



February 04, 2021

Week Ending 01-29-2021	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 1200 Bcf	Withdrawal Weeks Remaining
-192	-155	-146	165	09
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2689	2648	2491	-128	+198

**Energy News** – Declining temperatures could increase power burn demand as wind turbines near freeze-off temperatures. Northern Iowa temperatures are expected to reach -17 F with wind chills well below -20 F. Wind turbines can begin freezing off at -20 F, negating any increase in wind speeds from the winter storm. Iowa ranks third for wind capacity and Illinois is fifth, resulting in a sizeable increase to power burn demand should Iowa and Illinois turbines completely freeze off.

**Natural Gas** – The February NYMEX contract again ended a week on a decline to settle last Friday at \$2.564 per MMBtu. Cold weather vaulted the contract to trade over \$3.00 per MMBtu on Tuesday before settling for the day at \$2.845 per MMBtu. Prices have remained in this range as the current cold front appears to already be considered in price expectations. Technical indicators have increased again with support at \$2.78 and \$2.65 per MMBtu and resistance at \$2.96 and \$3.10 per MMBtu.

**Storage** – The expectation for this week’s storage report was for a withdrawal near 195 Bcf. The actual withdrawal reported by the EIA is near expectations at 192 Bcf. This is substantially higher than both last year’s withdrawal of 155 Bcf and the five-year average withdrawal of 146 Bcf. Inventories are now at 2.689 Tcf and the surplus has narrowed to 41 Bcf above last year and 198 Bcf above the five-year average.

**Weather** – Snow and frigid temps dominate the weather news as a major winter storm with heavy snowfall has moved through the upper Midwest, Mid-Atlantic, and Northeast. Temperatures are expected to fall to their lowest levels so far this year and maintain those levels into next week.

NYMEX NG Price Summary Data as of 02-03-2021		
Month	Price \$/MMBtu	Change
Mar 2021	\$2.789	(\$0.056)
12-month strip	\$2.933	(\$0.037)
Summer 2021	\$2.863	(\$0.040)
Winter 21-22	\$3.060	(\$0.026)

(Sources: EIA, CME Group, Baker Hughes)

**Crude Oil** – Prices moved up strongly this week – posting a 1-year high two days in a row – as the prompt month has traded over \$56 per barrel and above \$50 per barrel into 2022. Price gains are attributed to OPEC+ reporting 99% compliance with production quotas and expectations that the global crude surplus will be reduced by the middle of the year.

**Natural Gas Production and Rig Count** – In the latest report from Baker Hughes, the natural gas rig count remained at 88, compared to 115 at the same time last year. Daily average production has dipped to slightly below 90 Bcf per day, with potential additional declines due to well freeze offs.

**Natural Gas Demand** – LNG feedgas demand remains near 11 Bcf per day. Global prices have declined from recent high levels but are still attractive. Demand in other sectors is increasing due to frigid temperatures and potential limitations on wind power, with the largest gains in the Northeast and Midwest.

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

*Founded in 1999, Oklahoma based Clearwater Enterprises L.L.C. has established itself as a financially solid, experienced, reliable natural gas supplier to all sizes of customers. Clearwater actively serves over 2500 customers and is excited to announce its expansion into the Kansas and Missouri regions. Products offered include but are not limited to Index, Nymex basis and Fixed Price Locks. Offices located in Oklahoma City, Tulsa, Kansas City, Louisville, Philadelphia.*



February 18, 2021

Week Ending 02-12-2021	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 1200 Bcf	Withdrawal Weeks Remaining
-237	-141	-142	154	07
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2281	2386	2224	-171	+57

**Energy News** – Record-breaking cold weather across the Central and Southwest has impacted utility services for large numbers of customers. The combination of higher demand, well freeze-offs, and constraints of pipeline capacity has resulted in massive premiums in cash market prices, some over \$500 per MMBtu. The higher premiums are uncharacteristically in the South – including Southern California – as supply disruptions impact surrounding states.

**Natural Gas** – The NYMEX market has not yet followed the cash market into extremely high levels, but the March contract moved up from its Friday close of \$2.912 per MMBtu to settle at \$3.219 per MMBtu on Wednesday. The summer strip also pierced the \$3.00 level to settle at \$3.083 per MMBtu. The contract is down about \$.15 per MMBtu on Thursday morning. Technical indicators have moved up with support at \$3.18 and \$3.10 per MMBtu and resistance at \$3.32 and \$3.39 per MMBtu.

**Storage** – The expectation for this week’s storage report was for a withdrawal near 251 Bcf. The actual withdrawal reported by the EIA is below expectations at 237 Bcf. This is again substantially higher than both last year’s withdrawal of 141 Bcf and the five-year average withdrawal of 142 Bcf. Inventories are at 2.281 Tcf and the storage level is now 105 Bcf below last year but still remains above the five-year average at +57 Bcf.

**Weather** – Record low temperatures were recorded from South Dakota to Texas earlier this week, prompting rolling power outages in Texas and other markets. The bitter cold is expected to ease this weekend but the longer-term forecast includes another cold shot in early March for the northern tier of the U.S.

**Crude Oil** – Prices started the week by trading over \$60 per barrel. Continued optimism regarding vaccines and potential demand increases are supporting prices. However, these stronger prices are facing offsetting pressures from new restrictions on travel in China, new variants of the covid virus and potential changes to OPEC+ production limits.

NYMEX NG Price Summary Data as of 02-17-2021		
Month	Price \$/MMBtu	Change
Mar 2021	\$3.219	\$0.090
12-month strip	\$3.158	\$0.042
Summer 2021	\$3.083	\$0.042
Winter 21-22	\$3.235	\$0.028

(Sources: EIA, CME Group, Baker Hughes)

**Natural Gas Production and Rig Count** – In the latest report from Baker Hughes, the natural gas rig count decreased by 2 to 90. This compares to 110 rigs at the same time last year. Daily average production has declined to near 70 Bcf per day as well freeze-offs continue at an estimated level of over 18 Bcf per day.

**Natural Gas Demand** – As expected, residential/commercial demand is over 14 Bcf per day higher than last month. LNG feedgas demand has declined to below 6 Bcf per day as facilities in Texas have limited operations in order to reduce natural gas demand in the state.

The March NYMEX contract will settle for the month on Wednesday, February 24.

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