



October 01, 2020

Week Ending 09-25-2020	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
+76	+109	+78	49	5
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
3756	3285	3351	+66	+405

Natural Gas – After several days of volatile trading, the October NYMEX contract settled for the month on Monday at \$2.101 per MMBtu. This settlement was \$.478 per MMBtu lower than last month’s settlement of \$2.579 and \$.327 per MMBtu lower than last year’s settlement of \$2.428. Meanwhile, the volatility remains as the November contract tumbled by \$.234 per MMBtu to settle at \$2.561 per MMBtu on Tuesday and continued that decline on Wednesday to settle at \$2.527 per MMBtu. The price plunge was attributed to forecasts for the return of warmer temperatures, storage levels above the five-year average and LNG deliveries holding steady.

Technical indicators have declined since last week with support at \$2.43 and \$2.36 per MMBtu and resistance at \$2.62 and \$2.68 per MMBtu.

Storage – The expectation for this week’s storage injection was 71 Bcf. The actual injection reported by EIA is near expectations at 76 Bcf. This is below last year’s injection of 109 Bcf and near the five-year average of 78 Bcf. Inventories are at 3.756 Tcf and this level is 471 Bcf above last year and 405 Bcf above the five-year average. Although inventories are near the high end of the historical range, earlier concerns of a full storage have subsided due to reduction in supply and significant power sector demand over the summer.

NYMEX NG Price Summary Data as of 09-30-2020		
Month	Price \$/MMBtu	Change
Nov 20	\$2.527	(\$0.034)
Dec 20	\$3.117	(\$0.001)
Jan 21	\$3.267	\$0.008
Feb 21	\$3.221	\$0.007
Mar 21	\$3.099	\$0.003
Apr 21	\$2.794	(\$0.002)
May 21	\$2.748	(\$0.001)
Jun 21	\$2.774	(\$0.002)
Jul 21	\$2.809	(\$0.002)
Aug 21	\$2.816	(\$0.003)
Sep 21	\$2.803	(\$0.003)
Oct 21	\$2.833	(\$0.002)

(Sources: EIA, CME Group, Baker Hughes)

Weather – The expected cold front arrived in the Midwest and the cooler air will spread east into next week. Temperatures in the West remain warm in the short term while the 11-to-15-day forecast calls for milder temperatures. Storm activity in the tropics is quiet for now, but there is time left in the hurricane ‘season’.

Crude Oil – The WTI NYMEX prompt month price continues to trade in a narrow range around \$40 per barrel. Concerns about global demand and an increase in production from Russia continue to infuse weakness into the market.

Natural Gas Production and Rig Count – Baker Hughes reports the natural gas rig count increased by 2 to 75 for the week ending September 25. This compares to last year’s rig count of 146 for the same period. Production remains level near 86 Bcf per day.

Natural Gas Demand – LNG demand has held steady at 6.1 to 6.8 Bcf per day. Exports to Mexico are in the same range at 6.0 to 6.3 Bcf per day. US demand increased as cooler temperatures boosted heating demand, with a 28% increase in the residential/commercial sector.

For further information, please contact Regina Fort at (405) 842-9200 or rfort@clearwaterenterprises.net



October 08, 2020

Week Ending 10-02-2020	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
+75	+102	+86	42	4
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
3831	3387	3437	+76	+394

Natural Gas – Volatility continues as the November NYMEX contract settled at \$2.438 per MMBtu last Friday but reversed course sharply on Monday to settle at \$2.615 per MMBtu. Prices went down on Tuesday (settling at \$2.52) but back up on Wednesday (settling at \$2.606). Prices are initially down again early Thursday morning. Warmer weather, hurricanes and LNG demand are influencing prices, often in opposite directions. Technical indicators have increased and widened since last week with support at \$2.51 and \$2.38 per MMBtu and resistance at \$2.69 and \$2.82 per MMBtu.

