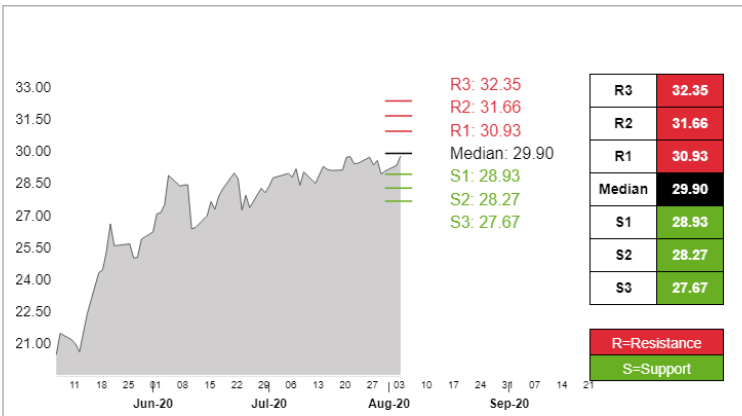


Energy ETF Intelligence

Powered by The Schork Report

August 5, 2020

USO United States Oil Fund
Last 29.78 52-week range: 17.04 - 105.44



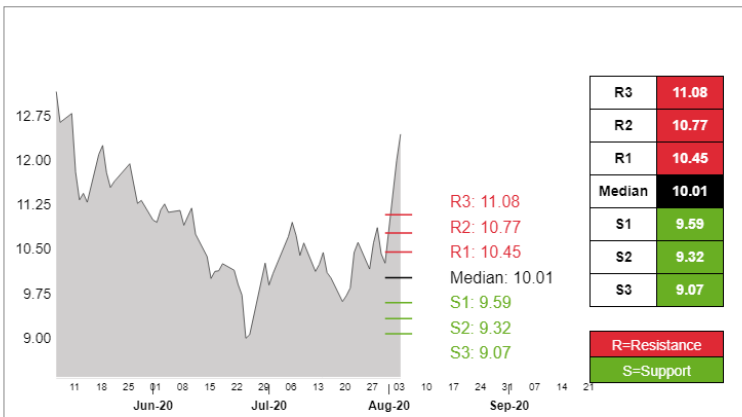
Crude oil stocks at the NYMEX delivery complex in Cushing, OK rose for a fifth straight week. For the week ending July 31st, inventories increased to a ten-week high of 51.95 MMBs, which is well outside of the high end of the seasonal range. Domestic crude oil production slid from a six-week high of 11.1 MMB/d to 11.0 MMB/d, while domestic demand for crude oil improved for a second straight week to a season-to-date high of 14.64 MMB/d. Demand was down -15% last month, averaging 14.43 MMB/d (2.46 MMB/d below the seasonally adjusted trendline. If we have not already seen peak demand, it is likely to be in the not too distant future.

THE SCHORK GROUP'S PRICE RANGE FORECAST FOR USO

Price action for **USO** has been volatile, as the sharp drop towards our support bands reverted to a bull run back to the median. Continued strength will open the door to our \$30.93 first level of resistance. However, trading activity since the last report has not been all bullish and a reversal will alert back to weakness towards our \$28.93 first support band. As the current market pushes upwards, year-on-year prices are down a massive 67.28%!

SENTIMENT: Bullish

UNG United States Nat Gas Fund
Last 12.44 52-week range: 8.99 - 23.27



What a difference a month makes! Despite strong weather demand through July, the spot natural gas market on the NYMEX could not breach the \$2 per MMBtu threshold. I.e., on July 13th, peak load demand for electricity in Texas set a record high for July at 73.96 GW. Nevertheless, spot natural gas futures on the NYMEX finished 3.7% lower that day, at a six-session low of \$1.739 per MMBtu.

On Monday of this week, August 03rd (the first trading day of the new calendar month), spot gas surged to a \$2.154 per MMBtu high, starting this month out on an aggressively bullish note.

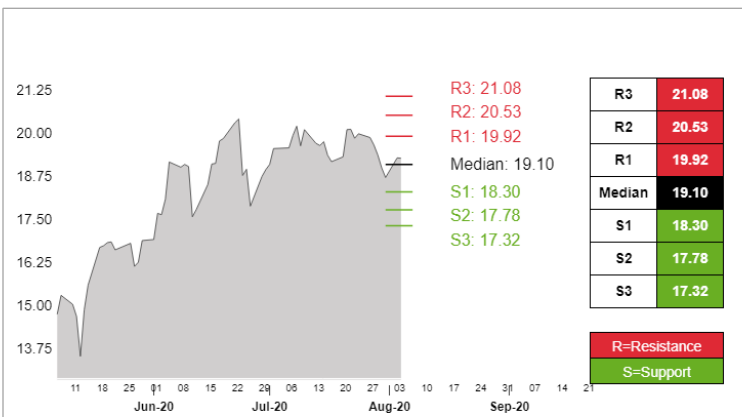
THE SCHORK GROUP'S PRICE RANGE FORECAST FOR UNG

This past week **UNG** tore through all three of our resistance bands, up 17.36% from last week's report! We will look for strength to hold above our \$11.08 third level of resistance. Note, however, that even though the market soared to a new Q3 high, UNG is still down 31.27% from last year.

[Contact us](#) to learn more about how to apply the SVB price range forecasting model to your trading strategies.

SENTIMENT: Bullish

UGA United States Gasoline Fund
Last 19.28 52-week range: 8.90 - 33.48



Gasoline inventories in the East (inclusive of the NYMEX delivery complex around the New York Harbor) rose for a second straight week in the latest weekly update from EIA. As demand stalled last week, production rose to 9.30 MMB/d, the highest level since COVID-19 mitigation protocols were implemented back in March. At this point of the season, gasoline supplies typically fall due to a combination of vacation demand and tankage management (i.e. in preparation for next month's rollover from summer-grade gasoline to winter-grade gasoline).

THE SCHORK GROUP'S PRICE RANGE FORECAST FOR UGA

UGA fell since the last report but has attempted a recovery since the first trading day of the month. Yesterday's activity was neutral, and a directional bias has not been established. Continued strength will push towards our \$19.92 first level of resistance. However, this market has seen sharp selloffs and another drop signals weakness towards our \$18.30 first support band. While the strip has made repeated attempts to recover, it is still down 33.28% from last year.

SENTIMENT: Neutral