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# US natural gas: a market that runs short until 2030

*America is building the capacity to export gas faster than it can produce it. Add a war that has cut one of the world's largest LNG suppliers to a fraction of its output, and the power hunger of AI data centres, and a market that looks well supplied today runs short for most of the years to 2030.*

20.7

billion cubic feet a day fed to US LNG export terminals on 19 October 2026, an all-time high

17%

gap between the October 2026 Henry Hub price of about \$3.11 and the \$3.73 cost of new supply

9x

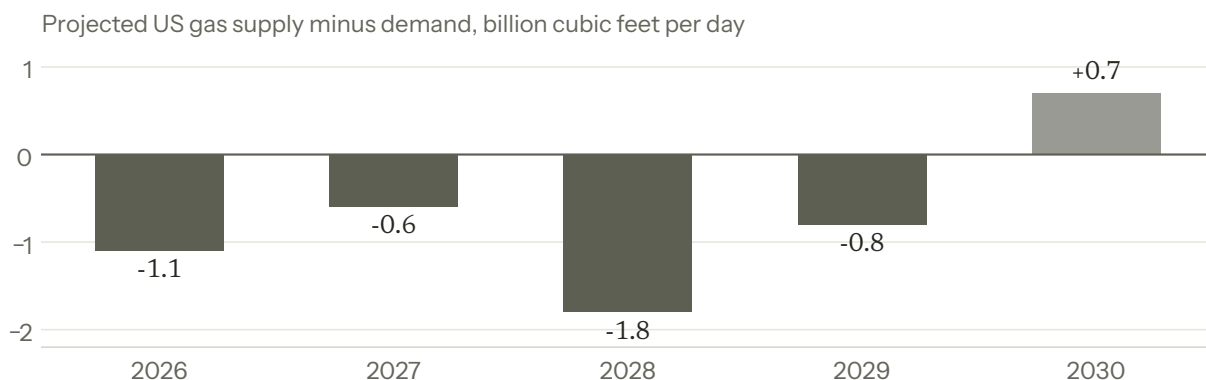
European gas at about \$28 per MMBtu against about \$3.11 in the US, October 2026

## How the market works

US natural gas is priced at Henry Hub in Louisiana. Producers draw gas from shale formations and either sell it at home, to homes, factories and power plants, or cool it until it becomes liquid, load it onto ships and sell it abroad as liquefied natural gas, or LNG. For most of the shale era the problem was too much gas. That is changing, because the export side is growing faster than anything else in the market.

## Exports keep climbing

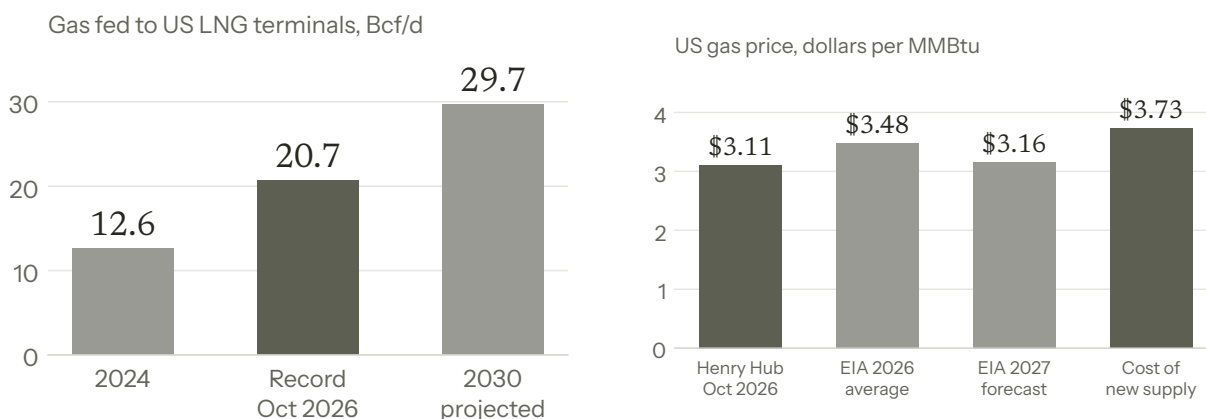
In October 2026, almost exactly ten years after the first cargo left the Gulf Coast, the gas flowing into US export terminals passed 20 billion cubic feet a day for the first time, reaching 20.7. So far this year it has run about 16 percent above 2025. More is coming: the US Energy Information Administration counts five export projects starting up or ramping by the end of 2027, and BloombergNEF expects terminal demand to reach 29.7 billion cubic feet a day by 2030, more than double the 12.6 of 2024. That increase alone is larger than the entire gas use of American homes and commercial buildings. To keep up, producers would need to raise output by about 22 percent, and on BloombergNEF's numbers the market runs short in every year from now to 2029, most of all in 2028 when several large terminals ramp up together.



