LPG & LNG Markets

Global demand, supply, pricing references, trade flows and logistics

A concise professional primer to understand how the two markets really price and move.

LNG | LPG

March 2026 market view

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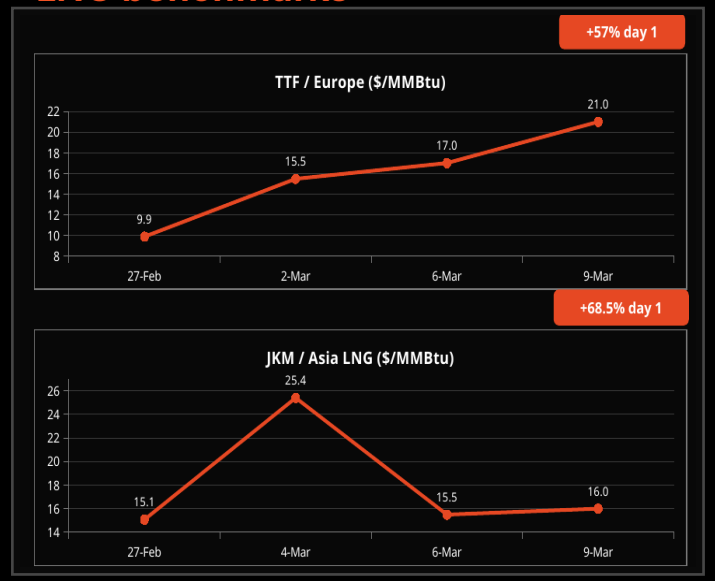
The conflict changed the market

Daily benchmarks repriced immediately

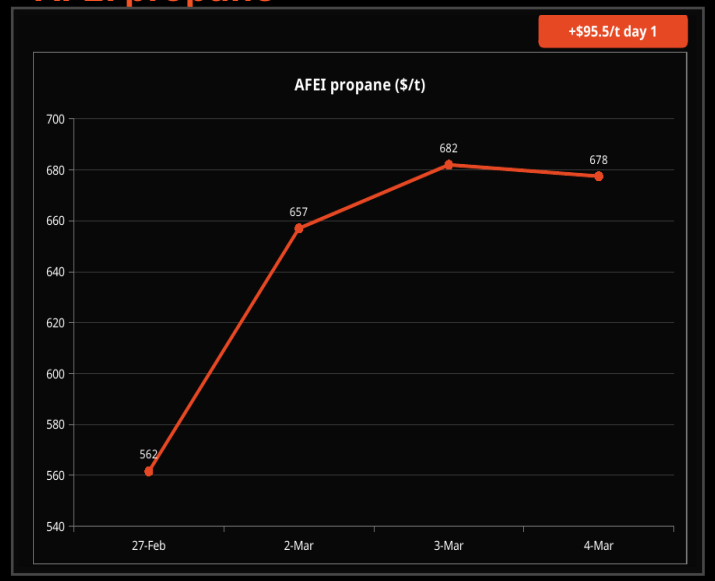
Across LNG, Saudi CP-linked propane and AFEI, daily data show a clear step-change within the first trading days after 28 Feb 2026.

LNG benchmarks



Saudi CP-linked propane

AFEI propane



Why this matters

The move was immediate and broad-based: Europe gas, CP-linked propane and Asian delivered propane all stepped higher within days, confirming a real market shock rather than normal day-to-day volatility.

+57% TTF day 1 | +$50/t CP-linked | +$95.5/t AFEI

One message: the market changed.

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A closer look at LNG and LPG markets

LNG and LPG are not the same market

Same family of energy products; very different chemistry, infrastructure, pricing units and risk profile.

LNG

Liquefied natural gas

- Mostly methane-rich natural gas.
- Liquefied to about −260°F / −162°C.
- Volume shrinks by roughly 600x versus gaseous form.
- Main uses: power, industry, city gas, shipping fuel.
- Typical price units: $/MMBtu or €/MWh.
- Key references: Henry Hub, TTF, JKM.

What matters most Cryogenic logistics, regas capacity, gas hubs and destination optionality.

LPG

Liquefied petroleum gas

- Mostly propane and butane.
- Stored and shipped under pressure and/or refrigeration.
- Main uses: cooking, heating, autogas, petrochemical feedstock.
- Typical price units: $/tonne or cents/gal.
- More flexible than LNG, but still freight-sensitive.
- Key references: Mont Belvieu, Saudi CP, AFEI.

