

THE SCHORK REPORT

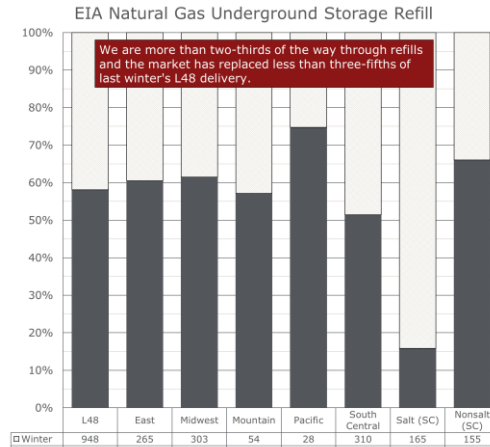


Friday, September 09, 2022

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FUNDAMENTAL + TECHNICAL ANALYSIS OF THE ENERGY MARKETS

EIA Weekly Natural Gas Status Report				
Storage Δ (Bcf)	26-Apr	Seasonally Adjusted Norm	2-Sep	Bias
L48	61	64 ± 18	54	Neutral
South Central	10	9 ± 2	6	Bullish
Salt	1	3 ± 1	(3)	Bullish
Nonsalt	9	6 ± 2	9	Bearish
Midwest	33	30 ± 11	29	Neutral
East	16	22 ± 8	21	Neutral
Mountain	4	3 ± 1	2	Neutral
Pacific	(2)	1 ± 0	(3)	Bullish



Nota Bene: We return from the West Coast this weekend and will resume submitting each day's report at 11:45pm EST.

upper limit of the seasonally adjusted range. However, as of yesterday's report, the season-to-date injection is 288 Bcf (18%) below the upper limit.

Omnium Gatherum

ENERGY PRICES WERE STRONG YESTERDAY... oil and gas markets recovered following Wednesday's rout.

EIA Gas Recap

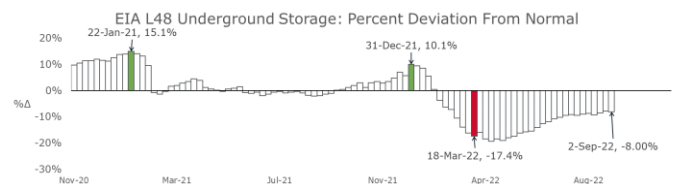
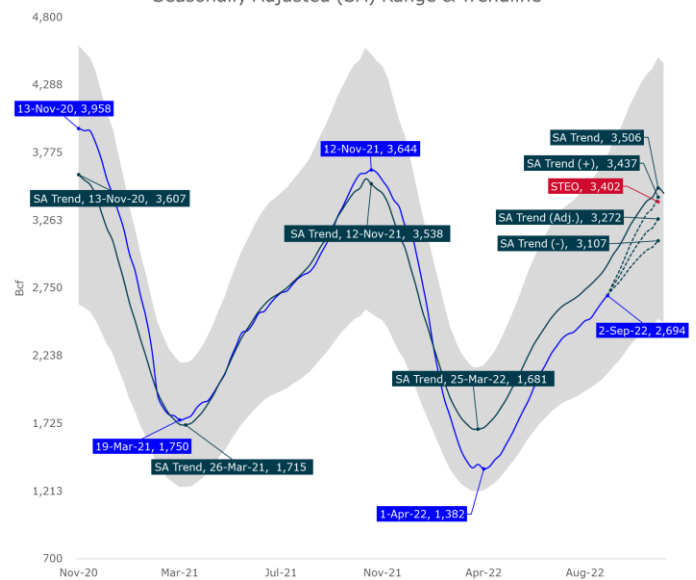
Yesterday, the EIA reported a good (but not good enough) injection of 54 Bcf of natural gas into L48 underground storage. As of September 02nd, inventories rose to 2.694 Tcf with a shortfall to the seasonally adjusted time series of 234 Bcf (8%).

Season to date refills now sum 1.312 Tcf. This is a strong addition. For this point in summer, you want to see a refill of at least 1.247 Tcf. However, as we have been saying all summer long, the strong pace of injections is not strong enough.

Earlier this week, the EIA lowered its end-of-season forecast to 3.402 Tcf. The average injection through the remainder of the season is 531 ±46 Bcf. To arrive at the EIA's number, we need to see a 708 Bcf injection. The three largest injections from this point are 810 Bcf in 2014, 789 Bcf in 2011, and 715 Bcf in 2015.

Furthermore, the upper limit of the seasonally adjusted range is 743 Bcf. So, a 708 Bcf injection over the next two months is possible but, because of time decay the odds are long and getting longer. For instance, we'll need to see remaining injections come within 35 Bcf of the

EIA Inventories Underground Storage Natural Gas L48 Seasonally Adjusted (SA) Range & Trendline



We can reasonably expect about eight more weeks of injections before heating demand kicks in. With time running out, we calculate the probability of hitting the EIA's newly revised end-of-season target of 3.402 Tcf at 23% (odds 10:3).

