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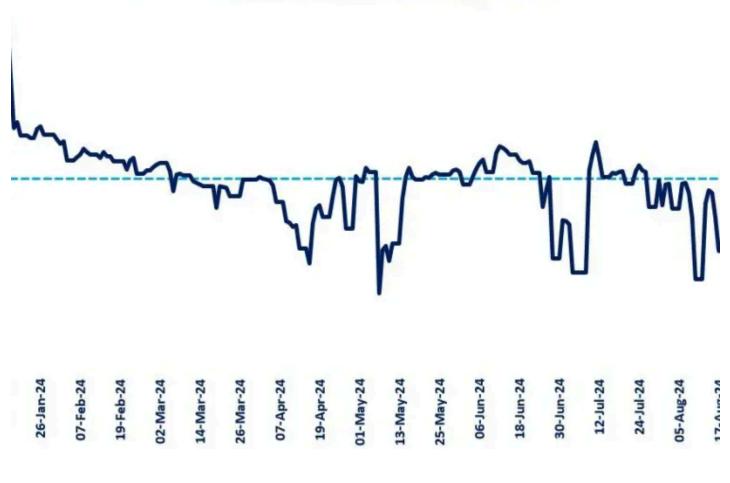
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## The cheapest natural gas price on earth



## The cheapest gas on Earth: Waha hub prices plunge to minus \$7/mmbtu



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Waha hub prices fell to an all-time low of minus \$7/mmbtu at the end of August, with gas oversupply effectively chocking the Permian gas hub.

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## Weekly review of natural gas and LNG prices



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Asian and European gas prices rose to year-highs in November

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Natural gas trading soared to new all-time highs across all key markets in 2024

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There are several factors behind this:

- (1) Natural gas production in the Permian surged to an all-time high of 17 bcm in August, driven by strong gas output associated with oil production;
- (2) Pipeline maintenance on El Paso further limited takeaway capacity at a time when most of the pipelines from the Permian are already running close to their nameplate capacity;
- (3) High storage levels: nonsalt storage in the Central South region is already 83% full, leaving limited space for additional injections.

Waha hub prices averaged at minus \$0.25/mmbtu since the start of the year, highlighting the need for additional processing and takeaway capacity.

The start-up of the Matterhorn pipeline system at the beginning of September might bring some relief, although at the pace Permian gas production is growing, it won't solve on its own the issue.

Source: Greg Molnar (LinkedIn)

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