

# THE SCHORK REPORT

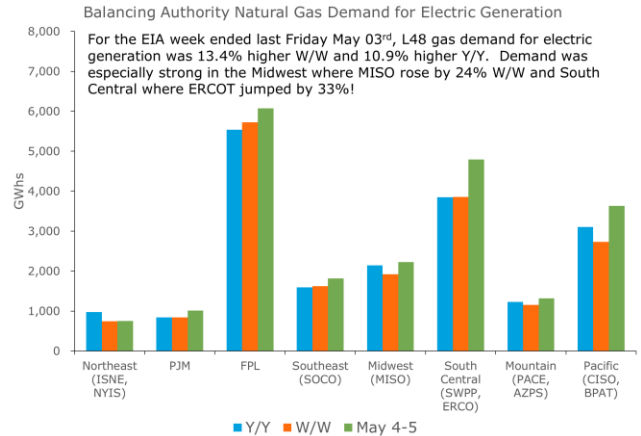


FUNDAMENTAL + TECHNICAL ANALYSIS OF THE ENERGY MARKETS

Friday, May 10, 2024

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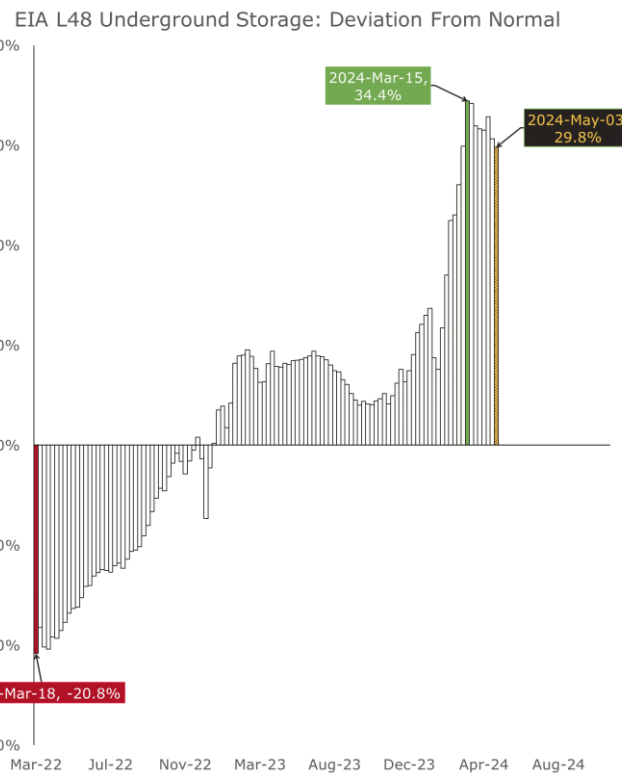
Probability Today's Close Will Finish Below/Above Previous Session's Low/High Prints			
NYMEX NG, Jun-24	Prev Close \$ 2.301	Close < \$2.153 12%	Close > \$2.316 44%
NYMEX WTI, Jun-24	Prev Close \$ 79.26	Close < \$78.91 44%	Close > \$79.80 39%
ICE Brent, Jul-24	Prev Close \$ 83.88	Close < \$83.45 42%	Close > \$84.33 41%
NYMEX RBOB, Jun-24 (7.4 RVP)	Prev Close \$ 2.5418	Close < \$2.5300 43%	Close > \$2.5655 35%
NYMEX ULSD, Jun-24	Prev Close \$ 2.4776	Close < \$2.4705 46%	Close > \$2.5102 30%
ICE Gasoil, Jun-24	Prev Close \$ 763.25	Close < \$759.75 44%	Close > \$771.25 35%



**Nota Bene:** As of Wednesday, of the current EIA week, electricity demand is 2.8% higher week-over-week at a three-month high of 10,544 GWhs.

the midpoint in our model's time series study by a staggering 589 Bcf!

3-Week Directional Momentum & Money Flow As Of Thursday, May 09, 2024							
		NYMEX NG	NYMEX WTI	ICE Brent	NYMEX RBOB	NYMEX ULSD	ICE Gasoil
Price	Trend	Rising	Falling	Falling	Falling	Falling	Falling
Volume	Trend	Falling	Falling	Falling	Falling	Falling	Falling
	Bias	Bearish	Bullish	Bullish	Bullish	Bullish	Bullish
Open Interest	Trend	Rising	Rising	Falling	Falling	Rising	Rising
	Bias	Bullish	Bearish	Bullish	Bullish	Bearish	Bearish
Market Signal		Neutral	Neutral	Bullish	Bullish	Neutral	Neutral
Market Volatility		Rising	Rising	Falling	Rising	Falling	Falling



## Omnium Gatherum

PRICES WERE MIXED YESTERDAY... spot NYMEX natty rallied to nine-week high and oil bulls managed to parlay Wednesday's post-EIA momentum.

