

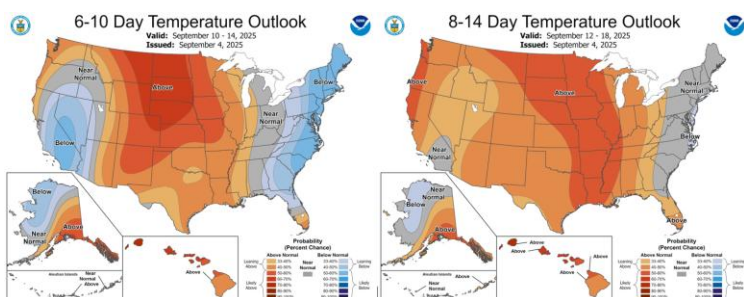
THE SCHORK REPORT

FUNDAMENTAL + TECHNICAL ANALYSIS OF THE ENERGY MARKETS



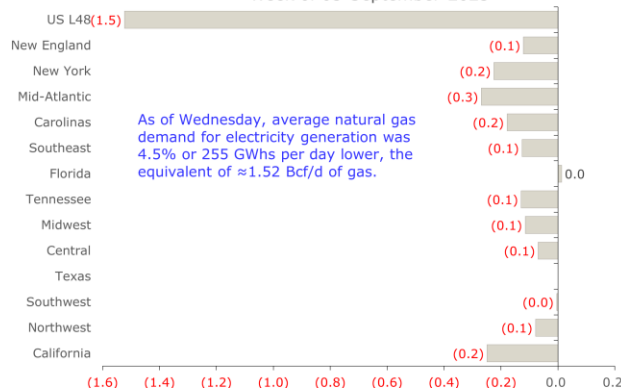
Friday, September 05, 2025

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NOAA: For natty bulls, there is too much blue, blue-gray along the Atlantic Coast over the next two-weeks.

Natural Gas Demand for Electric Generation
Week of 05-September-2025



As of Wednesday, average natural gas demand for electricity generation was 4.5% or 255 GWhs per day lower, the equivalent of ≈ 1.52 Bcf/d of gas.

Nota Bene: As of Wednesday, electricity gen fell by 5½% to a season-to-date low 11,626 GWhs. Gas's share of the stack is up by 51 pps to 46.2% and the wind is down by 164 pps to 4.3%.

Omnium Gatherum

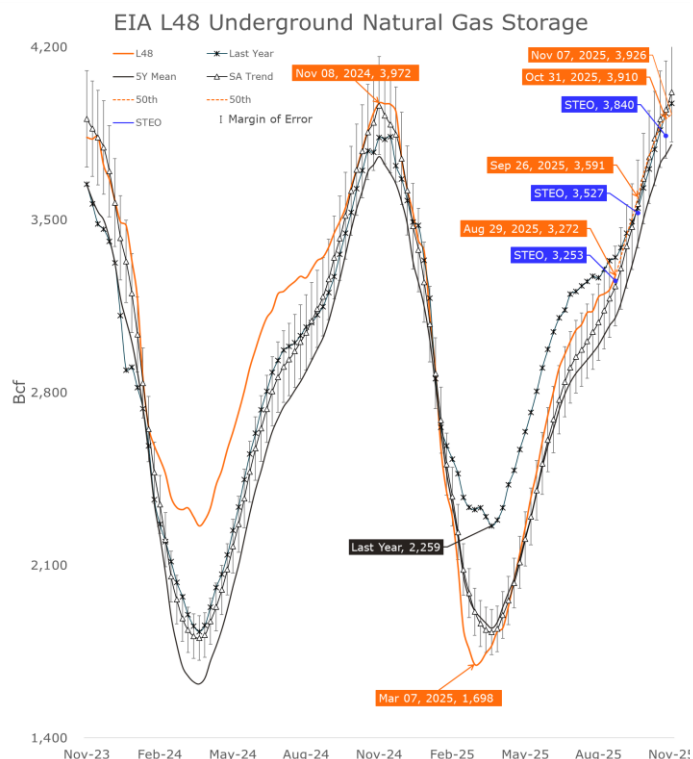
PRICES WERE MIXED YESTERDAY... natty continued to move higher on technical strength and oil markets moved lower (thanks to our friends in [OPEC](#)) on carryover bearish momentum.

What We Are Watching

Yesterday's EIA update on L48 underground natural gas storage was solid. Last week, a net of 55 Bcf was injected, the second largest injection this summer.

For the end of August, the last full week before the Labor Day holiday weekend, we typically see a 45 ± 19 Bcf injection. Given last week's precipitous drop in gas-fired cooling demand, our estimation was 59 Bcf, with market surveys clustered in the mid-50s.

Implied cooling demand for last week was especially weak (see above) and it is even weaker this week. For instance, through yesterday, cooling degree days (CDD) in NYC fell w/w by 24 to 15, 36 days below the ten-year average. In the nation's capital, CDDs fell by 21 to 5, a whopping 51 days below the ten-year as low temps averaged a very un-global warming like 50.2°F. As a result of the mild temps, average natural gas demand for electricity generation was 4.5% or 255 GWhs per day lower, the equivalent of ≈ 1.52 Bcf/d of gas.

