

THE SCHORK REPORT

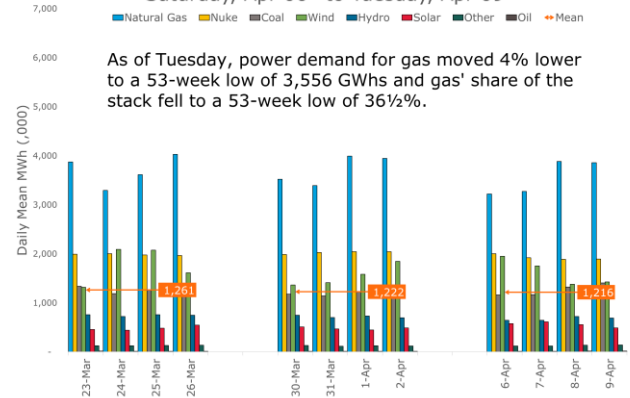


FUNDAMENTAL + TECHNICAL ANALYSIS OF THE ENERGY MARKETS

Friday, April 12, 2024

www.schorkgroup.com

EIA U.S. Net Generation by Energy Source
Saturday, Apr 06th to Tuesday, Apr 09th



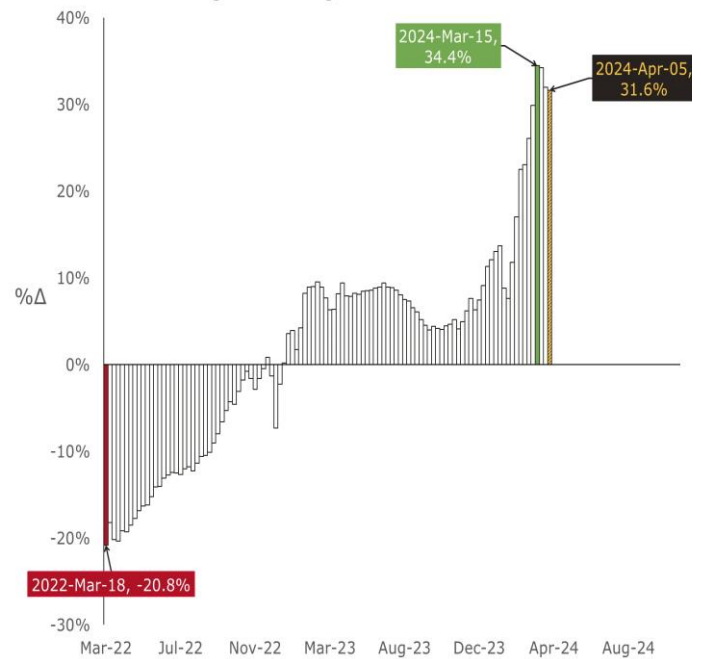
Probability Today's Close Will Finish Below/Above Previous Session's Low/High Prints			
NYMEX NG, May-24	Prev Close \$ 1.764	Close < \$1.754 47%	Close > \$1.892 8%
NYMEX WTI, May-24	Prev Close \$ 85.02	Close < \$84.84 47%	Close > \$86.63 19%
ICE Brent, Jun-24	Prev Close \$ 89.74	Close < \$89.38 42%	Close > \$90.92 25%
NYMEX RBOB, May-24 (7.4 RVP)	Prev Close \$ 2.7741	Close < \$2.7503 33%	Close > \$2.8067 27%
NYMEX ULSD, May-24	Prev Close \$ 2.6598	Close < \$2.6528 46%	Close > \$2.7244 17%
ICE Gasoil, May-24	Prev Close \$ 822.25	Close < \$818.25 43%	Close > \$840.50 19%

Nota Bene: As of Wednesday, of this EIA week, electricity demand was 5% lower W/W and 2% lower Y/Y at a 3-year low of 9,362 GWhs.

injection is about as normal as normal gets for this time of year. As of last Friday, storage now stands at a large 2.283 Tcf, exceeding last year's level by 428 Bcf and surpassing the mean in our model's time series study by a staggering 548 Bcf!

3-Week Directional Momentum & Money Flow As Of Thursday, April 11, 2024							
		NYMEX NG	NYMEX WTI	ICE Brent	NYMEX RBOB	NYMEX ULSD	ICE Gasoil
Price	Trend	Rising	Rising	Rising	Rising	Rising	Rising
Volume	Trend	Rising	Rising	Falling	Rising	Falling	Falling
	Bias	Bullish	Bullish	Bearish	Bullish	Bearish	Bearish
Open Interest	Trend	Rising	Rising	Falling	Rising	Rising	Rising
	Bias	Bullish	Bullish	Bearish	Bullish	Bullish	Bullish
Market Signal		Bullish	Bullish	Bearish	Bullish	Neutral	Neutral
Market Volatility		Rising	Falling	Falling	Falling	Falling	Falling

EIA L48 Underground Storage: Deviation From Seasonal Trend



As illustrated, two years ago, gas storage ended winter 21% below the seasonal trend, this winter, storage ended winter 34% above the trend. As of last week, the surplus narrowed to—a still gaudy—32%.

Omnium Gatherum

PRICES WERE WEAK YESTERDAY... without a fresh geopolitical headline to get bulls excited, oil markets moved lower. NYMEX gas headed lower after the EIA report a bearish (it wasn't) storage update.

EIA Gas Highlights

Yesterday, the EIA reported an addition to L48 underground storage. For the week ending April 05th, 24 Bcf of natural gas was injected. The consensus guess coming into the report was only 8 Bcf on the *Reuters'* survey, therefore traders bearishly construed the report.