## EIA Gas Highlights

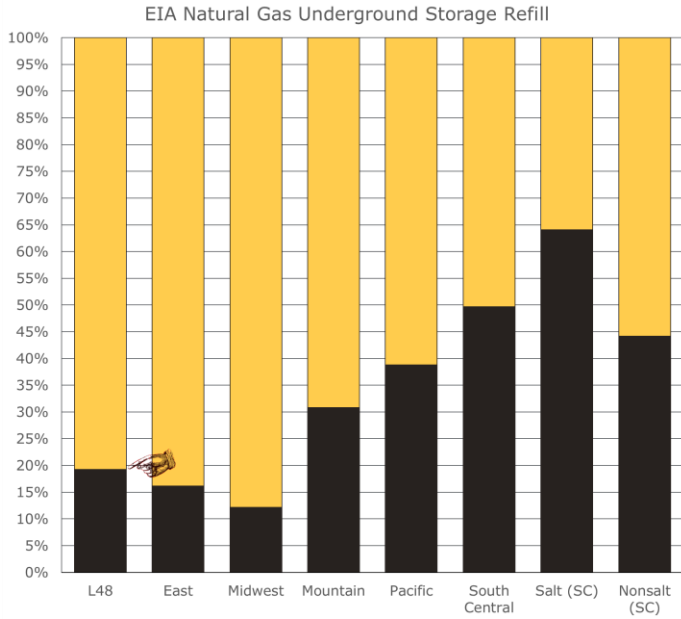
For a second straight week, the EIA reported a smaller-than-normal addition to L48 underground storage. For the week ending May 3<sup>rd</sup>, 79 Bcf of natural gas was injected. The report came in on the lower end of the consensus forecast.

To date, 304 Bcf has been added, which is a solid start to the season. At most, we would expect a 331 Bcf injection. As of last Friday, storage stood at a comfortable 2.563 Tcf, exceeding last year's level by 422 Bcf and surpassing

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 dipped below 30%.

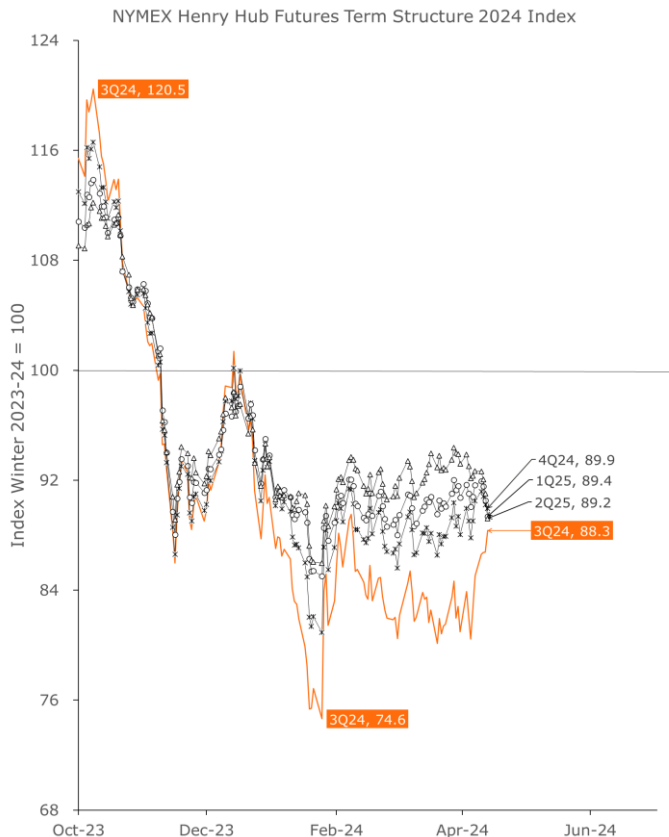
As illustrated on the following page, we are 2/11<sup>th</sup>s (18.2%) of the way through the season, and the market has already replaced nearly 1 out of 5 (19.3%) cubic feet

of gas which was delivered last winter from L48 underground storage.



Better still (as illustrated on the next page), 3Q24's discount (contango) to 4Q24 has dried up since the start of this month with the market rallying from -\$0.626 per MMBtu to -\$0.468; the equivalent in the index moving from 0.660 to 0.998. This is a bullish thing, as is the movement in the 4Q24-Q125 index tightening from 0.948 (-\$0.533) to 1.146 (-0.433).

For the current EIA week, through Wednesday, New York City mean temps are running 1.2°F higher on the week and at 3.4°F above normal at 60.9°F. Gas demand for electric generation for NYISO is running 4.8% higher week-over-week and 34.3% higher year-over-year at a total thus far of 582 GWhs. Chicago temps are averaging 62.5°F, which is 2.8°F cooler on the week but 5.4°F above normal. Gas demand throughout MISO is 6.8% higher at 2,718 GWhs, and demand through PJM is 0.2% lower at 3,291 GWhs. In Houston, temps are 2.8°F warmer week-over-week and 4.2°F above normal at 79.0°F, with demand for gas 9.5% higher on the week at 2,190 GWhs. For the entire L48, gas demand is 5.4% higher on the week and 5.1% higher on the year at 16,532 GWhs.



By this point in early May, you expect to see an injection (addition) into L48 storage of  $\approx 109 \pm 23$  Bcf. A year ago, the EIA reported a 99 Bcf injection for the corresponding week. With this week's increase in implied weather demand, we venture that next Thursday's report will come towards the lower end of the normal range; our preliminary number is 89 Bcf.

Based on our time series study, the probability (with associated odds) of end-of-season storage finishing above the following outlooks were little changed on the week...

- Even Money 4.319 Tcf » 50/50
- STEO Forecast 4.092 Tcf » 57%, odds 3:4,
- Record High (EIA) 4.047 Tcf » 58%, odds 5:7,
- Psychological 4.000 Tcf » 60%, odds 2:3,
- Record High (AGA) 3.978 Tcf » 61%, odds 9:14,
- Last Year 3.836 Tcf » 65%, odds 7:13.

As illustrated above, the front-end of the NYMEX Henry Hub natty curve is on fire! Since the depths of last winter (the winter that never was), the index on the Henry Hub 3Q24 index has rallied from 0.746 to a season-to-date high of 0.883.