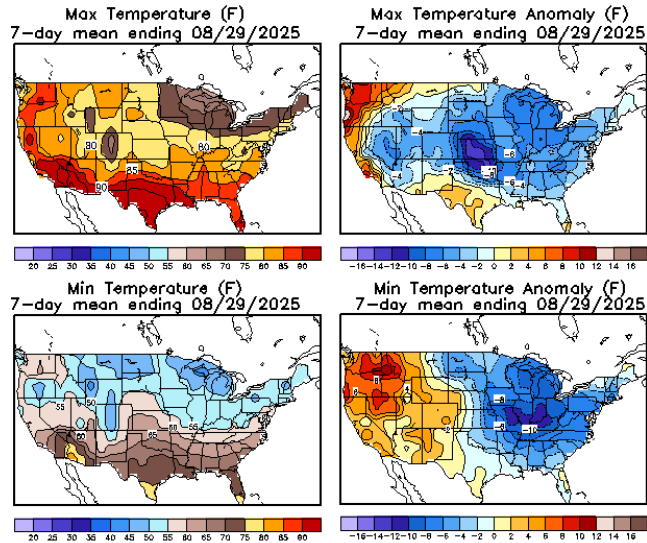


As of last week, storage was 3.272 Tcf, 19 Bcf above the EIA's (STEO) forecast of 3.253 Tcf (interpolated).

For next Thursday's EIA update, we typically see a 66 ± 18 Bcf injection. Our preliminary estimate is 73 Bcf.

Refills of gas into storage typically lasts into early November. After yesterday's update, our end-of-season projection is virtually unchanged at 3.926 Tcf. Should we see an early start to the heating season (on or before Halloween), our lower-case is 3.835 Tcf, along with an

upper-case of 3.985 Tcf on a late start to the season. The chance of topping 4.0 Tcf this year improved from 1 in 250 to 1 in 200.



Source: NOAA, CPC

Storage finished last winter in a 627 Bcf deficit to the prior year. Assuming our lower case scenario, storage will head into this winter at no worse than a 137 y/y deficit. If storage finishes this season at our base case, then the deficit narrows to 46 Bcf, and should we see our upper case, then the comparison will flip from a 627 Bcf deficit to a 13 Bcf surplus.

NYMEX gas is in its typical post-Labor Day seasonal rally—we’ll expand on this in next Tuesday’s note. Two weeks ago (see next page), spot natty dipped below our 90% envelope of \$2.638 (arrow 1), printing an intraday low of \$2.622 before finishing at a season-to-date low of \$2.696. Since then, the market has been on a tear, rallying despite [bearish weather](#) that is [expected](#) to persist through mid-month. Yesterday, the contract pierced our 50% envelope of \$3.082 (arrow 2) and settled at \$3.074, marking a 20-day high.

Last week, our preferred technical indicators—Parabolic SAR, Stochastic, and CMF—flipped bullish. Furthermore, the moving average crossover appears on the verge of turning bullish (i.e., the 9-day average crossing above the 18-day average). Looking ahead, the bears’ next line of resistance above \$3.082 is the Fibonacci Zone from \$3.251 to \$3.372. The bull’s first line of support is the lower of the 18-day and 9-day moving averages, \$2.937 and \$2.925, respectively (as of yesterday).

Yesterday, the EIA reported a NEUTRAL update for petroleum stocks. A large draw in gasoline was offset by a heavy build in crude oil stocks. Total crude stocks rose by 2.42 MMbs, including a massive 1.59 MMbs build where it counts the most: the NYMEX Cushing complex.

Total gasoline stocks fell by a large 3.80 MMbs and distillates rose by a normal 1.68 MMbs. The three headline markets rose by a net of 301 Mbs for the week of August 29th.

Weekly Petroleum Status Report as of 2025-August-29						
Stocks Δ	API	EIA	Seasonally Adjusted Range			Bias
			Low	Mid	High	
Crude Oil	622	2,415	(5,700)	(2,200)	1,300	Bearish
Cushing	2,063	1,590	(1,100)	(500)	100	Bearish
Mogas	(4,577)	(3,795)	(2,700)	(1,000)	700	Bullish
Distillate	3,687	1,681	(200)	1,100	2,400	Neutral
Net	(268)	301	(8,600)	(2,100)	4,400	Neutral

October WTI has been in limbo for the past five weeks (see next page). First, with a false breakout below the bottom of the Fibonacci Zone (arrow 1), then with a false breakout above the Zone (arrow 3). Over the past two weeks, the market traded around the 52-week volume-weighted average price (VWAP).

WTI has settled inside the Fibonacci Zone (\$64.53–\$62.23/b) for the past two sessions; \$63.48/b as of yesterday. Neither bull nor bear is in control. Recall our fluid mechanics analogy: the 50% and 62% retracement levels function as barriers. Buyers and sellers have leaned on these points, but have failed to make a decisive break. Much like water pressing against a dam, the longer prices stagnate here, the greater the likelihood of a breakout. Whoever makes a definitive break at their respective barrier reveals who takes control and determines whether the next stop in WTI is a \$50-handle or a \$70-handle.