Storage – The expectation for this week’s storage injection was 71 Bcf. The actual injection reported by EIA is near expectations at 75 Bcf. This is below both last year’s injection of 102 Bcf and the five-year average of 86 Bcf. Inventories are at 3.831 Tcf and this level is 444 Bcf above last year and 394 Bcf above the five-year average.

Weather – Hurricane Delta is impacting the Gulf of Mexico with severe flooding expected. Temperatures in the West have moderated but hotter weather is forecast to return next week. Meanwhile, warmer-than-normal weather is forecast in the Midwest and East for the next 6-10 days but turning colder-than-normal in the 11-to-15-day outlook.

Crude Oil – The WTI NYMEX prompt month price dropped below \$40 per barrel over the past week. Gulf of Mexico production is also impacted by the hurricane and global demand remains weak.

LNG – Demand shot up this week to over 8.5 Bcf per day as facilities began to restart operations after earlier storms. However a full restart will likely be delayed due to this week’s hurricane.

NYMEX NG Price Summary Data as of 10-07-2020		
Month	Price \$/MMBtu	Change
Nov 20	\$2.606	\$0.086
Dec 20	\$3.149	\$0.053
Jan 21	\$3.294	\$0.055
Feb 21	\$3.248	\$0.055
Mar 21	\$3.130	\$0.059
Apr 21	\$2.804	\$0.034
May 21	\$2.752	\$0.028
Jun 21	\$2.779	\$0.025
Jul 21	\$2.815	\$0.022
Aug 21	\$2.820	\$0.018
Sep 21	\$2.804	\$0.015
Oct 21	\$2.830	\$0.013

(Sources: EIA, CME Group, Baker Hughes)

Electric Restructuring – It has been 20+ years since Oklahoma regulators have considered unbundling electric rates, like they did for natural gas in the early 1980’s, allowing competition and an alternative to the electric utilities (PSO and OG&E). The Alliance for Electrical Restructuring in Oklahoma (AERO), a 501 C 4 organization, has been working to bring all the stakeholders together, including the Oklahoma Legislature and the Oklahoma Corporation Commission (OCC), to change public policy and provide competition in the electric marketplace. Clearwater supports the efforts of AERO in anticipation of a restructured electric marketplace allowing commercial and industrial customers, like you, to purchase your electricity from a third party. Clearwater expects to expand our current natural gas marketing services to include retail electricity sales. A restructured electric market will provide the same opportunities for cost saving and price certainty that you have enjoyed for 30+ years in the natural gas marketplace. To learn more about AERO visit their website at: www.goaero.org or feel free to contact your Clearwater sales representative.

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October 15, 2020

Week Ending 10-09-2020	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
+46	+102	+87	41	3
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
3877	3489	3524	+75	+353

Natural Gas – The November NYMEX contract continues to keep our attention in its daily swings. After increasing last Friday to settle at \$2.741 per MMBtu, the contract shot up further on Monday to end the day at \$2.881 per MMBtu. The return of production and moderating weather forecasts sent the contract down sharply on Wednesday to settle at \$2.636 per MMBtu but trading is back up early Thursday to over \$2.75 per MMBtu. Technical indicators have increased slightly since last week with support at \$2.60 and \$2.50 per MMBtu and resistance at \$2.69 and \$2.79 per MMBtu.

Storage – The expectation for this week’s storage injection was 44 Bcf. The actual injection reported by EIA is near expectations at 46 Bcf. This is below both last year’s injection of 102 Bcf and the five-year average of 87 Bcf. Inventories are at 3.877 Tcf and this level is 388 Bcf above last year and 353 Bcf above the five-year average.

Weather – The tropics are currently quiet. The National Weather Service is forecasting normal to below-normal for much of the U.S. except in the West.

Crude Oil – The WTI NYMEX prompt month price has continued to hover around \$40 per barrel over the past week. There are some signs that global demand may be improving based on China imports news and demand from US refineries.

Natural Gas Production and Rig Count – Baker Hughes reports the natural gas rig count decreased by 1 to 73 for the week ending October 9. This compares to last year’s rig count of 143 for the same period. Production has been steadily increasing this week after last week’s hurricane.

