THE SCHORK REPORT

FUNDAMENTAL + TECHNICAL ANALYSIS OF THE ENERGY MARKETS

Friday, November 21, 2025

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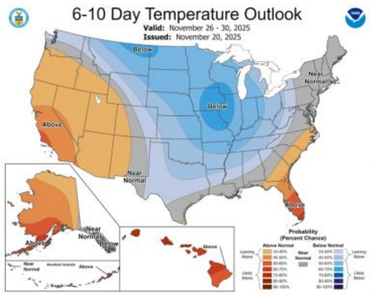
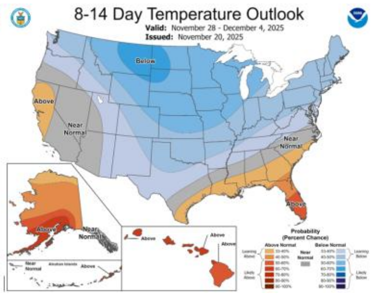
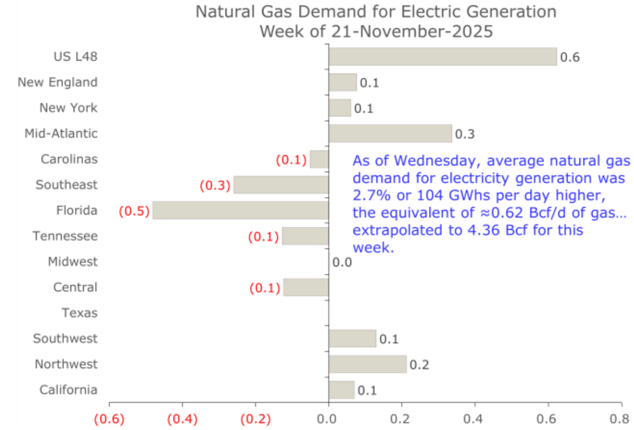




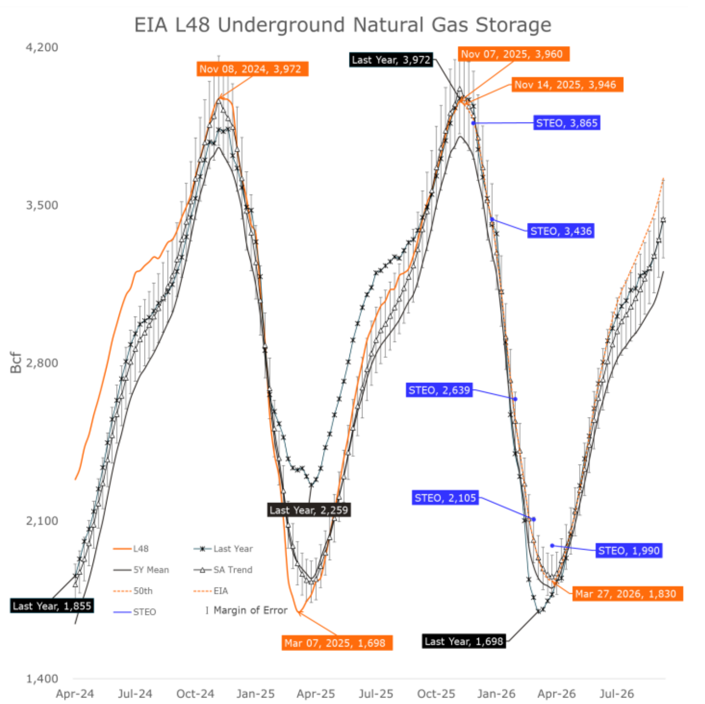
NOAA: Looks like it will be a cold (bullish?) transition from November, into the first week of December. Normal temperatures for this period average 34.9°F in Chicago and 42.1°F in New York City. The forecast is calling for 31.8°F in the Windy City and 42.1°F in the Big Apple.



Nota Bene: As of Wednesday, electric gen fell by 0.8% to 10,511 GWhs. Gas' share of the power stack rose by 165 pps to a three-week high of 38.41%, while the share generated by renewables fell by 169 pps to a three-week low of 23.37%.

Omnium Gatherum

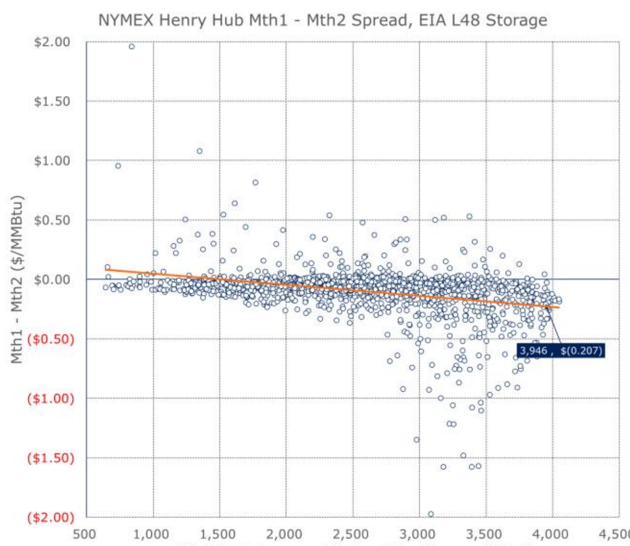
PRICES WERE SOFT YESTERDAY... Dec-25 NYMEX WTI stumbled and expired inside its lower Fibonacci Zone. NYMEX natty faded Wednesday's rebound and finished lower following a milquetoast EIA update.

