

# THE SCHORK REPORT



FUNDAMENTAL + TECHNICAL ANALYSIS OF THE ENERGY MARKETS

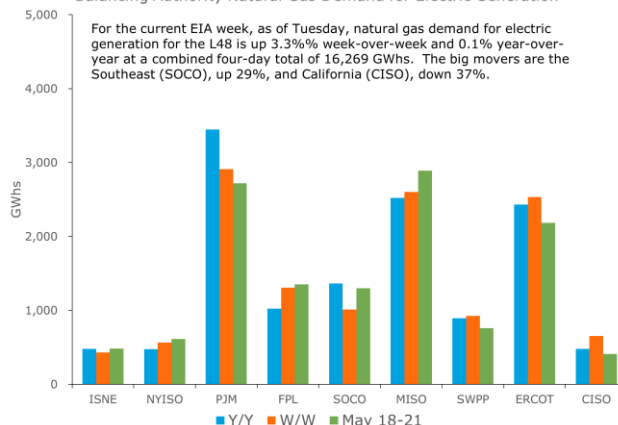
Friday, May 24, 2024

[www.schorkgroup.com](http://www.schorkgroup.com)

## Probability Today's Close Will Finish Below/Above Previous Session's Low/High Prints

Instrument	Prev Close	Close <	Close >
NYMEX NG, Jun-24	\$ 2.657	< \$2.640 47%	> \$2.924 6%
NYMEX WTI, Jul-24	\$ 76.87	< \$76.43 40%	> \$78.66 14%
ICE Brent, Jul-24	\$ 81.36	< \$80.93 40%	> \$82.97 15%
NYMEX RBOB, Jun-24 (7.4 RVP)	\$ 2.4694	< \$2.4544 40%	> \$2.5132 22%
NYMEX ULSO, Jun-24	\$ 2.4118	< \$2.4009 42%	> \$2.4703 12%
ICE Gasoil, Jun-24	\$ 746.00	< \$735.50 26%	> \$755.50 28%

Balancing Authority Natural Gas Demand for Electric Generation



**Nota Bene:** As of Wednesday, of the current EIA week, electricity demand is 9.7% higher week-over-week at a four-month low of 11,262 GWhs.

of last Friday, storage stood at a comfortable 2.711 Tcf, exceeding last year's level by 375 Bcf and surpassing the midpoint in our model's time series study by 478 Bcf!

## 3-Week Directional Momentum & Money Flow

As Of Thursday, May 23, 2024

	NYMEX NG	NYMEX WTI	ICE Brent	NYMEX RBOB	NYMEX ULSO	ICE Gasoil
Price	Trend	Rising	Falling	Falling	Falling	Rising
Volume	Trend	Rising	Falling	Rising	Falling	Falling
	Bias	Bullish	Bullish	Bearish	Bullish	Bearish
Open Interest	Trend	Falling	Falling	Rising	Falling	Rising
	Bias	Bearish	Bullish	Bearish	Bullish	Bearish
Market Signal	Neutral	Bullish	Bearish	Bullish	Neutral	Bearish
Market Volatility	Falling	Falling	Falling	Rising	Falling	Falling

EIA L48 Underground Storage: Deviation From Normal



## Omnium Gatherum

ENERGY PRICES WERE WEAK YESTERDAY... natural gas bulls ignored a bullish EIA report and opted instead to lock in profits ahead of the long holiday weekend. Oil markets continued to falter.

## EIA Gas Highlights

For a fourth straight week, the EIA reported a smaller-than-normal addition to L48 underground storage. For the week ending May 17<sup>th</sup>, 78 Bcf of natural gas was injected. The report came in on the low end of the consensus forecast which was in the middle 80s Bcf and on the low end of the seasonal norm of 98 ± 20 Bcf.

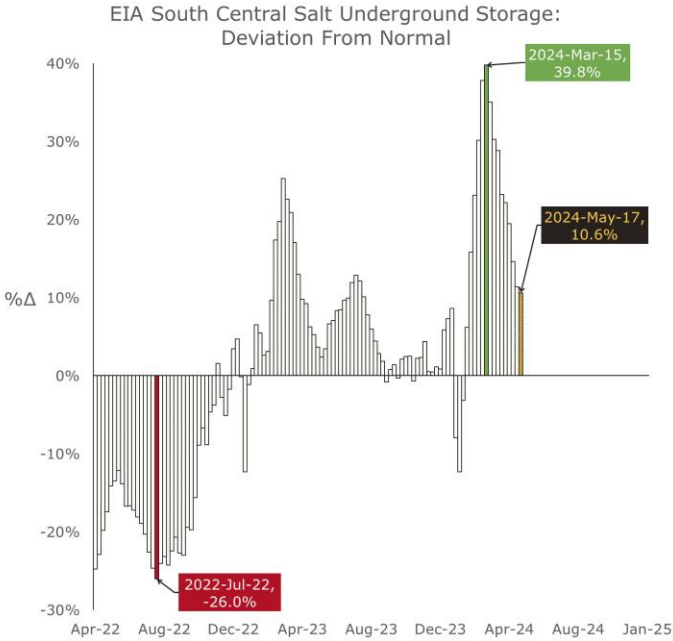
To date, 452 Bcf has been added, which despite the four smaller-than-normal injections, is a solid number. The normal addition for this point in the season is 462 Bcf. As

