

# THE SCHORK REPORT

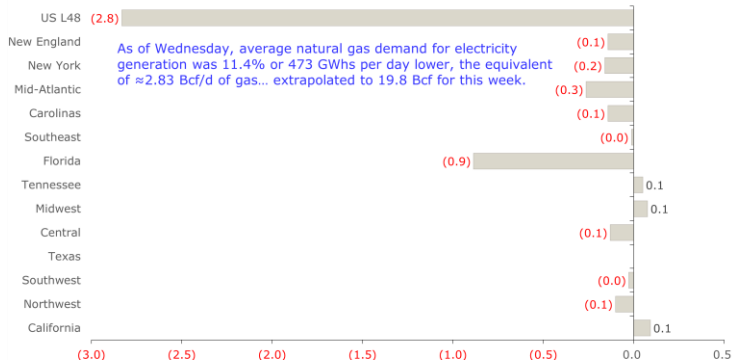
FUNDAMENTAL + TECHNICAL ANALYSIS OF THE ENERGY MARKETS



Friday, November 07, 2025

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

Natural Gas Demand for Electric Generation  
Week of 07-November-2025



Directional Momentum & Money Flow  
As Of Wednesday, November 05, 2025

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

**Nota Bene:** As of Wednesday, electric gen fell by 1.2% to a six-month low. Gas' share of the smaller stack fell by 417 pps to a six-month low of 36.2%.

## Omnium Gatherum

PRICES WERE MIXED YESTERDAY... Natural gas surged into the Fibonacci zone, while crude sold off and products rallied—pushing the gross margin on the Brent/NYMEX 2-1-1 crack to a whopping 27%.

## What We Are Watching

Today, the EIA reported a solid injection of natural gas into L48 underground storage of 33 Bcf—the typical injection for the end of October is  $17 \pm 8$  Bcf.

To date, 2.217 Tcf has been refilled—the largest injection since 2019, and the fourth largest since 2010. As of October 31<sup>st</sup>, total L48 storage stood at 3.915 Tcf. Next Thursday's report will likely be the final injection of the season. Gas-fired demand for electricity is significantly lower this week. Our preliminary outlook is 37 Bcf which will end the season at 3.952.

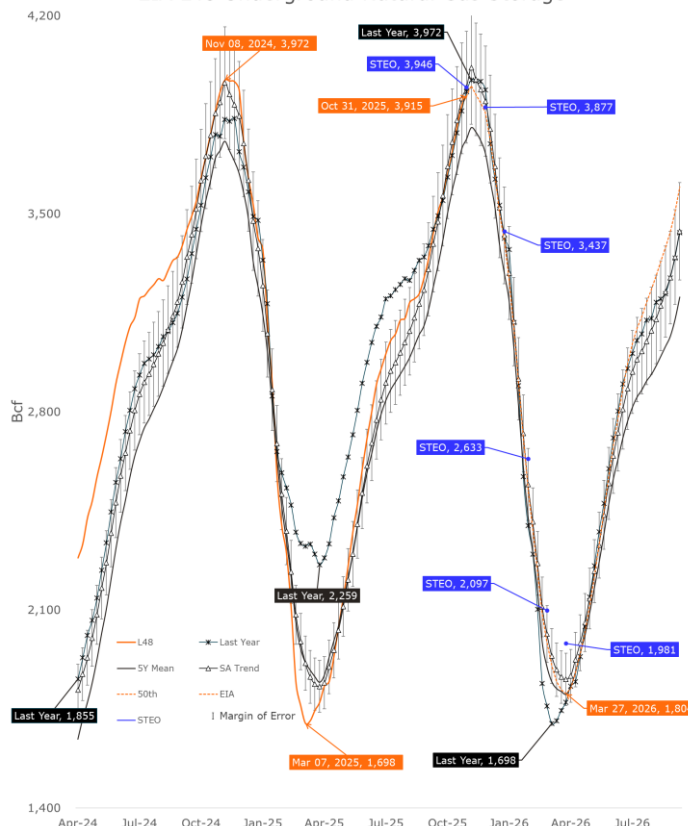
The eastern two-thirds of the U.S. are expected to see a blast of winter weather next week. Therefore, the EIA report two weeks hence (week ending November 14<sup>th</sup>) will undoubtedly produce the first storage withdrawal of the season.