NYMEX NG Price Summary Data as of 10-14-2020		
Month	Price \$/MMBtu	Change
Nov 20	\$2.636	(\$0.219)
Dec 20	\$3.189	(\$0.058)
Jan 21	\$3.332	(\$0.047)
Feb 21	\$3.294	(\$0.047)
Mar 21	\$3.181	(\$0.043)
Apr 21	\$2.898	(\$0.007)
May 21	\$2.854	(\$0.001)
Jun 21	\$2.883	(\$0.001)
Jul 21	\$2.924	(\$0.001)
Aug 21	\$2.935	\$0.001
Sep 21	\$2.922	\$0.002
Oct 21	\$2.951	\$0.005

(Sources: EIA, CME Group, Baker Hughes)

EIA Short-term Energy Outlook – The EIA forecasts:

- Consumption will average 83.7 Bcf/d in 2020, down 1.8% from 2019. The decline reflects less heating demand and reduced manufacturing activity. An additional decline of 5.9% is expected in 2021 as rising natural gas prices will reduce demand in the electric power sector.
- Production will average 90.6 Bcf/d in 2020, down from an average of 93.1 Bcf/d in 2019. Production will average 86.8 Bcf/d in 2021.
- Storage inventories to exceed 4.0 Tcf on October 31, which would be a record high but withdrawals will outpace the five-year average during the heating season due to lower production and end March 2021 at 1.7 Tcf, 6% lower than the 5-year average.
- Rising demand and LNG exports heading into winter, combined with reduced production, will cause Henry Hub prices to rise to \$3.38 per MMBtu in January 2021 and monthly average prices will remain above \$3.00 per MMBtu throughout 2021, averaging \$3.13 per MMBtu for the year, up from a forecast average of \$2.07 per MMBtu in 2020.

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October 22, 2020

Week Ending 10-16-2020	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
+49	+92	+75	37	2
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
3926	3581	3599	+46	+327

Natural Gas – The November NYMEX contract has moved primarily in one direction this week – up. After settling at \$2.773 per MMBtu last Friday, it moved higher each day until settling on Wednesday at \$3.023 per MMBtu. Forecasts for colder weather in gas-consuming regions are supporting prices. The winter strip has remained relatively flat, settling at \$3.21 to \$3.23 per MMBtu, until Wednesday when it increased to \$3.315 per MMBtu. Technical indicators have increased significantly since last week with support at \$2.96 and \$2.90 per MMBtu and resistance at \$3.19 and \$3.24 per MMBtu.

Storage – The expectation for this week’s storage injection was 51 Bcf. Although the actual injection reported by EIA is near expectations at 49 Bcf, it is well below both last year’s injection of 92 Bcf and the five-year average of 75 Bcf. Inventories are at 3.926 Tcf and this level is 345 Bcf above last year and 327 Bcf above the five-year average.

Weather – A cold front is forecast to move into the Midcontinent and Great Lakes regions in the near-term but warmer weather remains in the South and the East. A warming trend is forecast for the West in early November while the South and East are expected to gradually cool.

Hurricane Delta made landfall on October 9 with acute but short-lived demand losses. Offshore production that was shut in made nearly a full recovery over the next week.

NYMEX NG Price Summary Data as of 10-21-2020		
Month	Price \$/MMBtu	Change
Nov 20	\$3.023	\$0.110
Dec 20	\$3.348	\$0.088
Jan 21	\$3.471	\$0.080
Feb 21	\$3.427	\$0.075
Mar 21	\$3.304	\$0.066
Apr 21	\$2.996	\$0.033
May 21	\$2.953	\$0.027
Jun 21	\$2.980	\$0.024
Jul 21	\$3.016	\$0.022
Aug 21	\$3.024	\$0.021
Sep 21	\$3.011	\$0.020
Oct 21	\$3.046	\$0.020

(Sources: EIA, CME Group, Baker Hughes)

Crude Oil – The WTI NYMEX prompt month price climbed to a one-month high of \$41.70 per barrel this week before dropping back to its recent range of near \$40 per barrel. Global demand is impacted by the news of Asian economies improving but European countries facing a broader-based shutdown.

