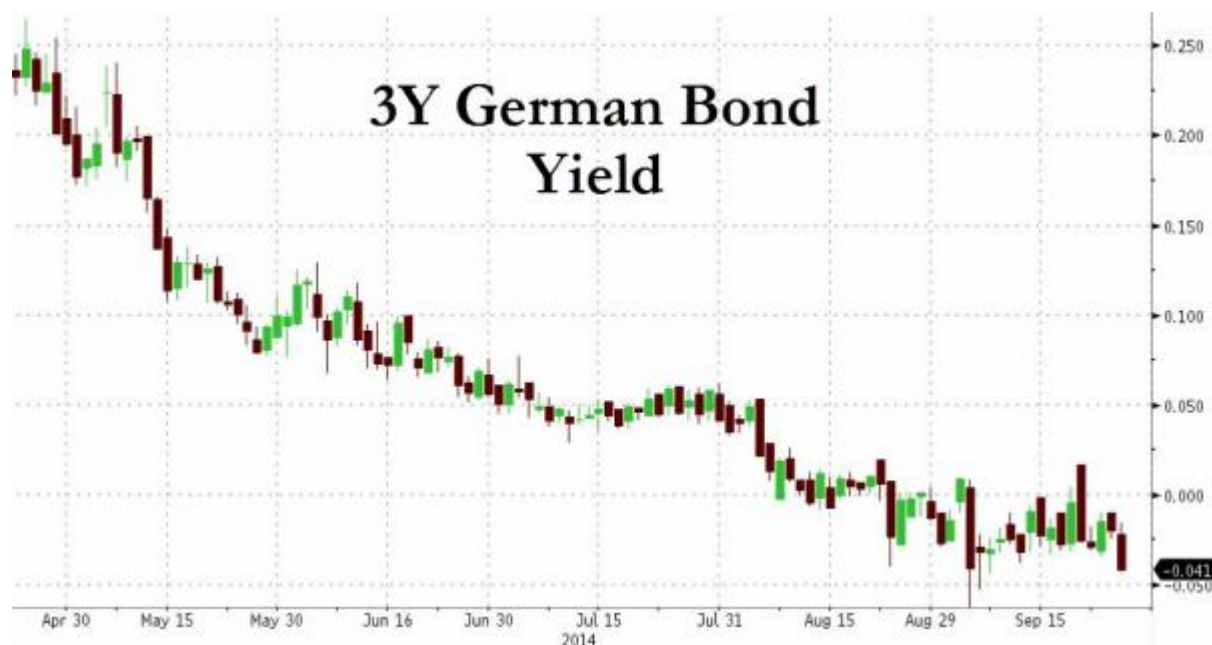


No More Foreplay: Russia Threatens European Gas Supply Disruptions

It appears Vladimir Putin is willing to hit'em while they're down. Early European equity weakness (and safe-haven flows) on [asset-freeze threats](#) have accelerated as Bloomberg reports, **Russian energy minister Alexander Novak threatens gas supply disruptions if the EU continues to re-export Russian gas to Ukraine.** 3Y German bond yields have plunged to -4.1bps, a record low close and European stocks are closing on their lows of the day.

- ***RUSSIA THREATENS GAS SUPPLY THROTTLING TO EUROPE: HANDELSBLATT**

3Y yield at record (negative) lows...



As Bloomberg reports, **Russia Threatens Gas Supply Throttling to Europe: Handelsblatt**

