

Newsletter

Hurricane Risk Adds to Global Gas Price Volatility

The importance of America's fast-growing LNG industry makes the Atlantic storm season another market stressor.



Residents fill sandbags to ward off flooding in St. Petersburg, Florida, as Hurricane Idalia approaches. *Photographer: Juan Manuel Barrero Bueno/Bloomberg*

By [Kevin Crowley](#)

August 29, 2023 at 6:52 AM CDT

Welcome to Energy Daily, our guide to the energy and commodities powering the global economy. Today, Senior US Oil Reporter Kevin Crowley examines why the Gulf Coast LNG industry is more at risk from Atlantic storms. To learn how London's emissions zone has changed air pollution policy, [read this](#). To get this newsletter in your inbox, sign up [here](#).

War, [strikes](#) and now hurricanes – the number of risk factors affecting global natural gas markets is getting larger.

The importance of the fast-growing US liquefied natural gas industry along the Gulf Coast

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Texas and Louisiana.

American LNG has brought more volume and diversity to global supplies – see how US shipments helped replace Russian gas to Europe last year.



Workers at Cheniere Energy Inc.'s Sabine Pass LNG facility in Louisiana. *Photographer: Mark Felix/Bloomberg*

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made up about 10% of all European imports at a time when the region was desperate for supplies, the biggest market impact was seen in US gas futures, which initially tumbled 17% in one day and continued to be volatile for months.

That's something to ponder as hurricane season kicks into gear.

--Kevin Crowley, Senior US Oil Reporter

Chart of the day

The profits of the Mideast oil majors are set to eclipse those of their US and European peers by a large margin in years to come. Based on oil price scenarios of \$60-\$85 a barrel, BloombergNEF sees the total net income for the four largest Middle Eastern firms over 2023-27 hitting the \$620 billion-\$1.35 trillion range, in contrast to \$580 billion-\$790 billion for the eight largest US and European companies. This financial sway could enable the Mideast to quickly scale up its efforts in new energy segments next decade.

Today's top stories

Hurricane Idalia is set to intensify into an “extremely dangerous” major storm, bringing life-threatening winds and floods as it approaches Florida's Gulf Coast. Idalia is forecast to make landfall Wednesday in a broad area that includes Tampa, the National Hurricane Center said.

Strikes at Chevron Corp.'s LNG export plants in Australia may begin as soon as Sept. 7, threatening to disrupt global supply. Unions gave notice that industrial action at the Gorgon and Wheatstone facilities will begin if there's no agreement with workers.

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Best of the rest

- Just over a year since the US Inflation Reduction Act, Wood Mackenzie's Energy Gang podcast takes a look at why solar, one of the measure's major beneficiaries, has fallen out of favor with investors.
 - Carbon offset projects claiming to curb deforestation are significantly overestimating their impact, according to a study in Science. Researchers evaluated 26 efforts in six countries.
 - Rising water temperatures are forcing change in industries that depend on the ocean, the Wall Street Journal reports. For example, some Maine lobstermen are becoming kelp farmers.
- *With assistance from Philip Geurts and Kamala Schelling*

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