However, based on our seasonal time series study, the typical addition for early April is 23 ± 5 Bcf. In other words, just because the cognoscenti guessed wrong, does not mean a 24 Bcf injection is bearish, it means a 24 Bcf

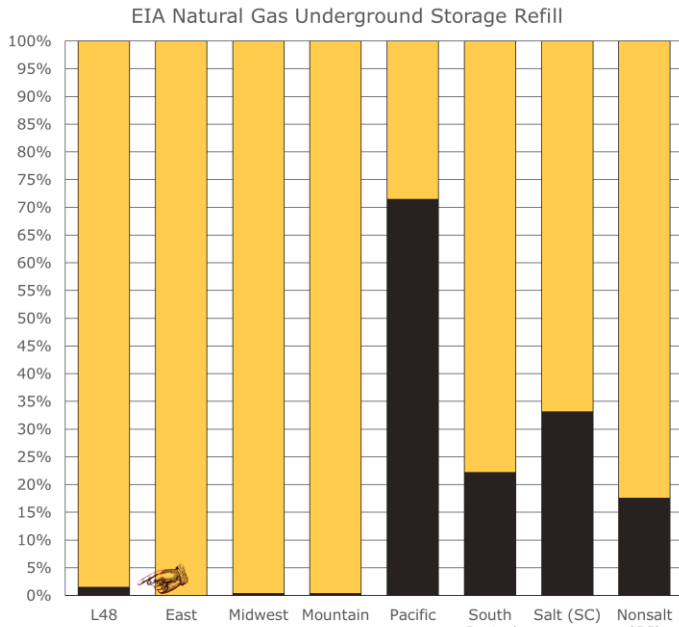
For this week, temperatures in New York City are averaging ≈54°F, which is 7°F (14½%) warmer week-over-week and 6°s (10%) above normal.

Up in Chicago, temperatures are averaging $\approx 51^{\circ}\text{F}$, which is 8°F (19%) warmer week-over-week and 4°s ($8\frac{1}{2}\%$) warmer than usual.

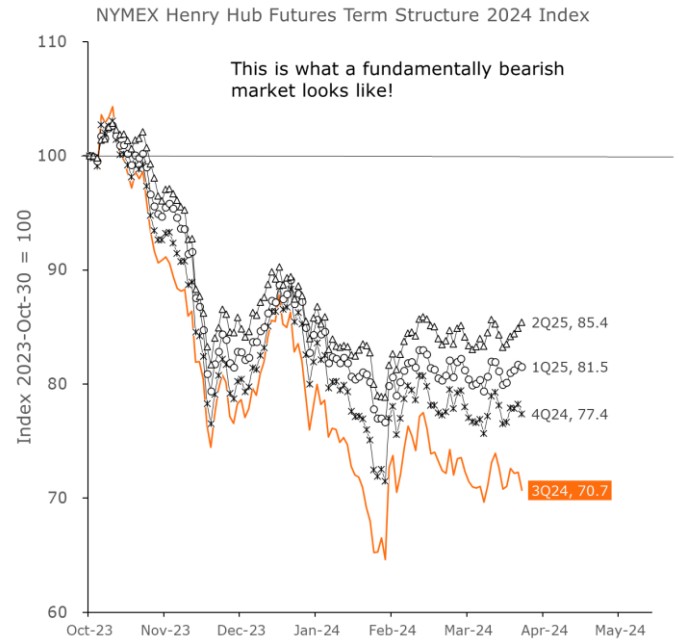
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Over the last four days, natural gas demand for electricity consumption fell by 4% to a 53-week low of 3,556 GWhs and natty's share of the power stack dropped by 137 basis points from 37.94% to a 53-week low of 36.47%.

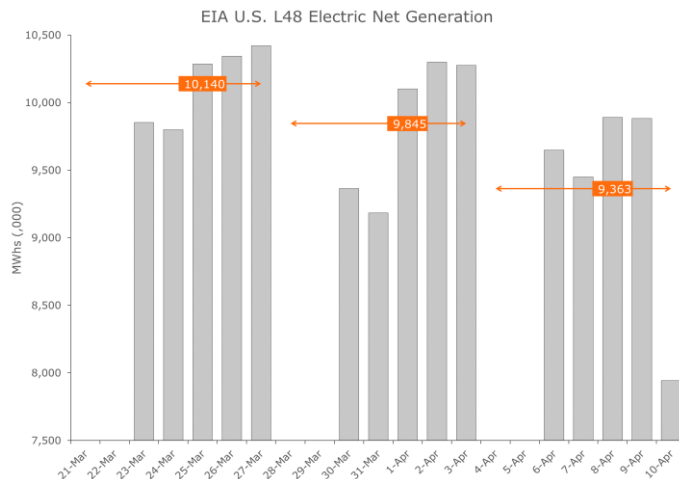


The refill season has just begun, in the first week $1\frac{1}{2}$ of last winter's meager delivery of 1.577 Tcf was replaced.



The 3Q24 strip—which covers the hottest months of the year—is in freefall, losing nearly 30% of its value since the start of last winter. Further out along the curve, the 4Q24 strip has taken a hit this week, whilst the 1Q25 and 2Q25 strips are middling.

By this point in April, you expect to see an injection (addition) of 52 ± 7 Bcf. With this week's moderate implied demand, we venture the report will come in on the higher end of the normal range. The early consensus ranges from the middle 30s Bcf to the middle 60s Bcf.



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