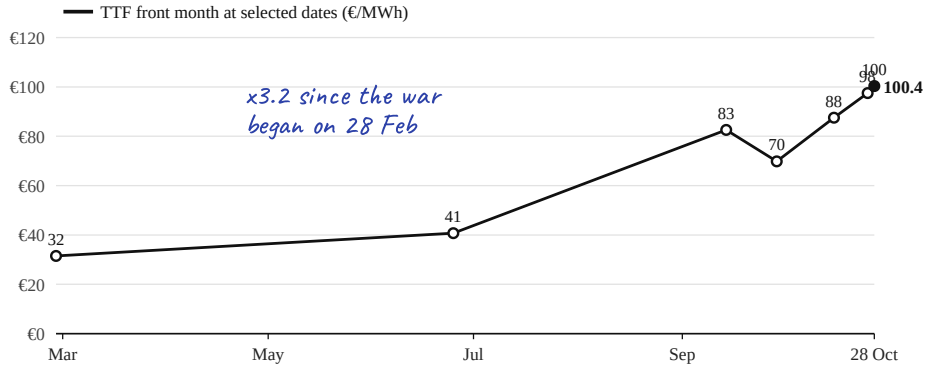
Coverage summary. The front-month Dutch TTF contract traded at €100.37 per megawatt-hour on 28 October, hours after EU Energy Commissioner Dan Jørgensen warned that Europe faces another energy crisis. The benchmark has risen from €31.51 on the eve of the war, more than three times. EU storage was 74.6% full on 24 October, about 14 points below the five-year seasonal average and the lowest for the date since records began in 2009. Converted into dollars, Europe now pays about ~$33 per million British thermal units, against about $2.8 at Henry Hub in the United States. The market is not short of gas today; it is short of the buffer it needs to get through a cold February.

€100 broken, first since 2022

TTF FRONT MONTH	EU STORAGE	GERMAN STORAGE	EUROPE VS US GAS
€100	**74.6%**	**61%**	**~x12**
28 Oct; €31.5 pre-war	*24 Oct; ~89% 5-yr norm*	*23 Oct; ~77% a year ago*	*TTF vs Henry Hub*

record low for October

EXHIBIT 1. TTF FRONT-MONTH GAS AT SELECTED DATES, 2026 (€ PER MWH)



x3 in eight months

Sources: MarketScreener (27 Feb close; 16 Oct); The Traders Spread (contract settlements 25 Jun, 14 Sep, 29 Sep); discoveryalert.com (26 Oct); Euronews (28 Oct intraday).

1.0 Executive Summary

Key takeaways

~29%

Europe never refilled. Storage stood at just 28.9% in mid-March, when the war closed Hormuz and Qatar halted LNG output. Without Qatari supply the bloc reached only 70.9% at the end of September and 74.6% by 24 October, with daily changes now hovering around zero.

no summer refill

small direct loss

The direct loss is small, the indirect one is not. Middle Eastern LNG was only about 8% of EU LNG imports in 2025. Asia lost far more, and both regions now compete for the same Atlantic cargoes. The US now supplies roughly 30% of all EU gas.

~8%

~7%

The winter arithmetic is tight. ENTSOG warned on 8 October that storage could fall well below 30% by the end of winter if LNG stays scarce, and IEEFA estimates the EU may need to cut winter demand by about 7%.

<30% by March?

Brussels is preparing, not yet rationing. Jørgensen has asked governments to sustain injections, reduce demand voluntarily, aim for 80% storage rather than 90% and design any price support with care.

Forecasters sit below the market. Goldman Sachs has a year-end forecast of €70 with a stress level near €105; Citi sees the winter strip at €60 to €70 without escalation and up to €154 if LNG facilities are hit.

Our reading. The floor under prices is set by storage, not sentiment. Temperatures and the pace of US arrivals will decide whether €100 is a peak or a waypoint. Industry, which cuts output, is the release valve; households feel it with a lag.

