



May 13, 2021

Week Ending 05-07-2021	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
+71	+104	+82	79	25
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2029	2407	2101	+60	-72

Energy News – The Colonial Pipeline system was the target of a successful cyber-attack on Friday, May 7. The pipeline is the main artery of the US fuel supply as it is responsible for 45% of the East Coast’s petroleum. Operators hope to have service mostly restored by May 14. Ransomware was the main reason for the shutdown and indicates that energy pipelines are acutely vulnerable, especially at remote field offices. A cyber-criminal gang acknowledged responsibility for the incident in a public statement and the FBI confirmed Monday that DarkSide was responsible for compromising the pipeline’s networks.

Natural Gas – After moving about \$2.90 per MMBtu last week, June NYMEX prices have traded within a \$0.10 per MMBtu range over the past week. Prices have remained between \$2.90 and \$3.00 per MMBtu. With only a few weeks until hotter summer weather, the market is expected to remain near current levels although early air conditioning demand could provide the boost to move the market above the \$3.00 per MMBtu level which is also a recent technical resistant point. Technical indicators remain strong with support at \$2.88 and \$2.83 per MMBtu and resistance at \$3.00 and \$3.10 per MMBtu.

Storage – The expectation for this week’s storage report was for an injection of 70 Bcf. The actual injection reported by the EIA is in line with expectations at 71 Bcf but still lower than last year’s injection of 104 Bcf and the five-year average injection of 82 Bcf. Inventories are at 2.029 Tcf and the storage level is now 378 Bcf below last year and 72 Bcf below the five-year average.

Weather – The month of May continues to be cooler in the East and warmer in the West. However the 6-to-10-day forecast is indicating a change to warmer temperatures. In the Southwest and parts of Texas, drought conditions remain and a hotter-than-normal summer may be a result.

NYMEX NG Price Summary Data as of 05-12-2021		
Month	Price \$/MMBtu	Change
June 2021	\$2.969	\$0.014
12-month strip	\$3.001	\$0.011
Summer 2021	\$3.011	\$0.018
Winter 21-22	\$3.160	\$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 moved up strongly to 103 for the week ending May 7. This is an increase of 7 over last week and well above last year’s level of 81 for the same period. Production has averaged over 90 Bcf per day for the past week, leveling from the choppiness of earlier weeks.

Crude Oil – Even with the disruption on the Colonial Pipeline system (described above), prompt month prices have not changed significantly. Prices continue to trade above \$65 per barrel for all of 2021.

The June NYMEX contract settles for the month on Wednesday, May 26.

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

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.



May 27, 2021

Week Ending 05-21-2021	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
+115	+105	+91	78	23
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2215	2596	2278	+71	-63

Energy News – LNG feed gas deliveries averaged 10.9 Bcf per day in May which is a utilization of capacity at 89%. Operators may be delaying/reducing maintenance to take advantage of the strong near-term market prices. New projects in various stages are reporting completions ahead of schedule. This earlier-than-expected feed gas demand could tighten the US market balance for the upcoming winter.

Natural Gas – As cooler weather returned to the forecast, NYMEX prices moved off last week’s highs to trade below \$2.90 per MMBtu for the first part of this week. The June contract reversed course on its final day of trading by moving up \$.07 per MMBtu to settle for the month on Wednesday at \$2.984 per MMBtu. This settlement is \$0.059 per MMBtu higher than last month’s settlement of \$2.925 per MMBtu and \$1.262 per MMBtu higher than last year’s settlement of \$1.722 per MMBtu. Prices for other months moved up on Wednesday as well, settling above \$3.00 per MMBtu through March 2022. Technical indicators have declined from last week with support at \$2.90 and \$2.82 per MMBtu and resistance at \$3.02 and \$3.09 per MMBtu.

Storage – The expectation for this week’s storage report is for the first triple-digit injection of the season at 107 Bcf. The actual injection reported by the EIA is higher than expectations at 115 Bcf. This injection is higher than both last year’s injection of 105 Bcf and the five-year average injection of 91 Bcf. Inventories are at 2.215 Tcf and the storage level is now 381 Bcf below last year and 63 Bcf below the five-year average.

Weather – The forecast took another near-term swing as expectations for above normal temperatures were replaced with a forecast for cooler air to move into the Midwest and East in the short-term but warming back up by the end of next week. The West remains hot for the 6-to-10-day period with a slight reduction in the heat in the 11-to-15-day period.

NYMEX NG Price Summary Data as of 05-26-2021		
Month	Price \$/MMBtu	Change
June 2021	\$2.984	\$0.071
12-month strip	\$3.033	\$0.040
Summer 2021	\$3.031	\$0.055
Winter 21-22	\$3.196	\$0.032

(Sources: EIA, CME Group, Baker Hughes)

Crude Oil – Prompt month prices have climbed back up to trade between \$65.50 and \$66.50 per barrel this week. Current prices are above \$60 per barrel through most of 2022, and one analyst is forecasting prices to reach \$80 per barrel in the fourth quarter of this year.

Natural Gas Rig Count and Production – In the latest report from Baker Hughes, the natural gas rig count declined by 1 to 99 and remains above last year’s level of 79 for the same period. Production has increased, averaging over 91 Bcf per day for the past week.

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