

THE SCHORK REPORT

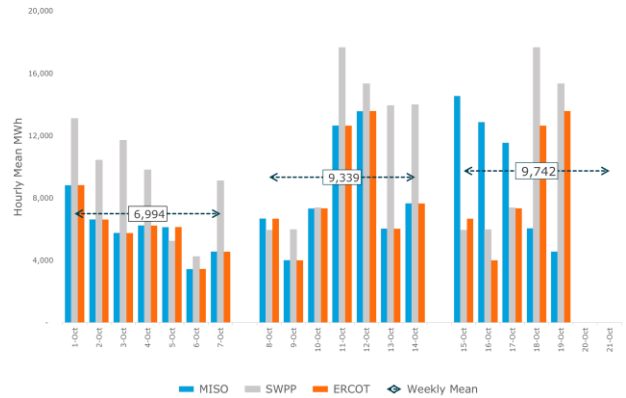
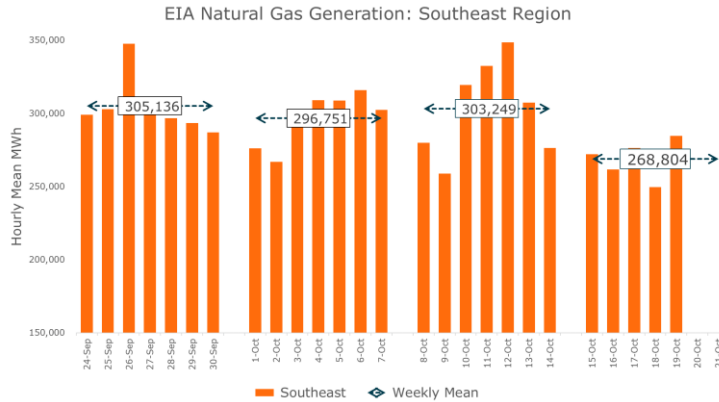


FUNDAMENTAL + TECHNICAL ANALYSIS OF THE ENERGY MARKETS

Friday, October 21, 2022

www.schorkgroup.com

EIA Wind Generation: MISO, SWPP, ERCOT



Nota Bene: The Idiocracy at its dumbest. The [NOPEC](#) (get it?) Bill makes it to the U.S. Senate Judiciary Committee. How Beltway Bureaucrats plan to enforce federal law—under the aegis of the Sherman Act—on foreign oil producers should be amusing to watch.

For crying out loud, with this kind of governance, how can you not be long-term bullish on oil?

Omnium Gatherum

ENERGY PRICES WERE MIXED YESTERDAY... oil rallied early, fell late as the November futures expired. NYMEX gas continued this week's selloff.

EIA Natural Gas Recap

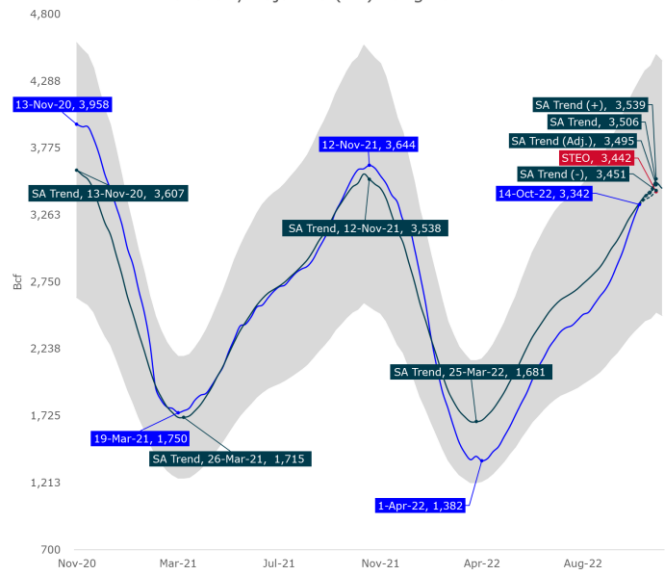
Yesterday, the EIA reported a record fifth straight triple-digit injection (111 Bcf). This is the first time we have seen five consecutive >100 Bcf injections this late in the season. Over these five weeks, a total of 571 Bcf has been injected, the fifth largest addition ever (inclusive of the AGA data going back to 1994) and is 121 Bcf (27%) above the upper limit of the seasonally adjusted norm. That is to say, this injection is 121 Bcf above normal!

As illustrated, after starting this season at 1.382 Tcf (299 Bcf below the seasonally adjusted (SA) trend of 1.681 Tcf), storage is now on track to finish at the SA trend of 3.506 Tcf, with an upside of 3.539 Tcf.

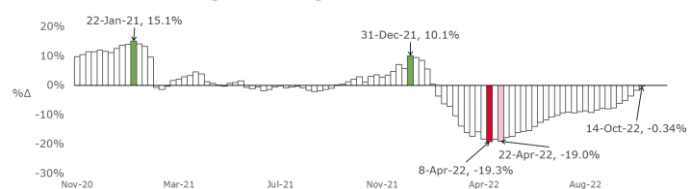
The South Central area reported a massive injection of 41 Bcf. Over the past three weeks, a total of 141 Bcf has been injected which is 62 Bcf above normal. As a result, storage rose last Friday to 1.099 Tcf and the Y/Y surplus

rose to 67 Bcf, the largest supply cushion since the third week of this year.