What matters most Export hub pricing, freight, petrochemical pull and last-mile distribution.

World demand picture

LNG is a gas-balancing market; LPG is a hybrid household-fuel and petrochemical market.

411.24 MT

LNG traded globally in 2024

22 exporting markets | 48 importing markets

- Asia remains the structural center of incremental LNG demand.
- China and India are adding regasification and downstream gas infrastructure.
- Power demand, fuel switching and energy security drive spot LNG pull.
- By 2030, Asia is expected to account for half of global gas demand growth.

370+ MT

Global LPG market in 2024

>370 MT supply | growth largely absorbed by chemical demand

- Household cooking and heating remain core demand anchors.
- China has become the swing buyer via propane dehydrogenation (PDH).
- Agriculture and winter refill patterns can stress local distribution.
- India remains strategically important because LPG is a key cooking fuel.

Supply and trade flows

Supply concentration explains why disruptions in a few hubs can reprice entire basins.

LNG supply wave

≈70% of roughly 300 bcm/yr new liquefaction capacity expected by 2030 is concentrated in the U.S. and Qatar.

The United States could provide about one-third of global LNG supply by decade end.

LPG export gravity

- The U.S. Gulf Coast and the Middle East dominate marginal export balance.
- Mont Belvieu sits at the center of U.S. export-linked pricing.
- Asia remains the decisive destination market for many LPG cargoes.
- Freight often determines whether the next ton clears into Asia, India or Europe.

LNG pricing architecture

Three references matter most: Henry Hub for U.S. gas, TTF for Europe, JKM for delivered Northeast Asian LNG.

Henry Hub

U.S. gas benchmark

- Physical delivery point in Louisiana.
- Highly traded gas futures contract with strong liquidity and price transparency.
- Common base for U.S. LNG contract formulas.
- Usually quoted in $/MMBtu.

TTF

Europe gas benchmark

- Virtual transfer point in the Netherlands.
- Europe's most liquid and transparent gas hub.
- LNG cargoes and regional hubs often price against it.
- Usually quoted in €/MWh.

JKM

Asia spot LNG benchmark

- Spot price assessment for cargoes delivered ex-ship into Japan, Korea, China and Taiwan.
- Represents the world's largest LNG demand zone.
- Used in spot deals, tenders and many contracts globally.
- Usually quoted in $/MMBtu.

Practical read-through Atlantic cargoes often clear against TTF; Asian spot against JKM; U.S. long-term supply often starts from Henry Hub plus liquefaction and freight.

LPG pricing architecture

For LPG, benchmark relevance depends on where the cargo is loaded, where it is delivered and what freight says the arbitrage is worth.

Mont Belvieu

U.S. export / NGL hub

- U.S. shale and NGL growth made Gulf Coast pricing global.
- Key commercial and physical reference for U.S. propane exports.
- Benchmark because supply is large, repeatable and financially referenced.
- Common units include cents/gal and $/tonne equivalents.

Saudi CP

Middle East term reference

- Monthly propane and butane contract price from Saudi Aramco.
- Traditional term reference for Middle East flows into Asia-Pacific.
- Important because Arabian Gulf exports remain structurally relevant.
- Usually quoted in $/tonne.

AFEI

Delivered East Asia marker

- Argus Far East Index is a delivered benchmark for large LPG cargoes into East Asia.
- Settlement basis for exchange-cleared derivatives tied to delivered LPG.
- Benchmark because Asia is the core marginal import basin.
- Usually quoted in $/tonne.

Arbitrage read-through

Mont Belvieu + freight versus Saudi CP / AFEI is often the simplest way to think about where the next LPG cargo wants to clear.

What moves prices?

Benchmark level is only the start; delivered market price depends on the balance of physical, logistical and geopolitical forces.

Common drivers

- Weather: heating, cooling and refill demand.
- Upstream supply: feedgas, NGL extraction, refinery runs and outages.
- Storage and inventory: low stocks amplify volatility.
- Shipping and freight: carrier rates and canal congestion shift netbacks.
- Geopolitics: sanctions, war and export disruptions can reprice whole basins.