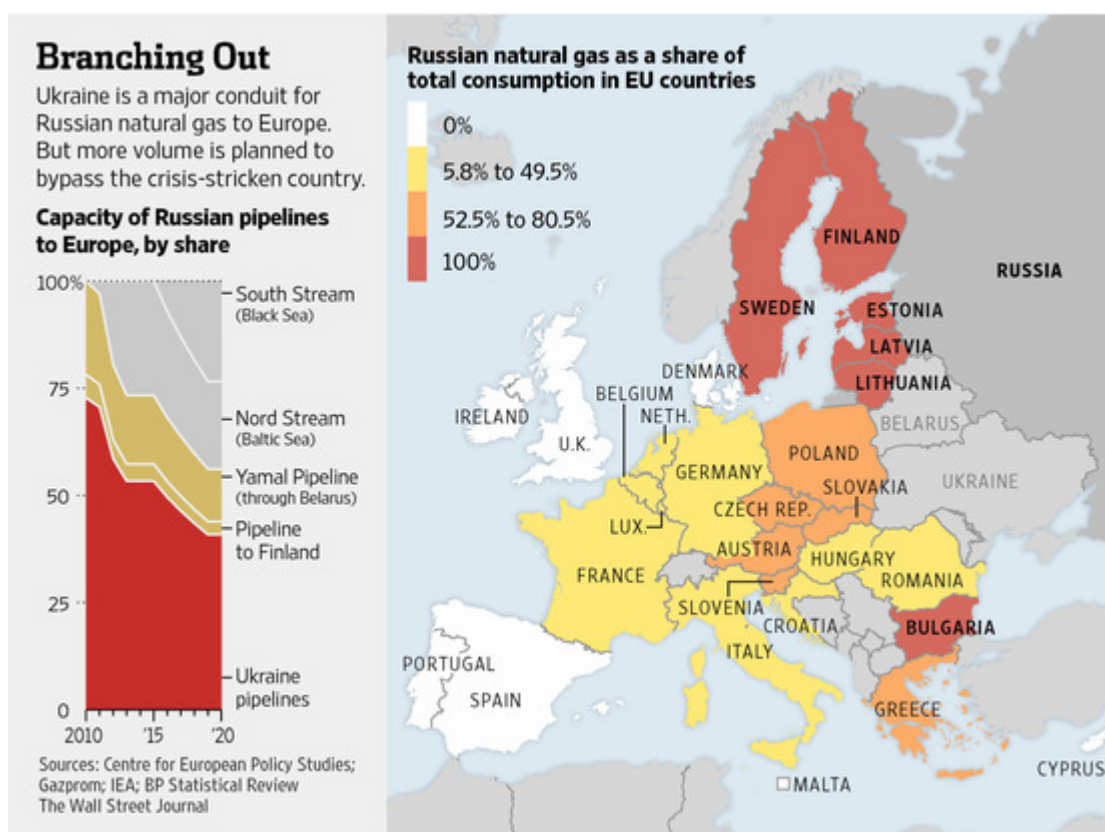
EU re-exporting Russian-purchased gas to Ukraine exceeds existing treaties, Novak tells newspaper

Novak says only adherence to negotiated agreements can guarantee uninterrupted gas supplies to Europe: Handelsblatt

Novak says **Ukraine has rejected constructive offers from Russia on pricing**, reducing Ukrainian gas debt and future pre-payments ahead of talks tomorrow in Berlin: Handelsblatt

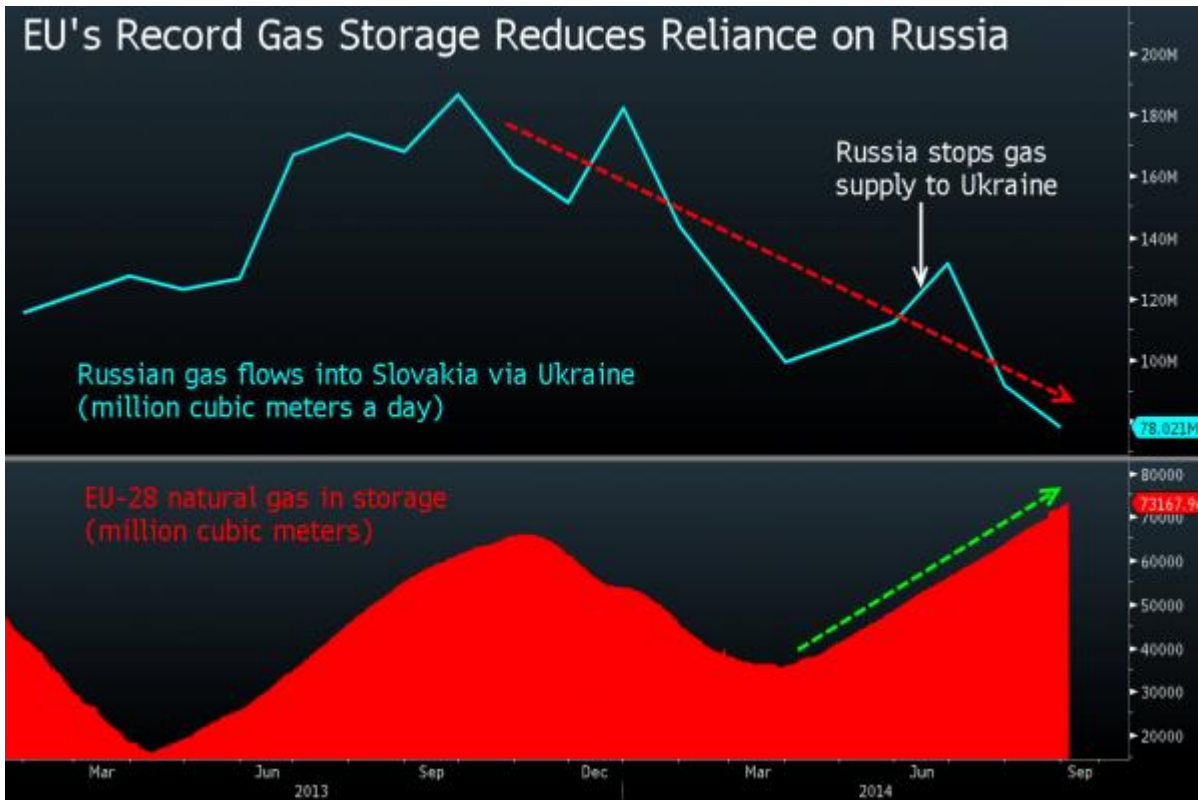
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Who will be hurt most?



