



November 05, 2020

Week Ending 10-30-2020	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
-36	+49	+52	N/A	0
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
3919	3719	3718	+29	+201

Natural Gas – In its early days in the prompt month position, the December NYMEX contract increased to settle at \$3.354 per MMBtu last Friday. Warmer weather dissolved price support, at least for now, as the contract tumbled over \$.30 per MMBtu to settle at \$3.046 per MMBtu by Wednesday. The contract continued its decline on Thursday, actually trading below \$3.00 per MMBtu. Likewise, the winter strip (Dec-Mar) also declined from a Friday settlement of \$3.381 per MMBtu to settle on Wednesday at \$3.102 per MMBtu. Technical indicators have decreased since last week with support at \$2.98 and \$2.92 per MMBtu and resistance at \$3.16 and \$3.20 per MMBtu.

Storage – The expectation for this week’s storage report was for the first withdrawal of the season at 28 Bcf. The actual withdrawal reported by EIA is above expectations at 36 Bcf. This differs from last year’s injection of 49 Bcf and the five-year average injection of 52 Bcf. Inventories are at 3.919 Tcf and this level is 200 Bcf above last year and 201 Bcf above the five-year average.

Weather – Weather is currently the main driving force in the market as the 15-day forecast calls for above normal temperatures across the country for every day through mid-November. The La Nina condition is indicating longer-term prospects of a potentially warmer winter across the U.S.

NYMEX NG Price Summary Data as of 11-04-2020		
Month	Price \$/MMBtu	Change
Dec 20	\$3.046	(\$0.013)
12-month strip	\$3.001	(\$0.015)
Winter 20-21	\$3.102	(\$0.017)
Summer 2021	\$2.934	(\$0.014)

(Sources: EIA, CME Group, Baker Hughes)

Crude Oil – Oil prices began the week at 5-month lows on concerns of new lockdowns in the U.S. and Europe which would limit demand. Prices rebounded by mid-week to near \$40 per barrel on news of a possible delay in OPEC+ production increases and an improved economic outlook.

Natural Gas Demand/Production/Rig Count – Baker Hughes reports the natural gas rig count decreased by 1 to 72 for the week ending October 30. This compares to last year’s rig count of 130 for the same period. Production has rebounded, reaching the highest levels in the past two months. LNG feedgas demand hit a record high of 10.4 Bcf per day on October 31 and has remained above 10 Bcf per day this week.

Other News – The Atlantic hurricane season had its 28th named storm this week which ties the 2005 record for the most storms to earn a name in a single season. The alphabetical list of names ended in mid-September, requiring the World Meteorological Organization to use Greek letters for storm names for just the second time in its history.

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



November 13, 2020

Week Ending 11-06-2020	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 1200 Bcf	Withdrawal Weeks Remaining
+8	+12	+33	130	21
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
3927	3731	3751	-36	+176

Energy News – Joe Biden is expected to win the U.S. presidential election. U.S. energy policy under his administration could potentially change in the areas of international oil supplies from Venezuela and Iran, OPEC relations, green transition and drilling on federal lands and waters. All of these areas have an impact on energy supplies and pricing.

Natural Gas – The December NYMEX contract continued to follow the weather forecast this week, dropping to settle at \$2.859 per MMBtu on Monday before increasing to Wednesday’s settlement of \$3.3041 per MMBtu. Pricing has remaining near \$3.00 per MMBtu after this week’s storage report which was delayed one day due to the Veterans Day holiday. Technical indicators have declined with support at \$2.91 and \$2.85 per MMBtu and resistance at \$3.11 and \$3.14 per MMBtu.

Storage – The expectation for this week’s storage report was for a withdrawal at 4 Bcf. The actual report from EIA was again above expectations with an injection of 8 Bcf. This compares to last year’s injection of 12 Bcf and the five-year average injection of 33 Bcf. Inventories are at 3.927 Tcf and this level is 196 Bcf above last year and 176 Bcf above the five-year average.

Weather – Weather continues to be the main driving force in the market as the warmer temperatures have been moving toward a more normal level in the 15-day forecast. The nearer term forecast indicates a variable pattern in the northern tier with milder temperatures in the central and southern parts of the country.

