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U.S. Natural Gas Prices Hit 25-Year Low at Henry Hub, Drop into Negative at Waha | Pipeline and Gas Journal

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(Reuters) – U.S. spot natural gas prices plunged to a 25-year low at the Henry Hub benchmark in Louisiana and dropped into negative territory for a record 47th time at the Waha hub in West Texas, according to pricing data for Monday from financial firm LSEG.



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Henry Hub futures NGc1 for December delivery on the New York Mercantile Exchange, meanwhile, soared about 10% on Monday to a five-week high on a drop in output over the past few days and forecasts for the weather to turn seasonally colder in late November. NGA/

Next-day prices at the Henry Hub were down about 19% to \$1.21 per MMBtu, their lowest level since hitting a record low of \$1.03 on Dec. 4, 1998, according to pricing data from financial firm LSEG.

Low next-day Henry Hub prices have kept pressure on futures all year with spot contracts trading below front-month futures on 190 out of 217 trading days so far this year.

Analysts have said that so long as spot prices remain far enough below front-month futures NGc1 to cover margin and storage costs, traders should be able to lock in arbitrage profits by buying spot gas, storing it and selling a futures contract.

Many U.S. businesses and government offices were closed on Monday to commemorate the U.S. Veterans Day holiday. Demand for gas is usually low on holidays.

Next-day prices at the Waha hub plunged about 431% to a negative \$1.06 per MMBtu. The Waha hub is located in the Permian Basin oil-producing shale region.

Analysts have said that Waha prices have traded in negative territory on five of the six trading days so far this month due in part to [pipeline \(\)](#) constraints caused by maintenance on Kinder Morgan's KMLN 2.7-billion-cubic-feet-per-day (Bcf/d) Permian Highway gas pipe in Texas, which was expected to end on Nov. 14.

Those negative prices arose even though [pipeline \(\)](#) constraints have eased since the new 2.5-Bcf/d Matterhorn gas pipe entered service in recent months. The Matterhorn moves gas from the Permian to the Houston area.

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Waha prices first averaged below zero in 2019. It happened 17 times in 2019, six times in 2020 and once in 2023, mostly due to [pipeline \(\)](#) constraints that trapped gas in the basin.

Spot Prices

Henry Hub prices have averaged \$2.10 per MMBtu so far in 2024, down from \$2.54 in 2023 and a five-year average (2019-2023) of \$3.49, according to LSEG data.

The lowest annual average for prices at the Henry Hub was \$2.11 per MMBtu in 2020 when the COVID pandemic destroyed demand for the fuel, according to U.S. Energy Information Administration data going back to 1997.

Waha prices have averaged 60 cents per MMBtu so far in 2024, down from \$1.82 in 2023 and a five-year average of \$2.91.

The lowest annual average for Waha price was 91 cents per MMBtu in 2019, according to LSEG data going back to 1991.

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