Product-specific tilt

LNG reacts more to hub gas balances and regas availability. LPG reacts more to petrochemical pull, freight spreads and household seasonality.

Recent reminder

Disruptions in Qatar in March 2026 showed how quickly LNG and LPG balances can tighten when Gulf export capacity is hit.

Logistics are part of the price

The physical chain explains why delivered cost can diverge sharply from the headline benchmark.

LNG chain

Gas field → Liquefaction → LNG carrier → Import terminal → Regasification → End-user

Implication High capex, cryogenic storage, boil-off management and regas capacity make LNG deeply infrastructure-dependent.

LPG chain

Gas plant / refinery → Fractionation & storage → VLGC / coaster / rail → Terminal → Cylinder / retail / PDH

Implication More flexible than LNG, but still highly sensitive to freight, terminal throughput and winter last-mile distribution.

One useful physical fact A VLGC normally loads about 80,000 m^3 of LPG.

Bottom line: how to read the whole market

If you know the benchmark family, the freight route and the marginal demand driver, you can usually explain the price.

01 Benchmark family

LNG: Henry Hub / TTF / JKM
LPG: Mont Belvieu / Saudi CP / AFEI

02 Freight & route

Delivered price = benchmark + shipping + terminal / optionality

03 Marginal demand driver

LNG: gas security, weather, power
LPG: PDH, household fuel, seasonality

What to monitor every week

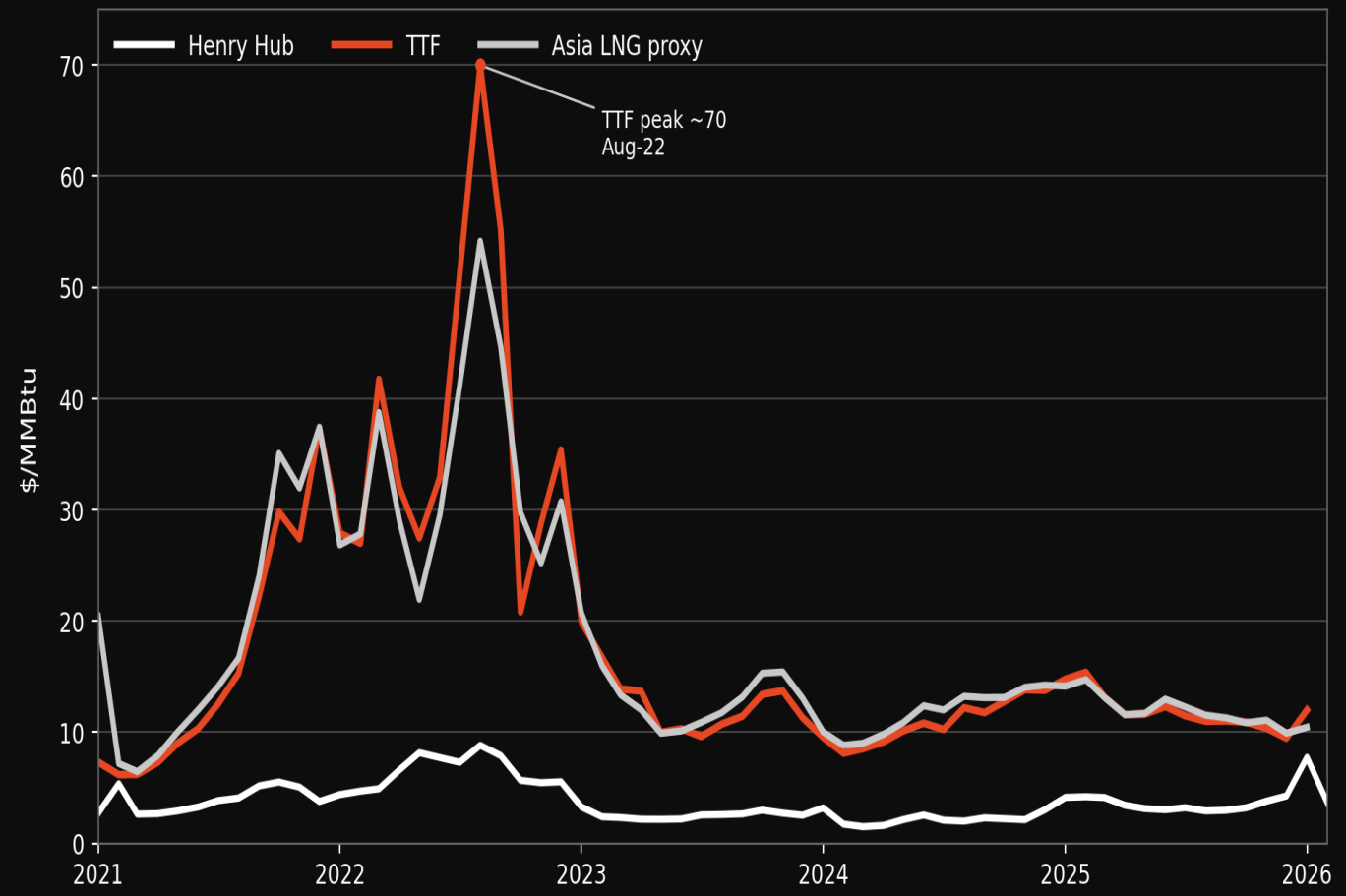
- Hub spreads: Henry Hub vs TTF vs JKM.
- Mont Belvieu versus AFEI / Saudi CP arbitrage.
- Freight: LNG carriers, VLGCs and canal congestion.
- Export outages, regas bottlenecks and inventory levels.
- Petrochemical margins, winter refill patterns and Gulf geopolitics.

