

THE SCHORK REPORT

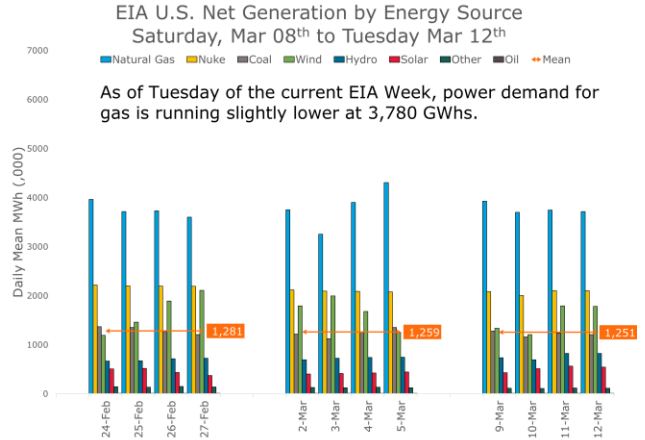


FUNDAMENTAL + TECHNICAL ANALYSIS OF THE ENERGY MARKETS

Friday, March 15, 2024

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Probability Today's Close Will Finish Below/Above Previous Session's Low/High Prints			
NYMEX NG, Apr-24	Prev Close \$ 1.655	Close < \$1.646 48%	Close > \$1.774 14%
NYMEX WTI, May-24	Prev Close \$ 80.58	Close < \$80.01 39%	Close > \$80.89 43%
ICE Brent, May-24	Prev Close \$ 85.34	Close < \$84.60 35%	Close > \$85.55 45%
NYMEX RBOB, Apr-24 (7.4 RVP)	Prev Close \$ 2.7208	Close < \$2.6790 26%	Close > \$2.7240 48%
NYMEX ULSD, Apr-24	Prev Close \$ 2.7270	Close < \$2.6767 28%	Close > \$2.7372 45%
ICE Gasoil , Apr-24	Prev Close \$ 838.50	Close < \$823.50 27%	Close > \$841.50 44%



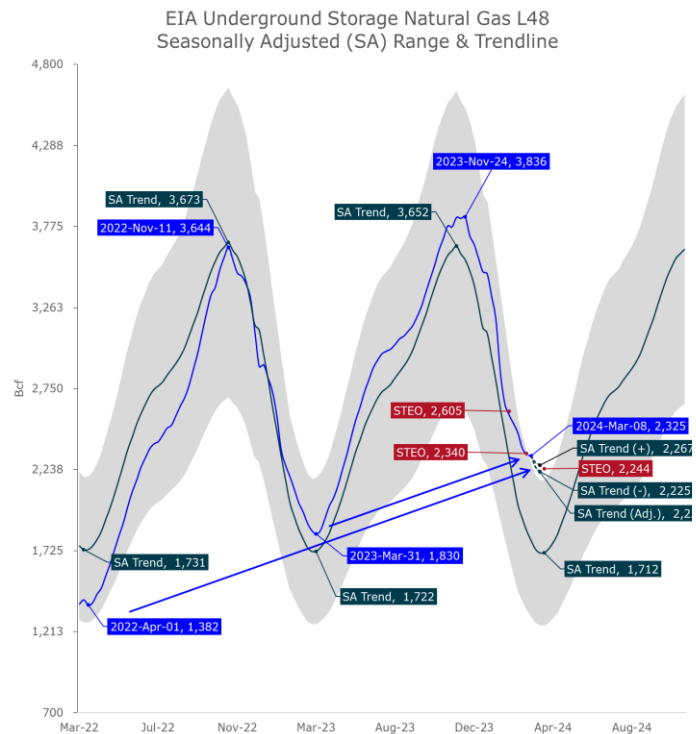
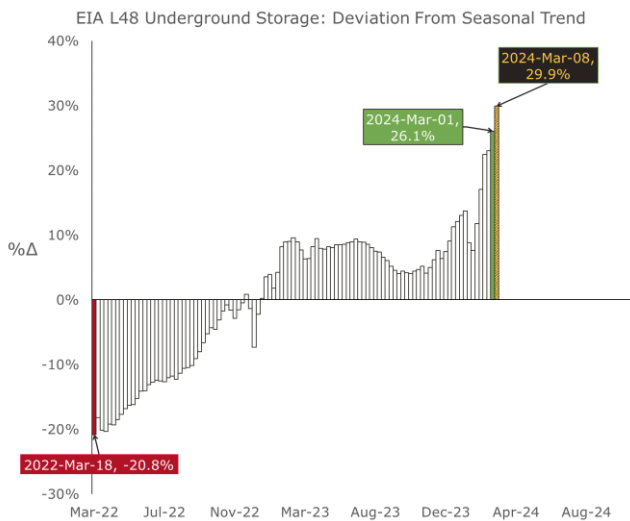
Omnium Gatherum

PRICES WERE STRONG YESTERDAY... Oil markets surged, propelled by the momentum generated from Wednesday's post-EIA strength. NYMEX gas also rallied following the EIA's report of a, shall we say... bullish (?) 9 Bcf delivery from storage.