NYMEX NG Price Summary Data as of 11-12-2020		
Month	Price \$/MMBtu	Change
Dec 20	\$2.976	(\$0.055)
12-month strip	\$2.956	(\$0.036)
Winter 20-21	\$3.024	(\$0.057)
Summer 2021	\$2.906	(\$0.026)

(Sources: EIA, CME Group, Baker Hughes)

EIA Short-term Energy Outlook – The EIA forecasts:

- Consumption in 2020 will decline 1.7% from 2019 due to less heating demand and reduced manufacturing activity. An additional decline of 5.2% is expected in 2021 as rising natural gas prices will reduce demand in the electric power sector.
- Production will average 91.0 Bcf/d in 2020, down from an average of 93.1 Bcf/d in 2019. Production will average 87.9 Bcf/d in 2021.
- Storage inventories near 4.0 Tcf on October 31, which would be the second-highest level on record. But withdrawals will outpace the five-year average during the heating season due to lower production and end March 2021 at 1.5 Tcf, which would be 16% lower than the 2016–20 average.

Rising demand and LNG exports heading into winter, combined with reduced production, will cause Henry Hub prices to rise to \$3.42 per MMBtu in January 2021 and remain above \$3.00 per MMBtu throughout 2021, averaging \$3.14 per MMBtu for the year.

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November 19, 2020

Week Ending 11-13-2020	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 1200 Bcf	Withdrawal Weeks Remaining
+31	-66	-24	138	20
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
3958	3665	3727	+8	+231

Energy News – Energy is the top sector in terms of sensitivity to news of a COVID-19 vaccine according to a national investment research firm. Equity markets increased on November 9 and November 16 to early reports of vaccine effectiveness and crude oil and refined product prices also responded positively to predictions that vaccine distribution could begin yet this year although all markets remain volatile.

Natural Gas – Weather is the main focus and having the strongest impact on prices as the December NYMEX contract tumbled over \$0.40 per MMBtu this week. The contract settled at \$2.995 per MMBtu last Friday and is trading below \$2.60 per MMBtu early Thursday morning. The winter strip (Dec-Mar) followed suit to settle at \$2.784 per MMBtu on Wednesday, down from its levels of over \$3.00 per MMBtu last week. Technical indicators decreased since last week with support at \$2.65 and \$2.60 per MMBtu and resistance at \$2.82 and \$2.87 per MMBtu.

Storage – The expectation for this week’s storage report was for an injection of 10 Bcf. The actual injection reported by EIA is well above expectations at 31 Bcf. This compares to last year’s withdrawal of 66 Bcf and the five-year average withdrawal of 24 Bcf. Inventories are at 3.958 Tcf and this level is 293 Bcf above last year and 231 Bcf above the five-year average.

Weather – Weather remains the main driving force in the market as November is on track to be the 5th warmest since 1960. The longer-term winter outlook is also warmer-than-normal.

NYMEX NG Price Summary Data as of 11-18-2020		
Month	Price \$/MMBtu	Change
Dec 20	\$2.712	\$0.020
12-month strip	\$2.779	(\$0.007)
Winter 20-21	\$2.784	(\$0.001)
Summer 2021	\$2.758	\$0.010

(Sources: EIA, CME Group, Baker Hughes)

Crude Oil – NYMEX oil prices have strengthened this week on positive vaccine news. Although a surplus of supply keeps a limit on upward price movement, the December contract has traded above \$40/barrel all week and prices have exceeded \$43 per barrel later in 2021.

Natural Gas Production/Rig Count – Baker Hughes reports the natural gas rig count increased by 1 to 73 for the week ending November 13. This compares to last year’s rig count of 129 for the same period. Production has stabilized near 90 Bcf per day at some of the highest levels in the past three months.

Natural Gas Demand – LNG feedgas demand continues to exceed 10 Bcf/day. Industrial demand reached 23.4 Bcf/day in November which is the highest level this year but still 0.9 Bcf/day lower than the same time last year.

The December NYMEX contract will settle for the month on Wednesday, November 25.

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