In one sentence

LNG is a global gas market made tradable by cryogenic shipping; LPG is a global propane/butane market made tradable by flexible but freight-sensitive product flows.

Five-year benchmark evolution — LNG

Public monthly histories show the 2021–22 Europe/Asia shock, the 2023 reset, and a still-wide premium to U.S. gas.



Asia series shown = IMF/FRED “Global price of LNG, Asia”, used here as a public proxy for JKM-family delivered Asian LNG pricing.

Key read-through

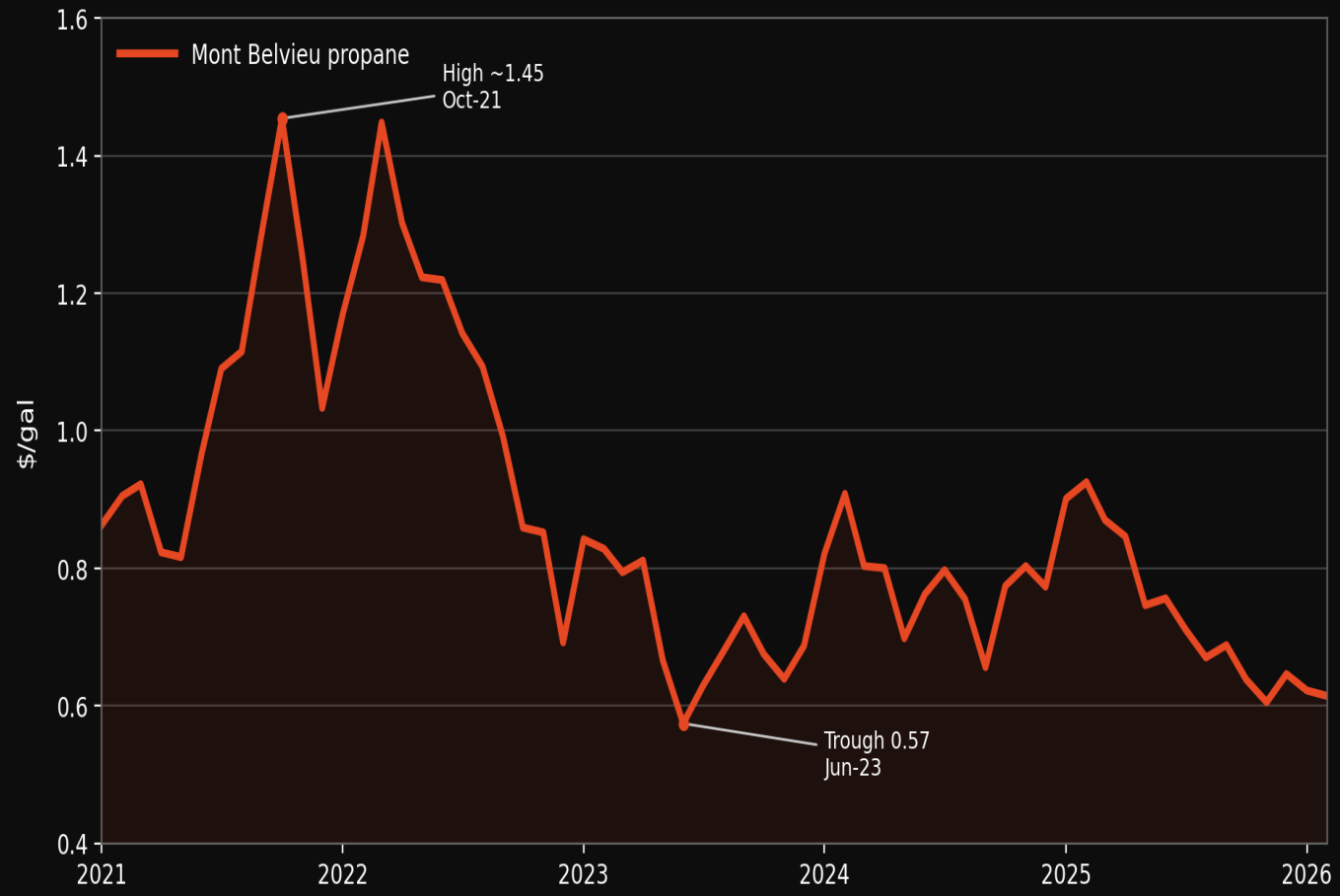
- TTF peaked near $70/MMBtu in Aug-22, while the Asia LNG proxy peaked near $54/MMBtu; Henry Hub peaked near $8.8/MMBtu.
- From 2023 through 2025, Europe and Asia normalized mostly into the low-teens, but still stayed well above U.S. gas.
- That spread is the core reason U.S. LNG contracts are often built off Henry Hub plus liquefaction and freight.