2.0 How We Got Here

Eight months of disruption

The war that began on 28 February closed the Strait of Hormuz, through which about a fifth of global LNG normally flows, and forced Qatar to shut the world's largest liquefaction complex. TTF rose more than 60% in March, its biggest monthly gain since 2021. It eased into the spring as milder weather and strong renewables curbed demand, then tightened again over the summer as it became clear that Gulf exports would not return quickly. Only 3 LNG carriers crossed Hormuz in August against 18 in July. Oil followed the same path: Brent spot, which stood at $71 on 27 February, has spent most of the autumn above $110.

Exhibit 2. Brent crude, spot, since January 2025 ($ per barrel)



Source: US Energy Information Administration daily Brent spot price, to 27 October 2026. Spot prices differ from front-month futures quoted elsewhere in Andra Markets research.

Exhibit A. Timeline of the European gas squeeze, 2026

Date	Event
28 Feb	US and Israeli strikes on Iran; Strait of Hormuz closes
2 Mar	Qatar halts LNG production
16 Mar	EU storage 28.9%; Germany 21.9%
August	3 LNG carriers transit Hormuz vs 18 in July
3 Sep	JKM at highest since Dec 2022 as Europe outbids Asia
27 Sep	Jørgensen letter: injections, demand cuts, 80% target
8 Oct	ENTSOG: storage could end winter below 30%
28 Oct	TTF crosses €100; 'another energy crisis'

Sources: Andra Markets 2026-66; S&P Global; Trading Economics; Euronews; ENTSOG.

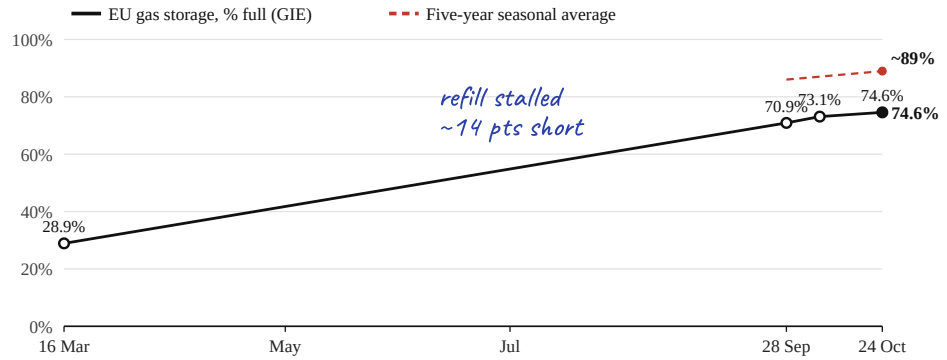
3.0 Storage

Starting the winter on the back foot

Storage is Europe's shock absorber. In a normal year it enters November around 90% full and draws down through the winter. This year the EU relaxed its mandatory target, so that 80% reached between 1 October and 1 December counts as compliance, and the Commission has encouraged members to use that flexibility to avoid panic buying. Even the lower bar is now out of reach for many. Germany,

which holds about a fifth of EU capacity, was 61% full on 23 October, against roughly 77% a year earlier. Wood Mackenzie's central case assumes a normal winter and the return of Qatari and Emirati LNG in early 2027; a cold winter could push storage much lower.

Exhibit 3. EU gas storage in 2026 (% full)



refill stalled

Sources: S&P Global Platts (GIE data, 16 Mar and 28 Sep); TFTC (GIE AGSI+, 7 Oct); Bruegel (24 Oct); Trading Economics and discoveryalert.com (seasonal averages, ~86% mid-October and ~89% late October).