**We recalibrated our seasonal time series study. Two years ago, gas storage ended winter 21% below the seasonal trend. Last month, storage peaked at a 30% surplus, which has since narrowed to 21%.**

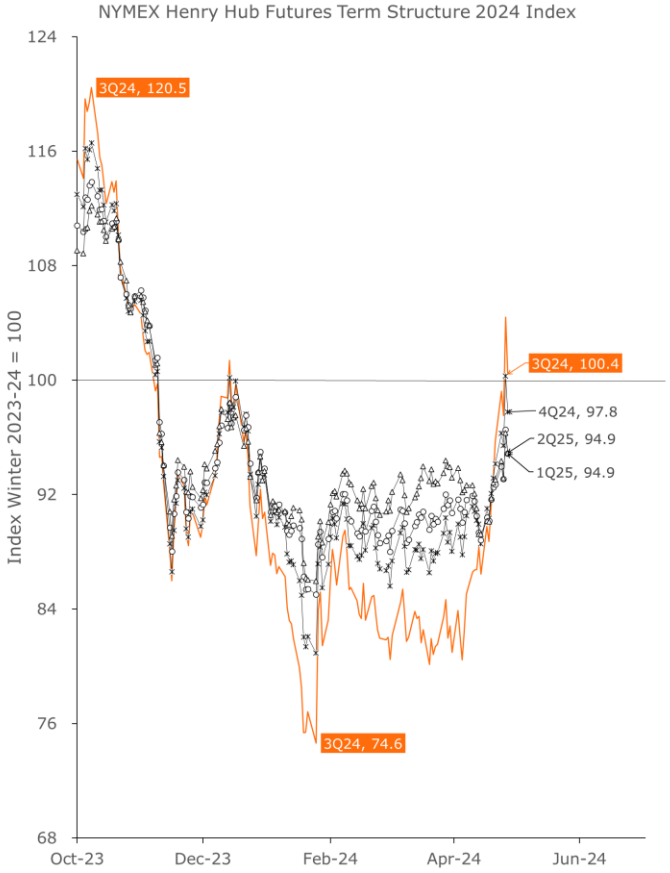
For the current EIA week, as of Tuesday, natural gas demand for electric generation for the L48 is up 3.3% week-over-week and 0.1% year-over-year at a combined four-day total of 16,803 GWhs. However, demand varied greatly. Because of outages from last week's surprise storms, demand in the Central U.S. plunged, with

combined demand in ERCOT and SWPP falling by 14.4% to 2,942 GWhs. Demand out west was extremely weak with CISO and the mountains plunging by 28.7% to 587 GWhs. Meanwhile, the heat is on in the Southeast. Combined demand in FPL and SOCO, is 14.4% higher this week at 2,651 GWhs.

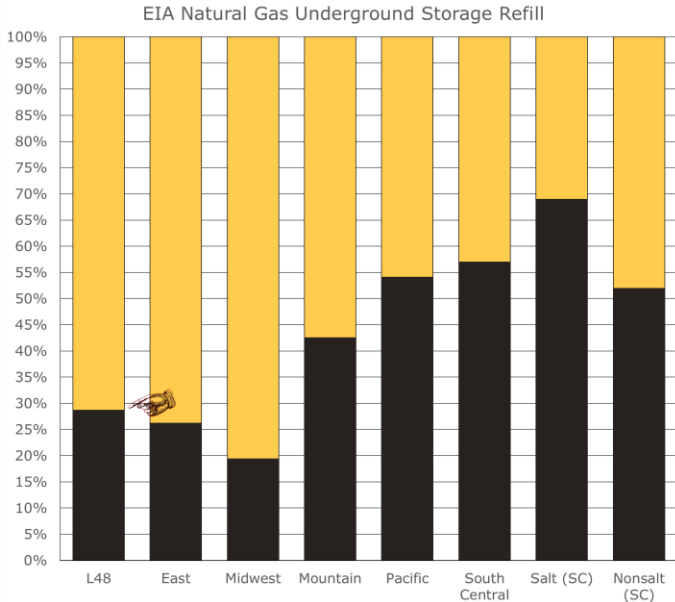
By this point in May, you expect to see an injection (addition) into L48 storage of  $\approx 103 \pm 26$  Bcf. A year ago, the EIA reported a 110 Bcf injection for the corresponding week. With this week's 3.3% increase in implied weather demand, next Thursday's report is expected to come in toward the low end of the normal range with the early whisper number ranging between the middle 70s Bcf and upper 80s Bcf.



The dog days of summer are approaching—in ERCOT and FPL the dogs are already barking. As such, over the next several weeks storage in the Salt regions will transition from injections to deliveries as power plants in the northern latitudes begin to draw down their inventories to meet rising a/c demand. As of last week, storage in the Salts was 10.6% above the seasonal norm.



Over the past month, the front end of the NYMEX Henry Hub curve exploded higher. For instance, last winter the 3Q24 strip index plunged to 74.6 but last night the index was back to 100.4.



We are now six weeks into a refill season which typically lasts for 32 weeks. At this point, the market has already replaced nearly 29% of last winter's delivery from L48 underground storage.