Why it matters

The chart makes the basis-risk story visible: cargo economics, procurement timing, and hedge design all depend on whether the risk sits in Henry Hub, TTF, or Asia-delivered pricing.

Five-year benchmark evolution — LPG

Mont Belvieu shows the core U.S. export price cycle; Saudi CP and AFEI frame the Asia-linked term and delivered market.



Public 5-year history shown here = Mont Belvieu propane. Full historical Saudi CP and AFEI time series are typically commercial vendor / exchange datasets.

Public proxy

- Mont Belvieu propane peaked around $1.45/gal in late-2021 / early-2022, then normalized into roughly $0.60–0.90/gal through 2023–26.
- That makes it the clearest free public series for the U.S. export-linked LPG cycle.

Benchmark context

- Saudi CP remains the monthly Middle East term anchor into Asia-Pacific.
- AFEI remains the delivered East Asia marker for large cargoes and the paper settlement basis for Asia-linked LPG risk.

Recent reminder

In early Mar-26, AFEI paper rose 17% to about $657/t and Saudi CP paper climbed to about $595/t on Middle East supply stress — a reminder that Asia-linked delivered markers can reprice faster than Mont Belvieu.

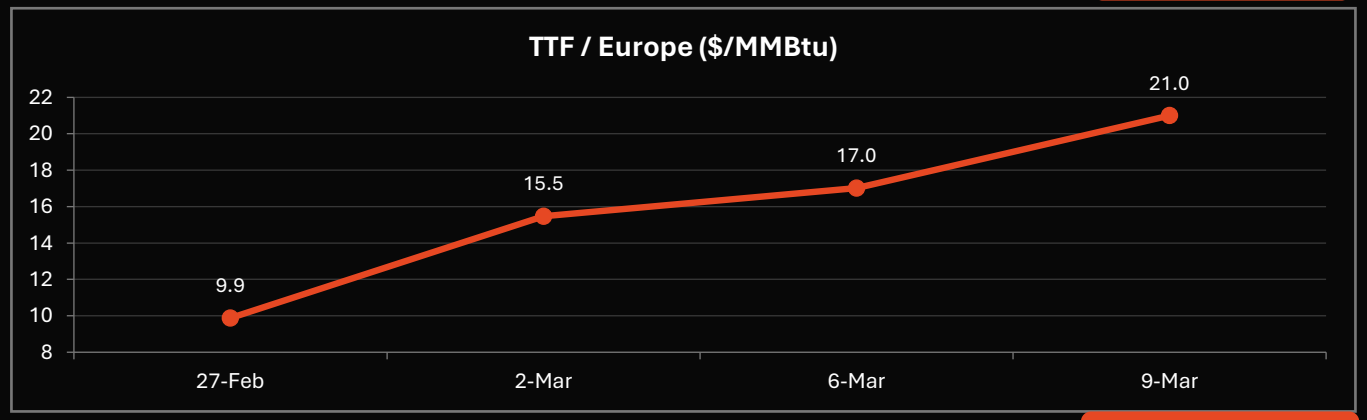
The conflict starts

Conflict starts — LNG benchmarks gap higher on day 1

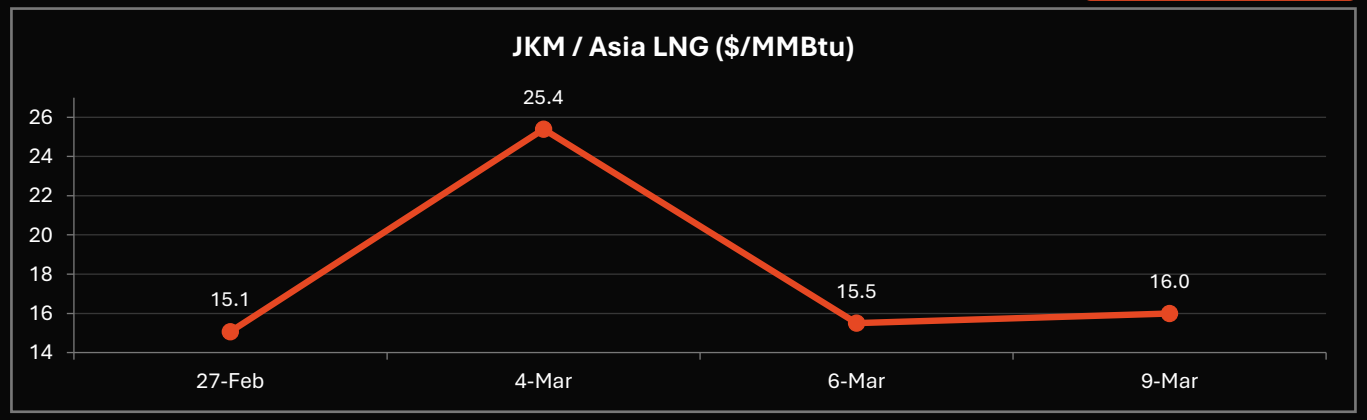
28 Feb 2026: conflict starts

Daily benchmark points make the re-pricing explicit after the conflict began on 28 Feb 2026.

+57% day 1



+68.5% day 1



What changed on day 1

- TTF jumped from about $9.9 to $15.5/MMBtu on 2 Mar — the biggest daily gain since 2022.
- JKM jumped from roughly $15.1 to $25.4/MMBtu by 4 Mar as Atlantic cargoes re-priced toward Asia.
- By 9 Mar, TTF was around $21/MMBtu while JKM was still near $16/MMBtu, keeping the shock visible.

Management take-away

Europe and Asia repriced immediately once Qatar and Strait-of-Hormuz risk entered the market. That visible jump is the point the deck needed to show.

