

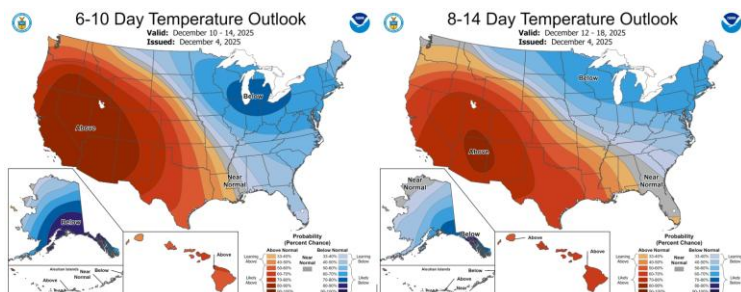
THE SCHORK REPORT

FUNDAMENTAL + TECHNICAL ANALYSIS OF THE ENERGY MARKETS

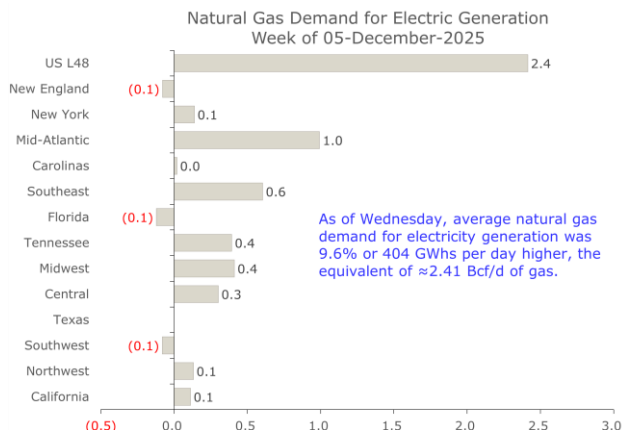


Friday, December 05, 2025

www.schorkgroup.com



NOAA: The weather outlook through December 18th continues to favor the bulls. Mean temperatures in Chicago—the largest residential gas furnace market in the U.S.—are forecast to average 24.3°F (a whopping 7.0°F below normal), and NYC temps will average 34.2°F (4.8°F below normal).



Directional Momentum & Money Flow As Of Wednesday, December 03, 2025

		NYMEX NG	NYMEX WTI	ICE Brent	NYMEX RBOB	NYMEX ULSD	ICE Gasoil
Price	Trend	Bullish	Bearish	Bearish	Bearish	Bullish	Bearish
Volume	Trend	Cooling	Cooling	Falling	Cooling	Cooling	Cooling
Open Interest	Trend	Cooling	Cooling	Falling	Falling	Falling	Rising
Market Reversal ¹		Neutral	Neutral	Bullish	Neutral	Neutral	Neutral
Market Volatility		High	High	High	High	Low	Low

¹ Market Reversal gauges whether price, volume, and open interest are converging toward a turn. Brent is the only market to signal a potential reversal.

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

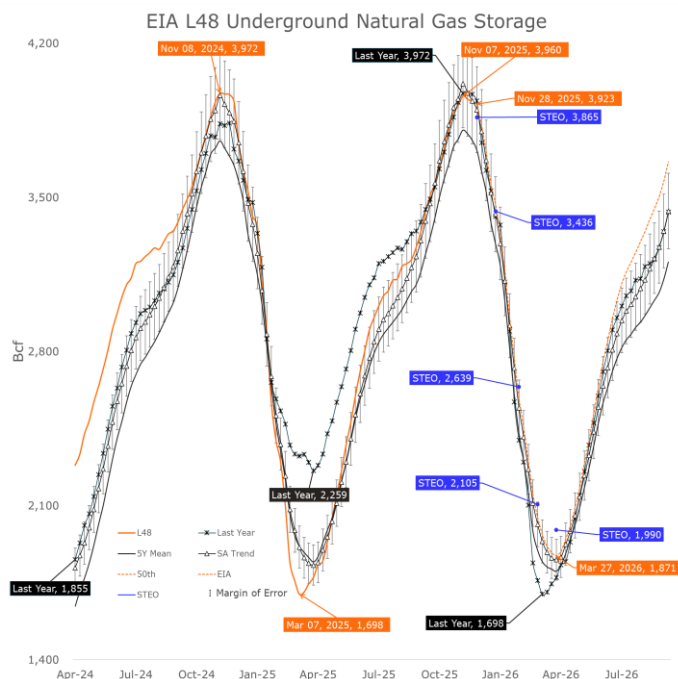
GAS & OIL PRICES WERE FIRM YESTERDAY... Gas pushed further into the final Fibonacci Zone and WTI clawed its way out of its lower Fibonacci Zone.

What We Are Watching

NYMEX gas has surged since last month thanks to an impressively cold start to the season. However, season-to-date withdrawals from storage have been anything but impressive. In fact, they have been comically—considering the weather hysteria—meager.

Yesterday, the EIA reported that 14 Bcf of gas was delivered out of underground storage last week. The

typical withdrawal at this point is 34 ± 18 Bcf. To date, a total of 37 Bcf has been delivered, the third slowest start in the past ten years.