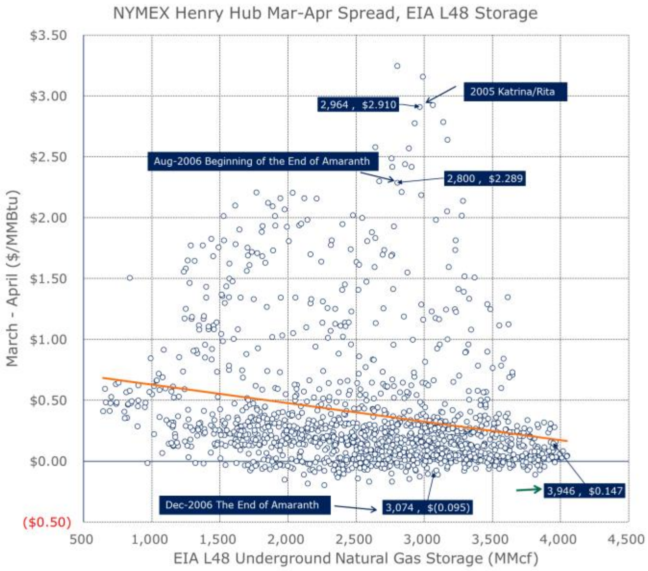


What We Are Watching

Last week's early brush with winter produced the first withdrawal of the season. Yesterday, the EIA reported a 14 Bcf pull from L48 storage. For context, the typical withdrawal for this point in November—based on our seasonal time-series work—runs 32 ± 18 Bcf. **Got that?** Despite the bull's hype around last week's cold snap, the draw came in at the lower bound of normal.

NOAA's 8–14 Day Outlook from November 28th to December 04th (see map top left)) is bullish, with below-normal temperatures projected across the Midwest and East—prime furnace territory. Before that cold arrives, the market is likely staring at another injection in next week's EIA storage report, one that could easily wipe out last week's modest withdrawal.

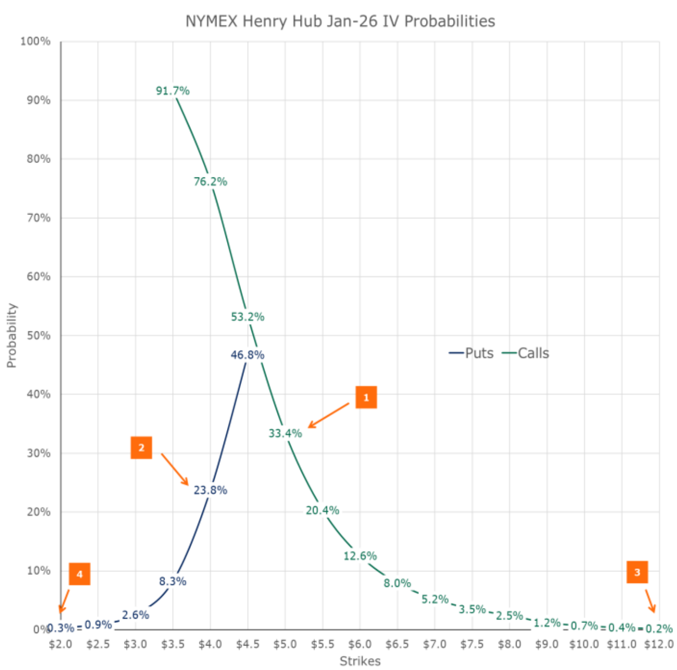




On the spread regressed against storage (see above), the spot market sits directly on the fitted line, while the end-of-season Mar-26/Apr-26 spread plots below it—a neutral to mildly bearish signal. The takeaway is the same: early-season weather may have shifted sentiment, but it has not materially altered the storage trajectory.

What the Updated Tote Board Is Signaling

The chart below is our latest visual readout of option-implied probabilities across the Jan-26 NYMEX Henry Hub strike spectrum. Each point reflects the market's internal math—backed out from implied volatility—on where the contract may settle at expiration. In short, this is the market's handicapping sheet: where traders see balance, pressure, and where the real long-shot landmines sit.



With yesterday's Jan-26 $4.667 settle, the ATM read is orderly. The $4.50 put holds a 46.8% chance, while the corresponding call is at 53.2%. That modest lean does not reflect any meaningful directional conviction. As always, the center of the curve is noise.

The signal—clear and unmistakable—appears the moment you step off the midpoint. Upside probabilities are decaying far more slowly than their downside counterparts.

Consider the $5.00 call, which carries a 33.4% chance of finishing in the money (arrow 1). The corresponding downside strike—the $4.00 put—sits at only 23.8% (arrow 2). That 10-point spread is not a subtle skew; it is a structural gulf. It reflects the fundamental asymmetry of this market: traders see a broader, more plausible set of pathways to an upside dislocation than to a comparable break lower… despite a forward curve the signals a neutral to mildly bearish fundamental picture.

Farther out, the wings flatten in classic gas fashion. The $12 call (arrow 3), more than $7 above the tape, still carries a 0.2% probability. The $2 put (arrow 4), less than $3 below the tape, holds 0.3%. To newcomers, that asymmetry seems irrational; to anyone who has traded this market for more than five minutes, it is perfectly sensible. Deep-OTM puts crash into physical floors—storage limits, switching economics, and the simple fact that molecules cost money. Deep-OTM calls, by contrast, live in a world where weather shocks, LNG outages, and basis blowouts, routinely rewrite the script.

In short, the tote board is not forecasting direction—it is pricing the physics of Henry Hub. The left tail is limited. The right tail is feral. And the volatility surface is assigning odds with brutal efficiency.