EIA Gas Highlights

Yesterday, the EIA reported a delivery (withdrawal) from L48 underground storage well below normal. For the week ending March 08th, a meager 9 Bcf of natural gas was withdrawn, significantly lower than the typical early March delivery of 78 ± 17 Bcf. As of last Friday, storage stood at a substantial 2.325 Tcf, exceeding last year's level by 353 Bcf and surpassing the mean in our model's time series study by a staggering 535 Bcf!

Nota Bene: As of Wednesday, of this EIA week, electricity demand was 1.9% lower w/w and 6.5% lower y/y at a 3-month low of 9,938 GWhs.



You cannot swing a cat in the U.S. without hitting a molecule of gas! At 2.325 Tcf, current stocks are now above the seasonally adjusted range!

Next Thursday's EIA update (for the week ending today) is the final report before the vernal equinox and natural gas bulls are still waiting for winter to arrive.

The surplus to the trend in our time series study hit an eight-year high last week of 29.9%!

New York City temperatures are averaging $\approx 49^{\circ}\text{F}$ this week which is 8°s (18%) above normal and 14% warming than the corresponding week from a year ago. Up in Chicago—the most important market for gas-fired space heating demand—temperatures are averaging $\approx 48^{\circ}\text{F}$ which is 12°s (32%) above normal and 42% (!) warmer than last year.

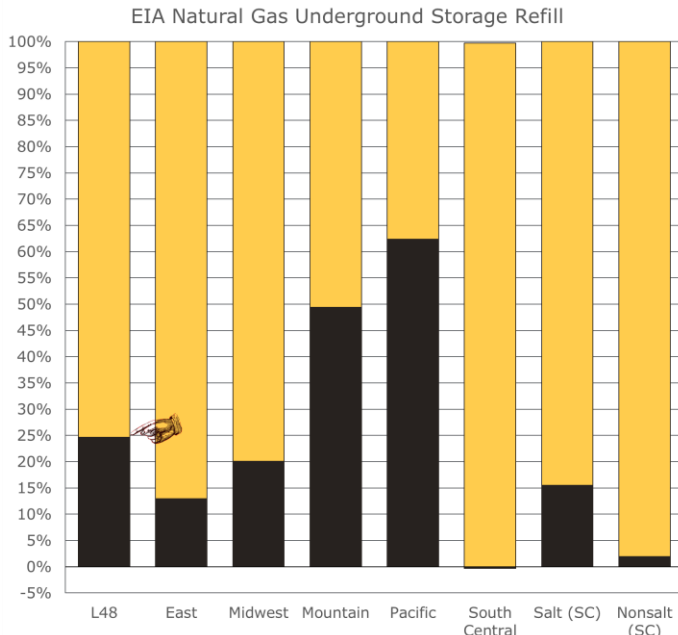
As illustrated above, after an initial pop in the wake of the Chesapeake and EQT production announcements, the front end of the NYMEX gas curve is retreating.

For instance, on February 20th, the day Chesapeake announced it was slashing rig counts, the NYMEX April to May (2Q24) index was 73.1. Two weeks later, the index improved to 87.3 but has since retreated to 78.3.

However, there is encouraging news. The next three quarterly strips are holding onto recent gains.

The resiliency in the back spreads suggests traders are increasingly confident in Chesapeake’s and EQT’s commitment to output reduction, leading to reduced concerns about oversupply and fostering optimism for a more balanced market condition ahead of next winter.

Let’s hope that neither producer disappoints. Let’s also hope Mother Nature shows bulls a little love this summer.



Spring is in the air. Next Wednesday marks the conclusion of the 2023-24 winter and as of last Friday, 25% of last summer’s refill in L48 underground storage is still in the ground.

Therefore, next week’s report is a coin flip. Whereas the typical report for next Thursday is a 72 ± 15 Bcf delivery, the early consensus on The Desk ranges from about a 10 Bcf delivery to a 10 Bcf injection (addition).

3-Week Directional Momentum & Money Flow As Of Thursday, March 14, 2024							
		NYMEX NG	NYMEX WTI	ICE Brent	NYMEX RBOB	NYMEX ULSD	ICE Gasoil
Price	Trend	Falling	Rising	Rising	Rising	Falling	Falling
Volume	Trend	Falling	Rising	Rising	Falling	Falling	Rising
	Bias	Bullish	Bullish	Bullish	Bearish	Bullish	Bearish
Open Interest	Trend	Rising	Rising	Falling	Falling	Falling	Falling
	Bias	Bearish	Bullish	Bearish	Bearish	Bullish	Bullish
Market Signal		Neutral	Bullish	Neutral	Bearish	Bullish	Neutral
Market Volatility		Rising	Falling	Falling	Rising	Falling	Falling