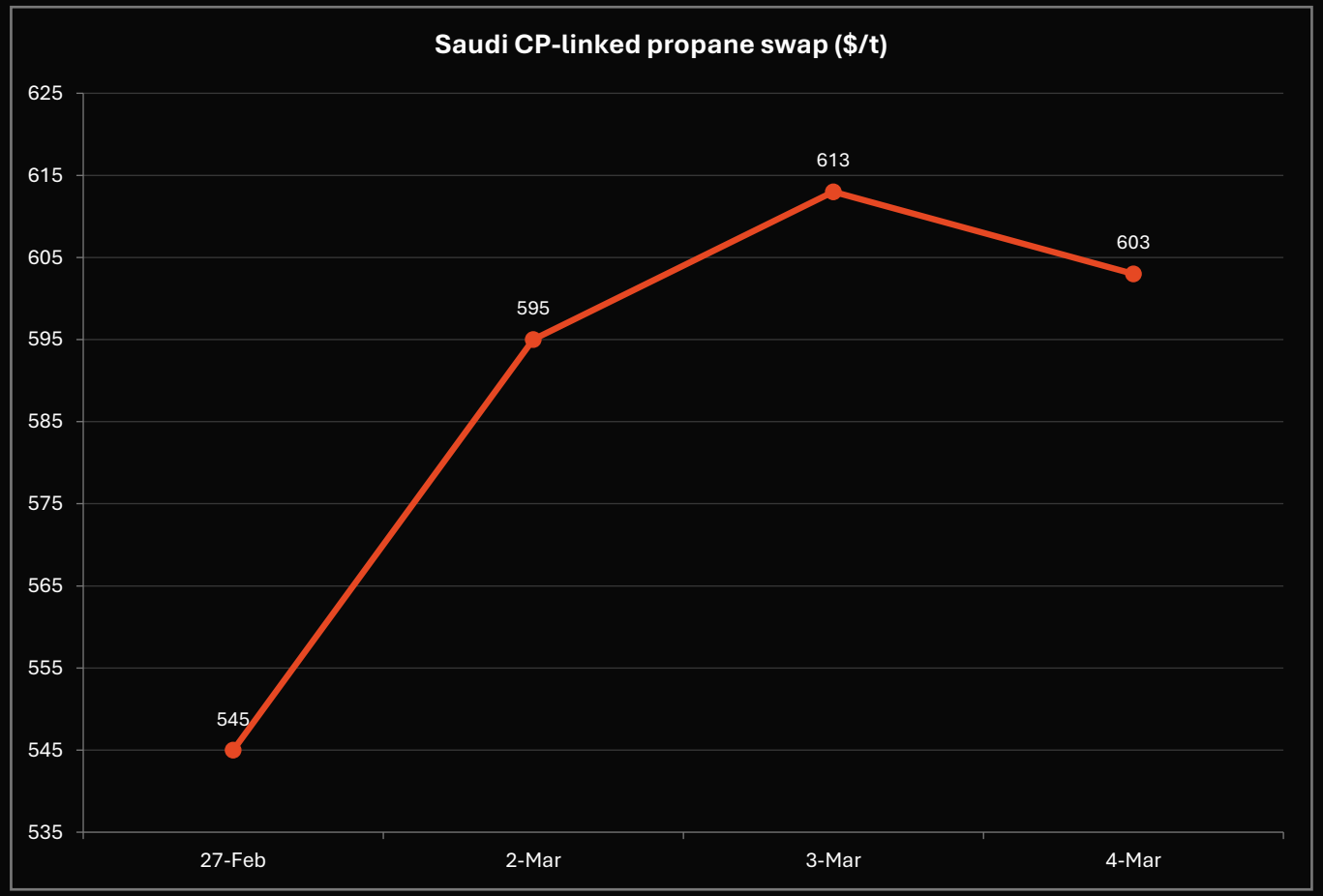
Sources: Reuters, 2 Mar 2026 and 4–9 Mar 2026 reporting on TTF and JKM daily moves; day-1 pre-conflict levels derived from the reported percentage / absolute daily change.

Conflict starts — Saudi CP-linked propane swap jumps

Daily proxy for the CP move

Daily CP-linked paper makes the immediate conflict move visible; official Saudi CP itself remains monthly.

+~$50/t day 1



Now the chart shows

- 2 Mar: CP-linked paper rose to about $595/t, roughly 8% above the 27 Feb close.
- 3 Mar close: about $613/t, extending the move as supply and transit risk stayed elevated.
- 4 Mar: eased to around $603/t as hopes of partial tanker transit returned, but prices stayed well above pre-conflict.

Why this works

It is now daily, explicit, and still editable in PowerPoint. The slide keeps the Saudi anchor, but shows the shock through the tradable CP-linked daily marker.

