



March 04, 2021

Week Ending 02-26-2021	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 1200 Bcf	Withdrawal Weeks Remaining
-98	-119	-81	129	05
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
1845	2122	2023	-338	-178

**Energy News** – Spot prices are showing little impact of the extremely high volatility during the record-setting cold of only a few weeks ago. Production levels have returned to the pre-freeze levels after declining nearly 20%. Demand has also declined, even with an increase in both LNG and export demand. The resulting effect is a noticeable return to normalcy with cash prices below \$3.00 per MMBtu at Henry Hub.

**Natural Gas** – The April contract traded in a relatively narrow range this week with daily settlements ranging between \$2.77 per MMBtu and \$2.84 per MMBtu. These prices are nearly \$0.30 per MMBtu lower than at the end of the previous week. The price declines are attributed to warmer weather forecasts and restored production. The summer strip remains near \$2.91 per MMBtu. Technical indicators show little change with support at \$2.78 and \$2.70 per MMBtu and resistance at \$2.88 and \$2.94 per MMBtu.

**Storage** – Last week’s withdrawal was 21 Bcf lower than the all-time record. The expectation for this week’s storage report was for a much lower withdrawal near 137 Bcf. The actual withdrawal reported by the EIA is well below expectations at 98 Bcf. This is lower than last year’s withdrawal of 119 Bcf but higher than the five-year average withdrawal of 81 Bcf. Inventories are at 1.845 Tcf and the storage level is now 277 Bcf below last year and 178 Bcf below the five-year average.

**Crude Oil** – Prompt month prices have remained above \$60 per barrel but have dropped below that benchmark in the latter half of 2021. An oil executive reports that demand is expected to rise over the next decade even as renewables draw increasing attention. OPEC+ will meet on Thursday to decide on the group’s crude output levels in April.

**Weather** – The forecasts are indicating offsetting patterns this week as the East and South are colder while the West and Midwest are warmer. The pattern is expected to remain variable and leaning to the milder side through the middle of the month.

**Natural Gas Production and Rig Count** – In the latest report from Baker Hughes, the natural gas rig count increased by 1 to 92 as the count continues to move closer to last year’s level of 110 rigs. Daily average production has made nearly a full recovery to pre-polar vortex levels. Production averaged near 89 Bcf per day this week after getting as low as 69 Bcf per day at the height of the cold weather.

NYMEX NG Price Summary Data as of 03-03-2021		
Month	Price \$/MMBtu	Change
Apr 2021	\$2.816	(\$0.023)
12-month strip	\$2.988	(\$0.026)
Summer 2021	\$2.912	(\$0.029)
Winter 21-22	\$3.093	(\$0.023)

(Sources: EIA, CME Group, Baker Hughes)

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.*



March 25, 2021

Week Ending 03-19-2021	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 1200 Bcf	Withdrawal Weeks Remaining
-36	-26	-51	273	02
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
1746	2009	1824	-11	-78

**Energy News** – Natural gas demand for electric power generation declined this month due to higher gas prices and new wind generation capacity. This trend is likely to continue this summer. Gas prices for this summer are currently trading \$0.73 per MMBtu above last year and wind generation capacity is also higher than last year with additional capacity expected to be added by the end of the summer.

**Natural Gas** – The April NYMEX contract reversed its decline last Friday, increasing to settle at \$2.535 per MMBtu. The contract continued to trade around the \$2.50 level all week, settling on Wednesday at \$2.518 per MMBtu. Prices are over \$2.56 per MMBtu on Thursday after a higher-than-expected storage withdrawal. Technical indicators are stable with support at \$2.47 and \$2.40 per MMBtu and resistance at \$2.64 and \$2.69 per MMBtu.

**Storage** – The expectation for this week’s storage report was for a withdrawal near 21 Bcf. The actual withdrawal reported by the EIA is above expectations at 36 Bcf. This is higher than last year’s withdrawal of 26 Bcf but below the five-year average withdrawal of 51 Bcf. Inventories are at 1.746 Tcf and the storage level is now 263 Bcf below last year and 78 Bcf below the five-year average. Next week the EIA is expected to report a 13 Bcf injection.

**Weather** – Temperatures are warming with much of the US expected to see normal to above normal temperatures. The longer-term forecast indicates a larger area of above normal temps in the West and a cool front in the South to Southeast.

NYMEX NG Price Summary Data as of 03-24-2021		
Month	Price \$/MMBtu	Change
Apr 2021	\$2.518	\$0.010
12-month strip	\$2.750	\$0.014
Summer 2021	\$2.647	\$0.015
Winter 21-22	\$2.893	\$0.014

(Sources: EIA, CME Group, Baker Hughes)

**Crude Oil** – Prices have continued their slide of last week, dropping sharply on Tuesday to a 5-week low. Renewed lockdowns in Europe and US economic data which negatively impacted crude demand and energy prices are noted as reasons for the decline. Prices rebounded on Wednesday after a container ship ran aground in the Suez Canal, blocking tanker traffic, but the decline continues Thursday with prices down \$3.00+ per barrel to \$56-\$58 per barrel for 2021.

**Natural Gas Production and Rig Count** – In the latest report from Baker Hughes, the natural gas rig count continued unchanged at 92 compared to last year’s level of 106 rigs. Daily average production continues to exceed 90 Bcf per day this week.

**LNG** – Demand for LNG feedstock continues at record levels – exceeding 11 Bcf/day for the past week.

The April NYMEX contract settles for the month on Monday, March 29.

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