* * *

As we discussed before, Europe is confident it can withstand a disruption as it has been storing gas ahead of the winter.



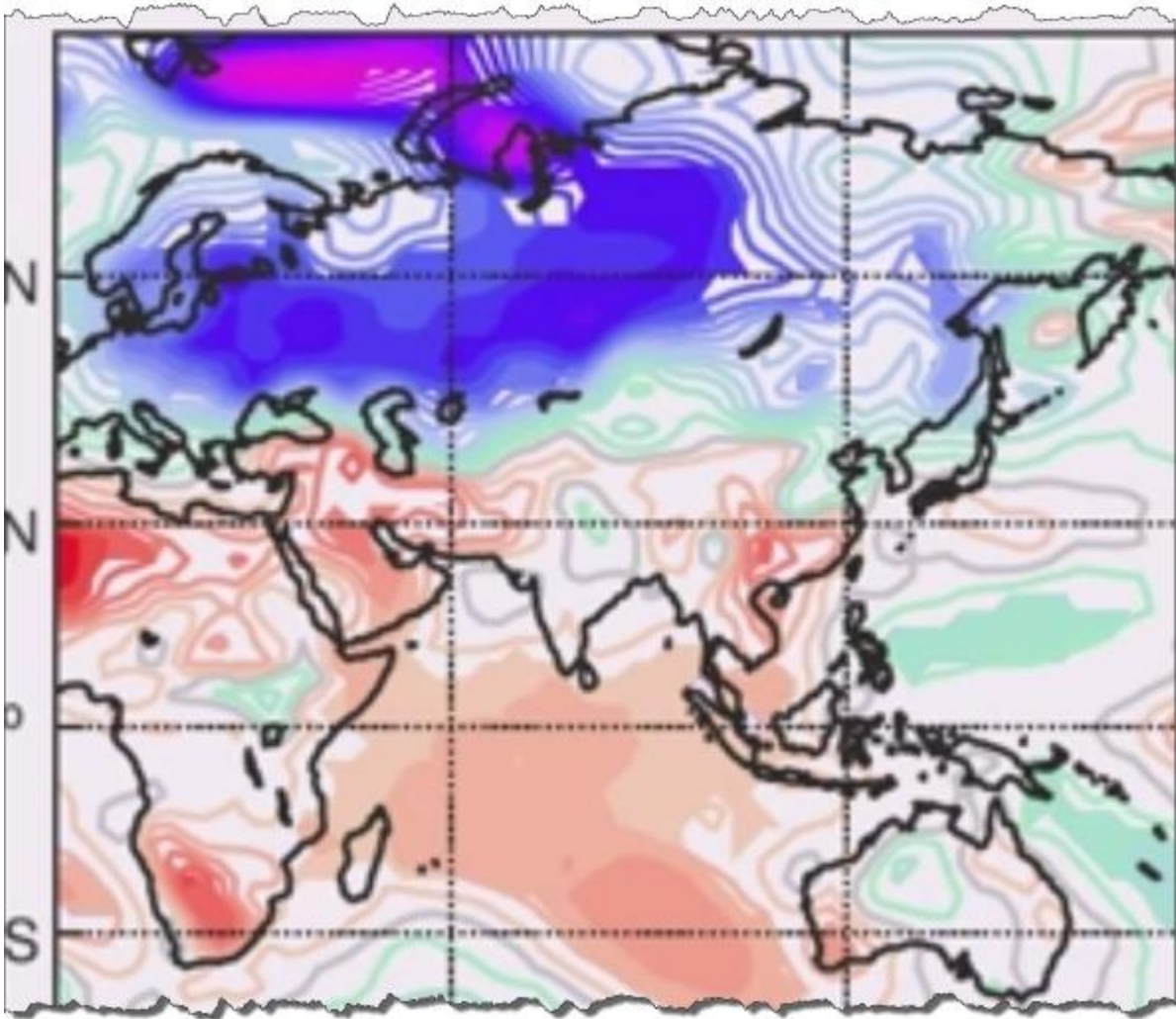
However...

European storage facilities contained a record 75.7 billion cubic meters (2.7 trillion cubic feet) of gas yesterday, making them more than 91 percent full, according to Gas Infrastructure Europe, a Brussels-based lobby group.

“If colder weather arrives, then storage levels could well be drained,” Citigroup said.

[Just as we warned here...](#)

[It already appears as though the developing El Nino pattern may mean noticeably colder weather this winter...](#)



* * *

It appears Europe's short-term plan to mitigate the "Winter War" may have bigger boomerang consequences than they seem to believe (*and bear in mind the consequences of cold, pissed off Europeans in the past*).

<http://www.zerohedge.com/news/2014-09-25/no-more-foreplay-russia-threatens-european-gas-supply-disruptions>