

April 01, 2021

Week Ending 03-26-2021	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 1200 Bcf	Withdrawal Weeks Remaining
+14	-20	-24	564	01
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
1764	1989	1800	-32	-36

Energy News – The total/combined oil and natural gas rig count as reported by Baker Hughes is up by 6, bringing the total to 417 for the week ending March 26. All of the 6 are oil-based rigs, bringing the overall oil rig total to 324. Gas-based rigs have stayed constant at 92, narrowing the gap to last year's count of 102 for the same time period. The Permian Basin saw the largest increase with 5 of the 6 rigs coming online in that region, but other areas of the country have been reporting increases as well.

Natural Gas –The April NYMEX contract settled for the month on Monday at \$2.586 per MMBtu. This settlement was \$0.268 per MMBtu lower than last month's settlement of \$2.854 per MMBtu and \$0.952 per MMBtu higher than last year's settlement of \$1.634 per MMBtu. As May takes the prompt month position, the contract has been trading slightly higher, settling above \$2.60 per MMBtu. Technical indicators are also slightly higher with support at \$2.55 and \$2.48 per MMBtu and resistance at \$2.69 and \$2.76 per MMBtu.

Storage – The expectation for this week's storage report was for the first build of the injection season with an injection near 12 Bcf. The actual injection reported by the EIA is near expectations at 14 Bcf. This compares to last year's withdrawal of 20 Bcf and the five-year average withdrawal of 24 Bcf. Inventories are at 1.764 Tcf which includes a revision of +4 Tcf to last week's level. The storage level is now 225 Bcf below last year and 36 Bcf below the five-year average.

Weather – Temperatures in the Midwest are forecast to be cooler than normal this week and significantly warmer than normal next week. The West will also be on the warmer side of normal while cooler temperatures in the Central and East may prompt some overnight heating demand into April. Overall, weather continues to be on the mild side offering little support to prices.

NYMEX NG Price Summary Data as of 03-31-2021		
Month	Price \$/MMBtu	Change
May 2021	\$2.608	(\$0.015)
12-month strip	\$2.782	(\$0.001)
Summer 2021	\$2.709	(\$0.008)
Winter 21-22	\$2.930	\$0.006

(Sources: EIA, CME Group, Baker Hughes)

Crude Oil – After a steep slide in mid-March, prices have stabilized over the last week around \$60 per barrel. Prices are currently trading near that level into 2022. OPEC+ is scheduled to meet to decide whether to retain the cuts in supply that are currently in effect.

Natural Gas Production and Demand – Daily average production continues to exceed 90 Bcf per day over the past week. Likewise, LNG feedgas demand also continues at record levels in excess of 11 Bcf per day.

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



April 15, 2021

Week Ending 04-09-2021	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
+61	+68	+26	74	29
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
1845	2087	1834	+20	+11

Energy News – The fight is gearing up over who will pay for the February power disruptions in Texas, and how much. Action is taking place in federal bankruptcy courts, in state courts and in the Texas legislature. More than 200 Texans have joined what is expected to be a flood of liability suits with the expectation that cases could take years to be decided.

Natural Gas – Some cooler temperatures in the short-term forecast have prompted the May NYMEX contract toward the high side of its recent trading range. After settling at \$2.526 per MMBtu last Friday, the contract increased this week to trade as high as \$2.685 per MMBtu on Thursday. Technical indicators also increased with support at \$2.57 and \$2.53 per MMBtu and resistance at \$2.72 and \$2.76 per MMBtu.

Storage – The expectation for this week’s storage report was for an injection near 65 Bcf. The actual injection reported by the EIA is near expectations at 61 Bcf. This compares to last year’s injection of 68 Bcf and the five-year average injection of 26 Bcf. Inventories are at 1.845 Tcf and the storage level is now 242 Bcf below last year and 11 Bcf above the five-year average.

Weather – Weather forecasts have altered with cooler weather now expected across the Midwest and East into next week. The South remains mild while the West is very warm and dry.

Natural Gas Production and Rig Count – In the latest report from Baker Hughes, the natural gas rig count has increased by 2 to 93 for the week ending April 9. This further closes the gap to last year when the count was 96. Daily average production remains near 90 Bcf per day.

NYMEX NG Price Summary Data as of 04-14-2021		
Month	Price \$/MMBtu	Change
May 2021	\$2.618	(\$0.001)
12-month strip	\$2.835	(\$0.003)
Summer 2021	\$2.748	(\$0.002)
Winter 21-22	\$3.001	(\$0.004)

(Sources: EIA, CME Group, Baker Hughes)

EIA Short-Term Energy Outlook – The EIA forecasts:

- Henry Hub prices will average \$3.04/MMBtu in 2021, up from \$2.03/MMBtu in 2020. Continued growth in LNG exports with only a slight increase in production will continue to support prices at an average of \$3.11 per MMBtu in 2022.
- Consumption will be down 0.4% in 2021 from 2020 levels due to less gas consumed for power generation because of higher prices. Consumption in other sectors is rising due to expanding economic activity and colder temperatures.
- Storage inventories will end March 2021 at 1.8 Tcf, 2% below the 5-year average. Injections will outpace the 5-year average to end October above 3.7 Tcf which equals the 5-year average.

The May NYMEX contract will settle for the month on Wednesday, April 28.

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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.

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