4.0 The Global LNG Contest

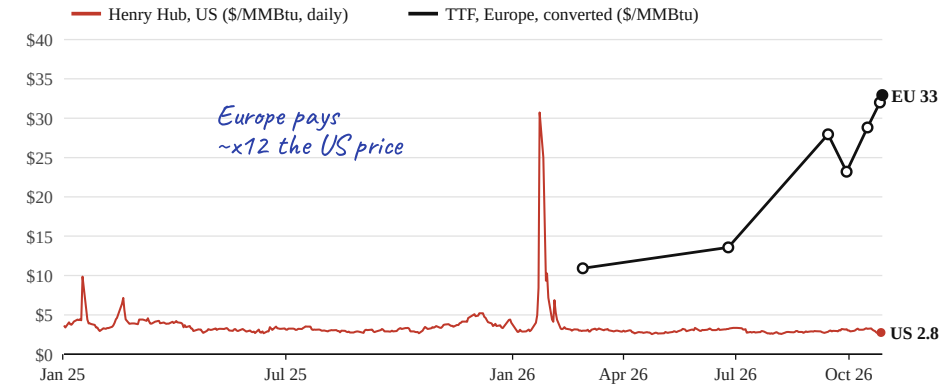
Europe against Asia for the same cargoes

~82M

The Gulf shock is a global LNG problem before it is a European one. Qatar exported 82.4 million tonnes of LNG in 2025, of which only about 8.9% went to Europe; it supplied a quarter of Asia's imports. With those cargoes gone, buyers in Japan, Korea and Taiwan bid for Atlantic supply, and S&P Global reported on 3 September that the JKM benchmark had reached its highest since December 2022 as Europe outbid Asia for US volumes. The result is an enormous transatlantic spread: US gas at Henry Hub trades near $2.8 per million British thermal units because the US is self-sufficient, while Europe pays around $33. That spread is what pulls record US LNG exports across the Atlantic.

Asia bids for the same cargoes

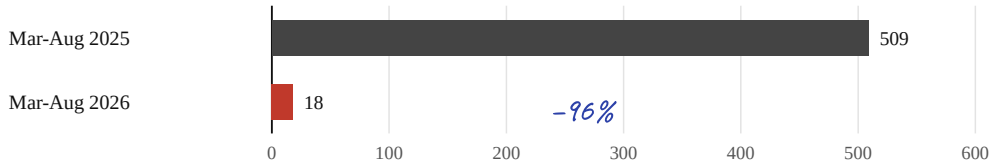
Exhibit 4. US Henry Hub vs European TTF ($ per million British thermal units)



~x12

Sources: EIA daily Henry Hub spot price to 27 October 2026; TTF at selected dates converted at the Federal Reserve daily EUR/USD rate (H.10) and 3.412 MMBtu per MWh. Andra Markets calculations.

Exhibit 5. Qatari LNG cargoes in the first six months of the war



-96%

Source: Andra Markets 2026-66 (18 cargoes in March-August 2026 against 509 a year earlier).

China switches to coal

Two factors cap the upside. US exporters shipped record volumes in 2026, and as BASF chief executive Markus Kamieth has noted, China switches from gas to coal as soon as prices rise, releasing LNG to other buyers. He also pointed out that Hormuz removes only about 3% of world gas supply, against roughly 20% of oil. The price required to balance the market is high, but finite.

~20%

5.0 The Policy Response

Voluntary for now, emergency plans in reserve

no mandatory cuts yet

On 27 September Jørgensen wrote to the 27 energy ministers describing a price crisis linked to a supply crisis. He asked them to sustain injections or reduce gas and electricity demand for as long as necessary, to target 80% storage and to remember that voluntary demand reduction worked in 2022. On 8 October the Commission warned that broad energy subsidies could sustain demand and push prices higher. National emergency plans, with interruptible contracts and fuel switching, remain in reserve, and Brussels is seeking powers to order electricity demand cuts in a crisis. From January the EU ban on Russian LNG removes a supply source that partly filled the gap this year.

~80%

6.0 Who Is Exposed

Industry, power and households

Energy-intensive industry is the first adjustment mechanism. BASF's chief executive has called this probably the most difficult period for the chemical industry in 25 years; the group is cutting fixed costs in its core business by up to 20%, and its Ludwigshafen home site is loss-making. Fertilisers, glass, steel and ceramics face the same arithmetic: when gas costs triple, output is cut before customers are lost.

