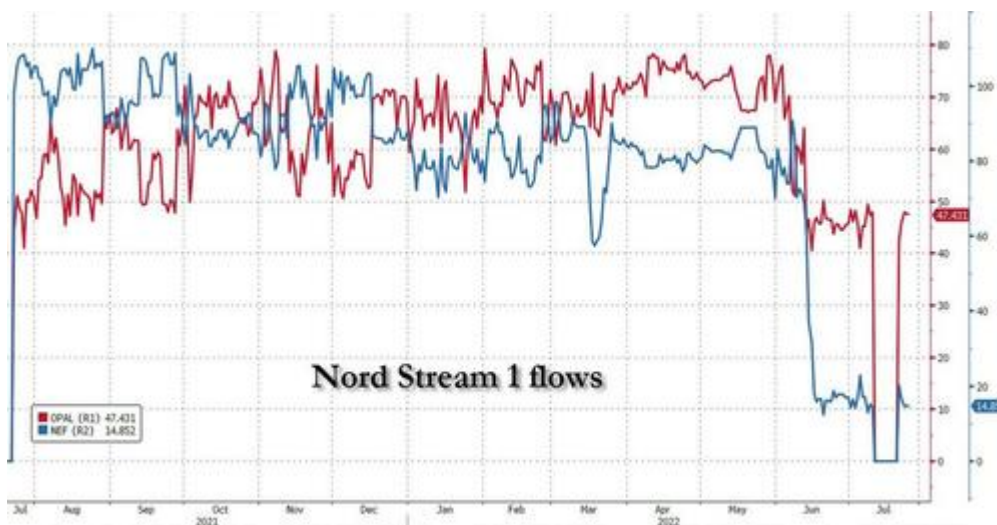




Putin Turns The Screws: Gazprom Unexpectedly Halts Another Nord Stream Turbine Cutting Flows In Half; European Gas Prices Soar

Description

EU: Europeans, and especially Germans, breathed a sigh of relief last Thursday when amid fears that Moscow would *not* restart flows along the Nord Stream 1 pipeline after its 10 day maintenance period, Putin turned the gas back on, if just to its pre-maintenance peak level of about 40% of maximum capacity.



Alas Europe's muted celebration were not meant to last, and with many speculating that Russia was just waiting for the right opportunity to turn the screws on Germany, both literally and metaphorically, that's precisely what happened moments ago when shortly after Siemens finally delivered transport documents for the controversial Nord Stream turbine that had been stuck in Canada for weeks, Gazprom unexpectedly announced it would halt one more Nord Stream turbine at its Portovaya compressor station from July 27, **"taking into account the technical conditions of the engine,"** the Russian company says in a statement.



This means that as had been whispered much of last week, **gas flows from Portovaya will drop to as much as 33 million cubic meters per day from 7am Moscow time on July 27**, which means flows along NS1 will decline by half, from 40% of capacity to just 20%.

- GERMAN NETWORK REGULATOR HEAD: NORD STREAM 1 GAS NOMINATIONS HALVED FOR TUESDAY

According to Bloomberg energy expert Javier Blas, with **“Nord Stream 1 flowing at just 20% of capacity from July 27, Germany will NOT have enough natural gas to make it throughout the whole winter **unless big demand reductions are implemented****. Berlin will need to activate stage 3 of its gas emergency program.”

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— Javier Blas (@JavierBlas) [July 25, 2022](#)

Translation: unless Putin changes his mind, Germany is facing not just a freezing winter, but a bitter recession.

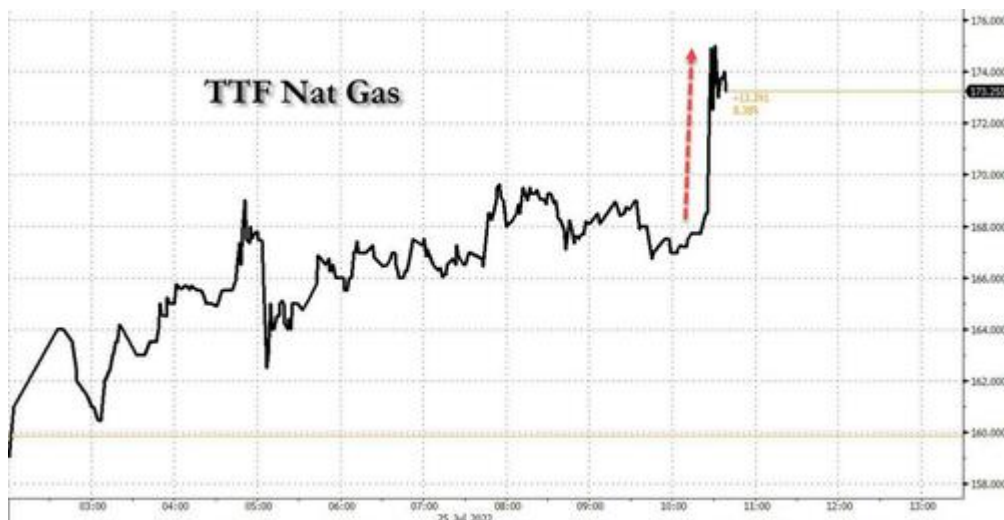
Needless to say, Germany was not happy with the latest reminder who holds all the cards in Europe:

- GERMAN ECONOMY MINISTRY, ON ANNOUNCED REDUCTION IN NORD STREAM 1 GAS FLOWS, SAYS THERE IS NO TECHNICAL REASON FOR A REDUCTION IN SUPPLIES
- GERMAN ECONOMY MINISTRY, ON ANNOUNCED REDUCTION IN NORD STREAM 1 GAS FLOWS, SAYS THE SANCTIONS-RELATED CONDITIONS FOR APPROVAL OF DELIVERY

OF THE TURBINE HAVE BEEN MET

Bloomberg's Vanessa Dezem adds that while it is positive that Germany's gas stock levels rose again – at least heading into today's Gazprom news – the country is still far from a comfortable situation to cope with the winter. Levels are back on a "proper path," according to Klaus Mueller, head of the agency known as BNetzA. **But if Russian gas flows through the Nord Stream pipeline remain low, Germany will not be able to fill the reservoirs to 95% in November, as targeted by the government, the agency said in a statement.**

Without the necessary buffer, Germany's energy security remains at risk and prices remain volatile, and sure enough, in kneejerk response, European (TTF) nat gas prices spiked 10% and are likely to keep rising...



... as Putin just assured that – all else equal – a recession Germany is now inevitable, and yet since commodity prices will continue to rise, the ECB remains helpless: it can't cut rates without sending inflation even higher, but it can't keep hiking with Europe now in a recession. The euro, which jumped late last week on some naive optimism that a worst case could be avoided, slumped.



by Tyler Durden

Category

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