Natural Gas Production and Rig Count – Baker Hughes reports the natural gas rig count increased by 1 to 74 for the week ending October 16. This compares to last year’s rig count of 137 for the same period. Production has remained level this week in the 86.6 to 87.3 Bcf per day range.

LNG – Feedgas deliveries have been over 8 Bcf per day as the winter heating season in Asia and Europe, economic recovery in Asian markets, and a favorable price spread all combine to support LNG demand. Shipping channels are working to reopen after they were temporarily closed to remove obstructions caused by Hurricane Delta.

The November NYMEX contract will settle for the month on Wednesday, October 28.

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October 29, 2020

Week Ending 10-23-2020	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
+29	+89	+67	45	1
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
3955	3670	3666	+49	+289

Natural Gas – The November NYMEX contract settled for the month on Wednesday at \$2.996 per MMBtu. This settlement is \$0.895 per MMBtu higher than last month’s settlement of \$2.101 per MMBtu and \$0.399 per MMBtu higher than last year’s settlement of \$2.597 per MMBtu. The winter strip (Nov-Mar) settled at \$3.259 per MMBtu. As the December contract takes over the prompt month position, early trading on Thursday is near \$3.25 per MMBtu. Technical indicators have increased again since last week with support at \$3.20 and \$3.14 per MMBtu and resistance at \$3.37 and \$3.53 per MMBtu.

Storage – The expectation for this week’s storage report was an injection of 37 Bcf which could be the last injection of the season. The actual injection reported by EIA is well below expectations at 29 Bcf and is below both last year’s injection of 89 Bcf and the five-year average of 67 Bcf. Inventories are at 3.955 Tcf and this level is 285 Bcf above last year and 289 Bcf above the five-year average.

Weather – Colder weather continues in the Midcontinent and Great Lakes regions and the forecast is for a below-normal November in the East, all providing early support to natural gas prices. A weak La Nina condition is persisting, which generally results in a colder-than-normal November followed by a warmer-than-normal winter overall.

Hurricane Zeta made landfall on October 28 with widespread power outages. Impacts on production and LNG exports are pending.

NYMEX NG Price Summary Data as of 10-28-2020		
Month	Price \$/MMBtu	Change
Nov 20	\$2.996	(\$0.023)
Dec 20	\$3.291	(\$0.020)
Jan 21	\$3.411	(\$0.013)
Feb 21	\$3.363	(\$0.013)
Mar 21	\$3.236	(\$0.011)
Apr 21	\$2.970	(\$0.003)
May 21	\$2.929	(\$0.004)
Jun 21	\$2.960	(\$0.002)
Jul 21	\$3.000	(\$0.002)
Aug 21	\$3.011	(\$0.001)
Sep 21	\$2.999	\$0.000
Oct 21	\$3.034	\$0.002

(Sources: EIA, CME Group, Baker Hughes)

Crude Oil – Oil prices broke out of their tight \$38 to \$42 per barrel trading range to tumble to a 3-1/2 week low. Thursday morning trading has the prompt month contract near \$35 per barrel and prices are below \$40 per barrel for all of 2021. An abundance of supply in the global markets combined with a new wave of Covid shutdowns in Europe are contributing to the weaker prices.

Natural Gas Production and Rig Count – Baker Hughes reports the natural gas rig count decreased by 1 to 73 for the week ending October 23. This compares to last year’s rig count of 133 for the same period. Production declined during the week as Hurricane Zeta moved through the Gulf. Colder weather brings a new factor in well freeze offs which have impacted supply over the past week but should diminish as temperatures rise.

Natural Gas Demand – EIA reported that aggregate demand increased by 8.3% last week with increased heating demand and surging LNG demand. Feedgas demand reached 9.6 Bcf per day this week which is the first time volumes have exceeded 9 Bcf per day in over six months.

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