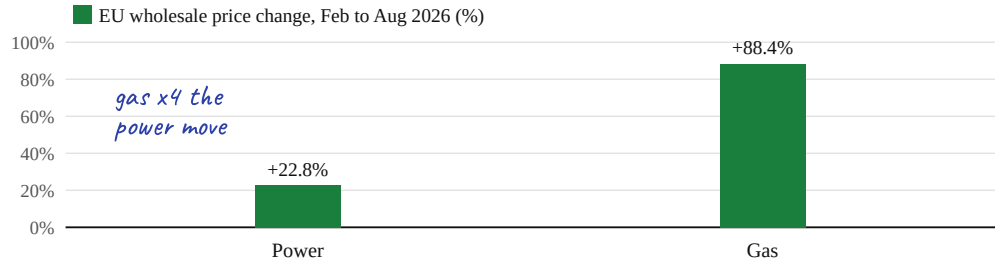
worst in 25 years

power lags gas

Power prices have risen far less than gas, up 22.8% between February and August against 88.4% for gas, according to Eurelectric, because renewables now set more hours of the merit order. But gas still sets the price at peak times, and ICIS found coal-fired generation had become more economical than gas. Households feel the shock with a lag: the UK price cap is forecast to rise a further 16% in January according to Cornwall Insight, and EU diesel prices rose 35% between late February and early October.

~23%

Exhibit 6. EU wholesale power vs gas, February to August 2026 (% change)



Source: Eurelectric, 30 September 2026, via Renewable Matter and Admiral Markets.

7.0 2022 vs 2026

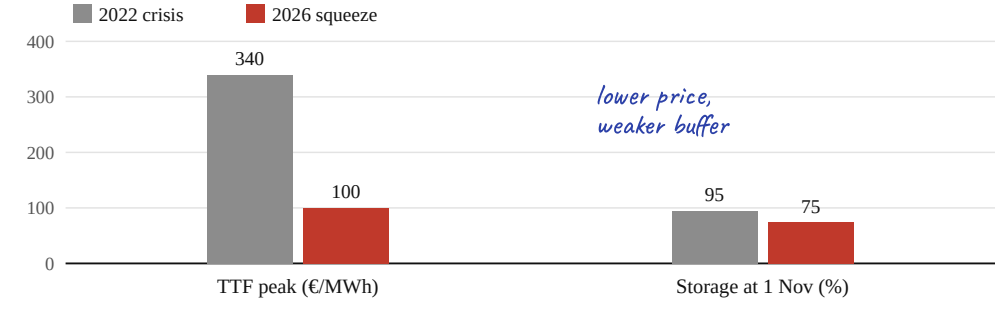
A different kind of crisis

~40%

It is tempting to compare this winter with 2022, when Russia cut pipeline supply. Then Europe lost its largest supplier, about 40% of its gas, and TTF peaked near ~€340 in August; this year the direct loss is small but the global LNG market is short, so Europe pays to compete rather than to replace. In 2022 storage still reached about 95% by November thanks to record injections; this year it is stuck near 75%. The price is a third of the 2022 peak, but the physical buffer is weaker.

peak 2022: ~€340

Exhibit 7. 2022 and 2026 compared



Sources: 2022 figures as widely reported (EU Council, ACER); 2026 figures as cited in this report.