Source: BloombergNEF projection (September 2025). Negative values indicate a supply deficit.

## What it means for price

When demand runs ahead of supply, prices must rise until new supply is worth developing. BloombergNEF puts the cost of bringing the most expensive new gas to market at \$3.73 per million British thermal units. In the first half of October 2026 Henry Hub averaged about \$3.11, some 17 percent below that level, and the EIA expects 2026 as a whole to average about \$3.48. Not everyone agrees on what comes next. In its October outlook the EIA expects \$3.16 in 2027, because producers are setting new records and storage enters the winter about two percent above its five-year average. The deficit view and the record-supply view differ on how fast supply responds, not on where demand is heading. Not all US gas benefits equally: the basins closest to the Gulf Coast terminals stand to gain most, while the low-cost Appalachian basin remains held back by limited pipeline capacity.



Source: BloombergNEF; NGI and RBN Energy (20 October 2026); EIA Short-Term Energy Outlook (October 2026); American Gas Association (16 October 2026). Prices in dollars per million British thermal units (MMBtu).

## A global bid

The terminals are not being built in a vacuum. Shell puts global LNG trade at 422 million tonnes in 2025 and expects demand to grow about 65 percent by 2050, as Asia, Europe and emerging markets move away from coal and build out their power grids. In 2026 the war with Iran made the point sharply. Shipping through the

Strait of Hormuz has been largely shut, Qatar's exports were back to only about a third of pre-war levels in September, and the Oxford Institute for Energy Studies does not expect a full recovery before April 2027 in its base case. European gas has risen to about \$28 per million British thermal units, from \$10 to \$11 in February, roughly nine times the US price. When the world pays that much more, exporters ship every cargo they can, and that pull limits any domestic relief even if US production surprises on the upside.

## AI adds a second layer

About 40 percent of US electricity is generated from natural gas, so more power demand means more gas burned. The Electric Power Research Institute estimates that data centres use about 4.5 percent of US electricity today and could use 9 to 17 percent by 2030. RBC Capital Markets expects that to mean about 6 billion cubic feet a day of extra gas demand by 2030, roughly a fifth more than today's gas burn for power, arriving in a market that is already short.

## The risks

Producers have surprised on the upside before and are doing so again: US output is on course for a new annual record in 2026, and the EIA expects it to grow a further 3.5 percent in 2027. BloombergNEF itself expects supply to catch up by 2030. A reopening of Hormuz would bring Qatari volumes back and ease the pull on American cargoes; the war has lifted world prices, and peace would take some of that away. Permits for new terminals can be slowed by politics. And gas is a volatile commodity: a mild winter or a cool summer can move the price far more than any five-year balance sheet.

## Our view

It is rare for a commodity's demand to be this visible this far ahead. The terminals are being built, the contracts are signed and the data centres are being wired in. What remains uncertain is the path, not the direction. For a patient owner, that is the kind of uncertainty worth being paid for.

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### SOURCES

BloombergNEF, US gas outlook (September 2025); EIA Short-Term Energy Outlook (6 October 2026) and Today in Energy (16 April 2026); American Gas Association, Natural Gas Market Indicators (16 October 2026); NGI and RBN Energy via Marcellus Drilling News (20 October 2026); Shell LNG Outlook 2026; Oxford Institute for Energy Studies (October 2026); Semafor (20 October 2026); EPRI (February 2026); RBC Capital Markets (May 2026). Figures as at October 2026. Charts redrawn by Creon Capital from the sources named.

### IMPORTANT INFORMATION

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