



April 29, 2021

Week Ending 04-23-2021	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
+15	+66	+67	78	27
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
1898	2200	1938	+38	-40

Energy News – Although an earlier study indicated cold weather (and the resulting equipment freeze-offs) caused the majority of outages during February, a more recent report identified loss of power as one of the main factors that affected operations. Once power outages began, production and transportation facilities that rely heavily on electricity for operations were impacted. Then power outages at natural gas facilities impaired the ability of generators to receive natural gas supplies.

Natural Gas – The market has continued to move up in response to late-season heating demand, sluggish production, and therefore lower injections into storage. The May NYMEX contract increased from last Friday's settlement of \$2.730 per MMBtu to settle for the month on Wednesday at \$2.925 per MMBtu. This settlement is \$0.339 per MMBtu higher than last month's settle of \$2.586 per MMBtu and \$1.131 per MMBtu higher than last year's settle of \$1.794 per MMBtu. Technical indicators showed a similar increase with support at \$2.92 and \$2.88 per MMBtu and resistance at \$3.00 and \$3.09 per MMBtu.

Storage – The expectation for this week's storage report was for an injection of only 9 Bcf. The actual injection reported by the EIA is slightly higher at 15 Bcf. This is significantly lower than last year's injection of 66 Bcf and the five-year average injection of 67 Bcf. Inventories are at 1.898 Tcf and the storage level is now 302 Bcf below last year and 40 Bcf below the five-year average.

Weather – Colder-than-normal weather brought some snow to the Midwest, Mid-Atlantic and the Northeast last week. This pattern is now being replaced with much warmer and more seasonal temperatures in these markets. In the West and Southwest drought conditions could result in a hotter-than-normal summer with high air conditioning demand.

NYMEX NG Price Summary Data as of 04-28-2021		
Month	Price \$/MMBtu	Change
May 2021	\$2.925	\$0.052
12-month strip	\$3.024	\$0.016
Summer 2021	\$2.991	\$0.021
Winter 21-22	\$3.152	\$0.011

(Sources: EIA, CME Group, Baker Hughes)

Natural Gas Production and Rig Count – In the latest report from Baker Hughes, the natural gas rig count is at 94 for the week ending April 23. The count now exceeds the prior year when the count was 85 for the same period last year. Meanwhile, production is lagging as the daily average has dipped below 90 Bcf per day this week.

Crude Oil – The prompt month contract opened the week at \$62.06 per barrel but moved up strongly to trade over \$64 per barrel by mid-week. An opening US economy is supportive of prices, but the EU is struggling with COVID related issues, poor vaccine rollouts and ample spare crude oil supply capacity, all of which are placing downward pressure on the market.

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

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