8.0 Forecasts

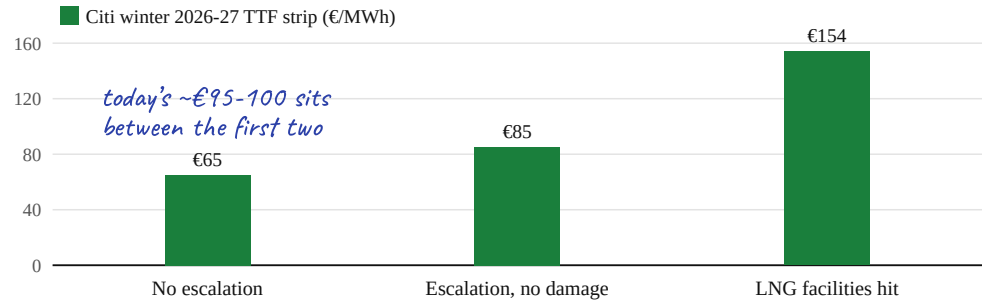
Banks sit below the screen

stress level ~€105

Most published forecasts are below the current front month, which tells us the market is paying a premium for the risk of a cold or disrupted winter. Goldman Sachs raised its year-end forecast to €70 in September and reiterated it on 13 October, warning that in a low-supply scenario prices would need to peak near €105 to free up enough LNG from other buyers. Citi's scenarios span €60 to €154 depending on escalation. In the long run Goldman expects a wave of new LNG supply to bring TTF down to about €19 on average in 2030-35.

~€70

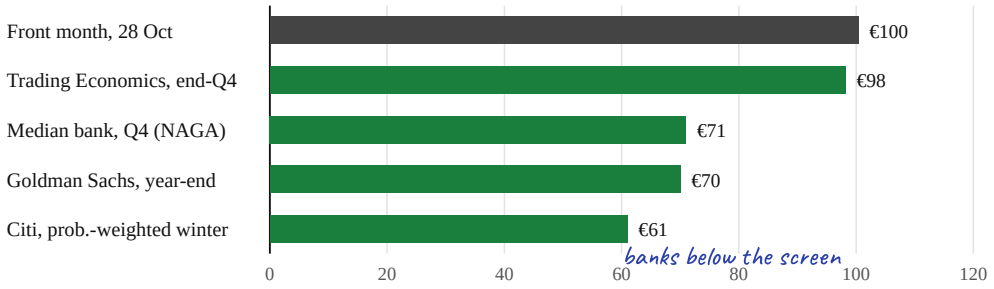
Exhibit 8. Citi scenarios for the winter 2026-27 TTF strip (€ per MWh)



the tail is very fat

Source: Citi via Rallies.ai, 28 Oct 2026. 'No escalation' shown at the midpoint of €60-70.

Exhibit 9. TTF: market price vs forecasts (€ per MWh)



Sources: Euronews; Trading Economics via Admiral Markets; NAGA; Investinglive; Admiral Markets (Citi, 6 Sep). Forecasts reported for reference only.

9.0 Scenarios and Calendar

What we are watching

Exhibit B. Andra Markets winter scenarios to end-March 2027

Scenario	Prob.	TTF	Trigger
Mild winter, steady US supply	35%	€60-80	El Niño delivers; no new Gulf escalation
Normal winter, Qatar offline	45%	€80-105	average temperatures, Asian competition
Cold winter or escalation	20%	€105-150	cold spell or damage to LNG facilities

Andra Markets scenarios; probabilities and ranges are judgemental.

Exhibit C. Calendar

Date	Event	Why it matters
Daily	GIE AGSI+ storage data	pace of withdrawals
November	temperatures and wind output	main demand swing factor
End-November	Qatar force majeure deadline	any return of Gulf LNG
December	TTF rolls to January	deep-winter contract
1 Jan 2027	EU ban on Russian LNG	one supply source fewer

Andra Markets selection.

reading: the floor is set by storage. weather and US cargoes decide the rest

Methodology and Source Notes

Method. This report uses TTF prices from ICE Endex as reported by the press, EIA daily Henry Hub and Brent spot prices, Federal Reserve daily exchange rates, storage data from GIE, Bruegel and the Bundesnetzagentur, LNG data from S&P Global Platts and LSEG, statements from the European Commission, ACER, ENTSOG and IEEFA, and published bank forecasts. Figures are as of 29 October 2026; scenario probabilities are judgemental. Handwritten notes and highlights are informal commentary by the desk. This note is analysis, not investment advice.

Principal sources. EIA; Federal Reserve (H.10); Euronews; Bruegel; GIE AGSI+; ACER; ENTSOG; IEEFA; Bundesnetzagentur; S&P Global Platts; LSEG; Eurelectric; Cornwall Insight; ICIS; BASF; Goldman Sachs; Citi; NAGA; Trading Economics; Wood Mackenzie; MarketScreener; The Traders Spread; Andra Markets 2026-66.

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