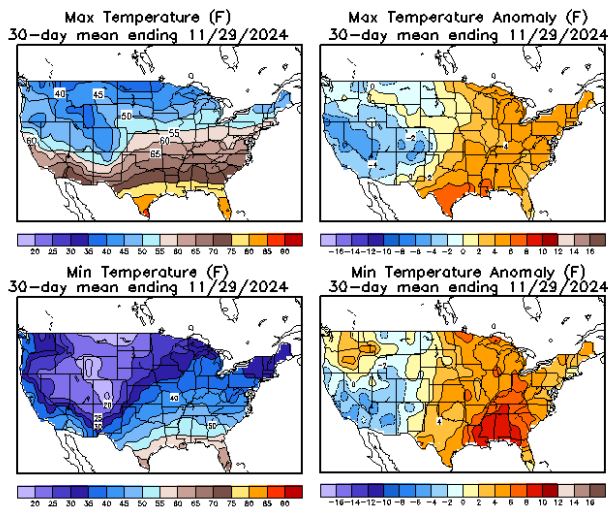


Despite early-winter cold, withdrawals are lagging and inventories remain ahead of both last year and the five-year norm. Fundamentals stay soft — but this Thursday's print for the delivery as of December 05th, is poised to be the first meaningful draw of the season, finally testing the cushion.

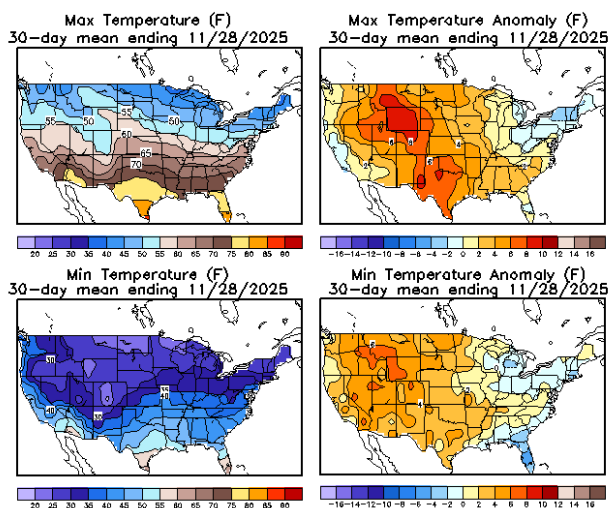
As illustrated below, the start of 2025-26 heating season throughout key market areas in the Midwest and East are significantly colder than the start of the 2024-25 season.

Nevertheless, only 2 more Bcf has been withdrawn compared to a year ago, 37 Bcf vs. 35 Bcf (see below).

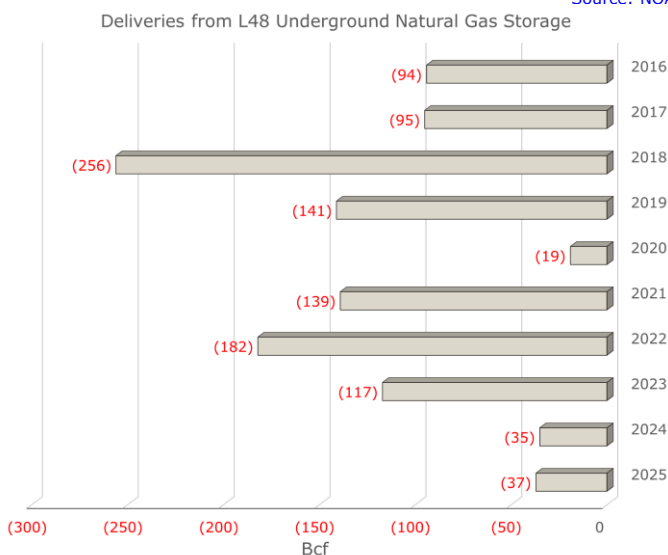
Winter 2024-2025



Winter 2025-26



Source: NOAA



Despite the slow start, NYMEX gas continues to rip higher as the polar-vortex hype will extend into the holidays. The rally is being fueled not by fundamentals, but by weather-driven repricing in thin books.

The curve confirms it. Between November 07th and November 28th — the period covering the first three storage withdrawals — the front end of the NYMEX curve blew out while the remainder of the board softened. Jan-26 rallied \$0.311 to \$4.850 and Feb-26 rose \$0.159 to \$4.418, while everything March through December fell. As a result, the Jan/Feb backwardation spiked \$0.152 to \$0.432, and Feb/Mar jumped \$0.167 to \$0.595, while the rest of the strip was nearly unchanged. Translation: the market was paying exclusively for winter optionality — not tightening balances.

Since November 28th, the rally has broadened. Every contract on the strip is up by more than \$0.20. The Jan/Feb backwardation narrowed \$0.077 to \$0.355, and Feb/Mar held at \$0.595, while deferred spreads strengthened: the all-important cross-seasonal Mar/Apr backwardation widened \$0.039, and Nov/Dec (the first spread of the 2026-27 winter) contango narrowed \$0.057. Everything in between posted de minimis improvements. This is broader participation, but still a weather market — not a fundamental market.

The money flow data agrees. Participation in Cal-26 has surged 11% (+93,902 contracts) since November 11th, and 96% of that growth landed in the front half of 2026. Traders are buying controllable optionality — spring carry, shoulder-season gamma — while the back half of the curve continues a wait-and-see approach.

The probability surface underscores the imbalance. Jan-26 gas settled yesterday at \$5.063, yet 30-day historical volatility is only 45.11% — well below where traders are willing to pay for upside exposure. For example, the \$6.050 call carried a 69.6% implied volatility (IV) and a 13% probability over the next 16 days — more than double the equidistant \$4.050 put at 6%. February gas finished at \$4.708, and the \$5.700 call assigned a 21% probability versus 18% on the \$3.700 put.

The good news for bulls: next week's report will actually justify the strong bid for gas. The withdrawal will be the first that looks worthy of all the weather hysteria. Early guestimates stretch into the 160s versus a typical 93 ± 19 Bcf delivery.

Bottom Line: This remains a weather market masquerading as a fundamentals market. The curve says winter risk; the data says softness. Until storage is proved otherwise (next week's report does not make a trend), the rally stays on probation.