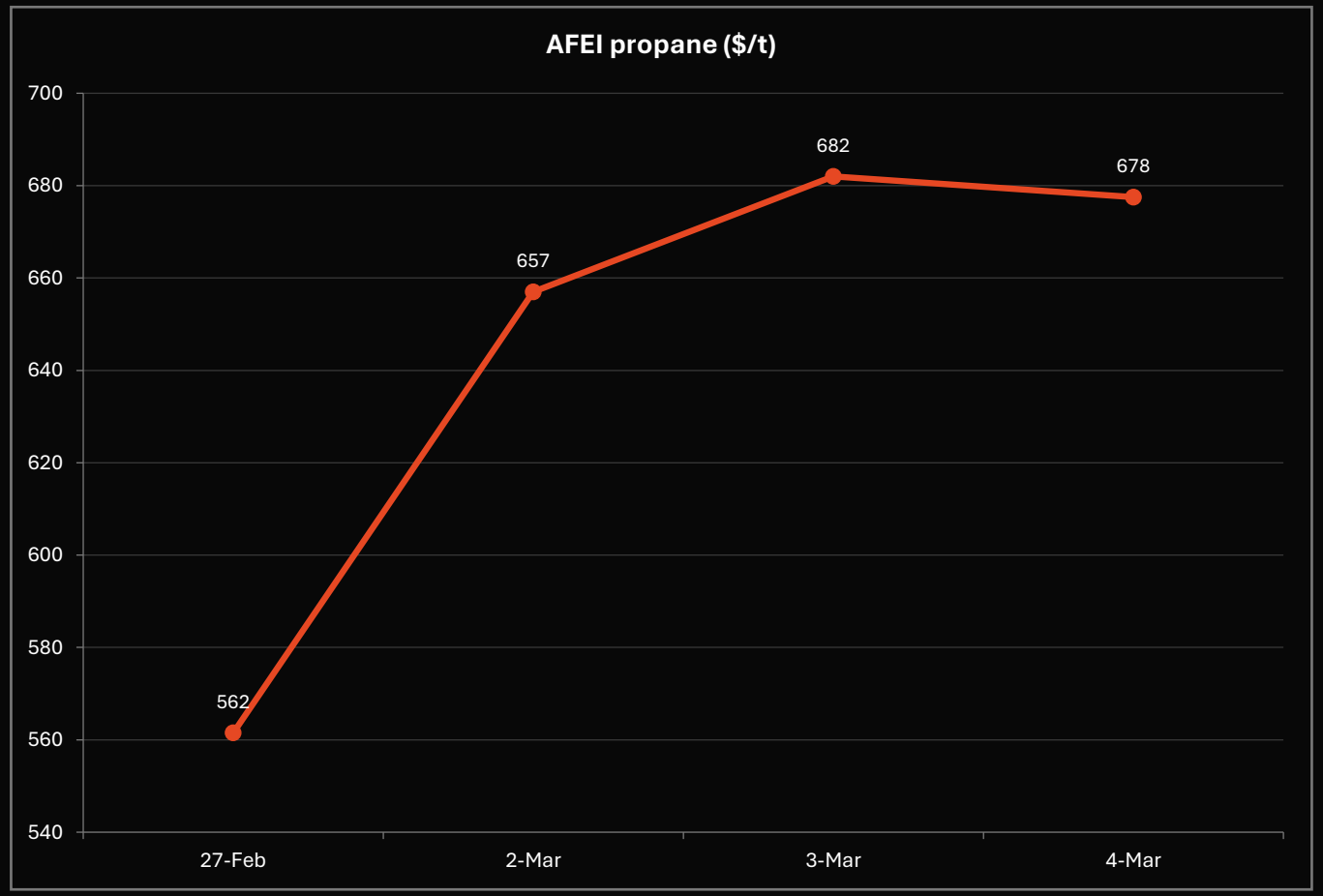
Sources: Argus, 2 Mar 2026 and 4 Mar 2026 market reports on AFEI and Saudi Aramco-linked CP paper / swap.

Conflict starts — AFEI propane gaps higher

Delivered Asia re-prices fastest

AFEI is the clearest daily Asia benchmark for making the Middle East shock visually obvious.

+$95.5/t day 1



Immediate move

- 2 Mar: AFEI jumped to $657/t, up $95.5/t on the day — a 17% move straight after the conflict started.
- 3 Mar close: about $682/t, showing the Asia delivered market continuing to re-price supply fear.
- 4 Mar: still around $675–680/t, so the market held on to almost all of the initial jump.

Why AFEI matters

Saudi CP shows the anchor. AFEI shows the jump. Using both together now makes the Middle East conflict transmission mechanism obvious.

Sources: Argus, 2 Mar 2026 and 4 Mar 2026 market reports on AFEI / propane paper around the outbreak of the conflict.

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