## Volatility is Alive, Conviction is Not

The headline rally in Dec-25 gas, driven by next week's forecasted shot of winter weather, is mechanical, not fundamental. Risk is migrating off the winter strip and

into the carry months, a clear sign traders remain comfortable with supply and that volatility—not shortage—is driving the trade.

EIA L48 Underground Natural Gas Storage



From mid-October through early November, total open interest (OI) in the Dec-25, Jan-26, and Feb-26 contracts fell by a combined 79,482 contracts. Over the same span, OI in the spring (Apr-May 2026) and late summer

(Jul-Aug 2026) rose by a net 33,800. Traders are unloading peak-heating exposure and rotating into months where basis and storage carry remain attractive, and where they can preserve flexibility in a fast-moving market.

The shift comes as the Dec/Jan contango tightened to an eight-month low and mid-winter backwardations widened to multi-month highs—a move that likely reflects falling liquidity and elevated volatility, not genuine tightening.

Importantly, this is the opposite of last year when winter OI surged from September through early November alongside rising spring and late-summer length—a broad build that signaled confidence in carrying risk across the whole strip and paid dividends during last January's cold snap. This year's pattern is narrower and more defensive: capital is staying in the market, but it's being choosier about where on the curve it sits.

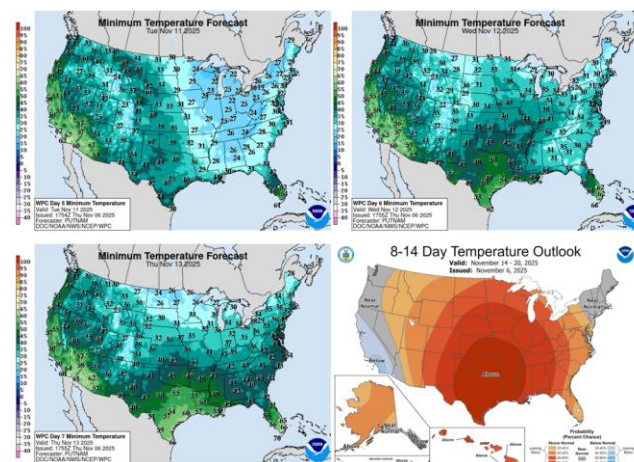
Options behavior tells the same story. With yesterday's \$4.357 close in the Dec-26 futures, options traders assigned a 39% probability the contract will reach \$4.500 and an 18% chance it will hit \$5.000. On the downside, traders allot a 32% probability of trading below \$4.000 and 19% below \$3.750.

The skew is balanced—the market is paying for movement, not direction. While implied vols on both puts and calls hover around 60%, historical volatility is running close to 70%, widening the daily one-standard-deviation band to  $\pm \$0.18$ . In other words, the tape is moving faster than the market is priced for. That gap suggests option writers are behind the curve—underpricing realized movement and forced to hedge into strength, which fuels short-term instability but not conviction.

Technically (see above), December gas tested the upper Fibonacci retracement zone between \$4.335–\$4.510 (arrow 3), peaking yesterday at \$4.420 before finishing strong. The bulls' next target is \$4.510 (arrow 4), while bears will aim to close the open October gap at \$3.748. The takeaway: volatility is the trade, momentum the distraction.

Fundamentally, nothing has changed. The latest EIA report confirmed underground storage is on pace to close the refill season around 3.95 Tcf, a stout cushion heading into the heating season. The market knows it. That's why capital is rolling, not retreating.

Bottom line: Gas is rallying on next week's weather forecast (see below). Alas, the shot of frigid air is not expected to last, and temperatures should return to above normal by the third week of this month. Storage is full, winter OI structure remains soft—positioning says it all. Money isn't leaving the market; it's waiting. The trade is time, not temperature.



**NOAA: Cold next week, but not for long!**