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



EIA L48 Underground Storage: Percent Deviation From Normal

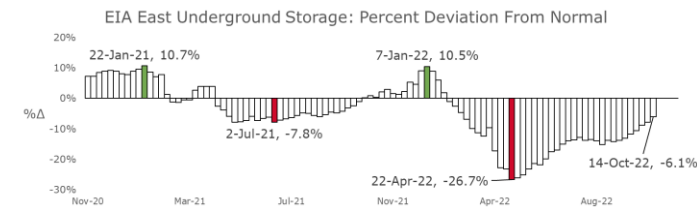
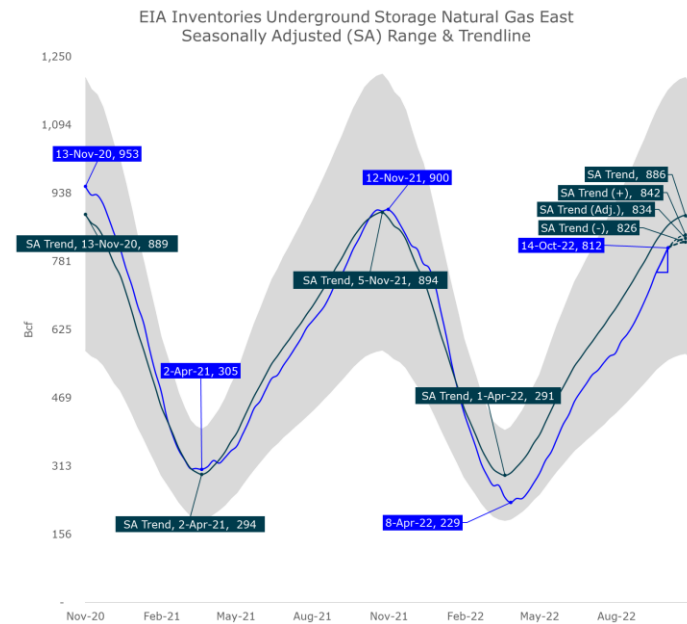


On the South Central breakdown, the Salts injected a substantial 18 Bcf. As of last Friday, storage rose to 271 Bcf. **In the past six weeks, a total of 89 Bcf has been injected which is 20 Bcf greater than the 69 Bcf that was delivered to utilities throughout the Dog Days**

of summer. As of yesterday's report, the surplus to the seasonally adjusted trendline rose to 13 Bcf. Six weeks ago, this comparison stood at a 34 Bcf deficit.

The Nonsalt portion of the South Central increased by a strong 24 Bcf to the highest level, 828 Bcf since last December. The surplus to the seasonally adjusted trendline rose by 15 Bcf to 53 Bcf.

The Midwest posted a strong injection of 35 Bcf. Inventories rose to 987 Bcf and the deficit to the seasonal norm shrank to a 9-month low of 22 Bcf. This season's refill is up to an impressive 694 Bcf which is 66 Bcf (10.4%) above the seasonally adjusted time series and 65 Bcf (10.3%) above last year's injection.



The East has made up a considerable amount of ground since September.

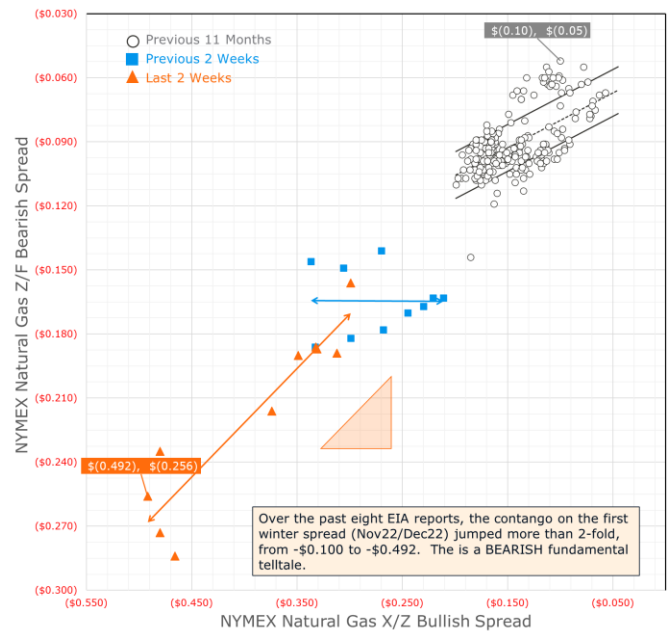
The East reported a sixth straight terrific injection. After lagging for most of the season, injections since the Labor Day holiday sum a substantial 177 Bcf. As of last Friday, stocks stood at 812 Bcf and the shortfall to the seasonal norm narrowed to a 9-month low of 52 Bcf.

This season's refill now totals 583 Bcf which moved the comparison to the seasonally adjusted norm to this season's first surplus (10 Bcf), as well as a 26 Bcf to a year ago.

Bottom Line

L48 refills to date sum an impressive 1.960 Tcf. For the middle October you want to see a refill of at least 1.812 Tcf. As such, we are 148 Bcf (8%) above this level and 249 Bcf (15%) above last year's pace.

The typical injection for next week's report is 56 ±16 Bcf. An uptick this week in weather-related demand in Chicago and New York City will be offset by strong wind generation (see top right on page one) and extant demand destruction throughout the Southeast (see top left on page one).



The blowout in the Nov/Dec contango is a clear telltale of the improvement in the storage situation.

The early consensus for next week's number is looking for a seasonally normal injection in the low 60s Bcf. Storage is on track to finish above the EIA's end-of-season forecast of 3.442 Tcf with even-money odds of heading into winter above 3.50 Tcf!

