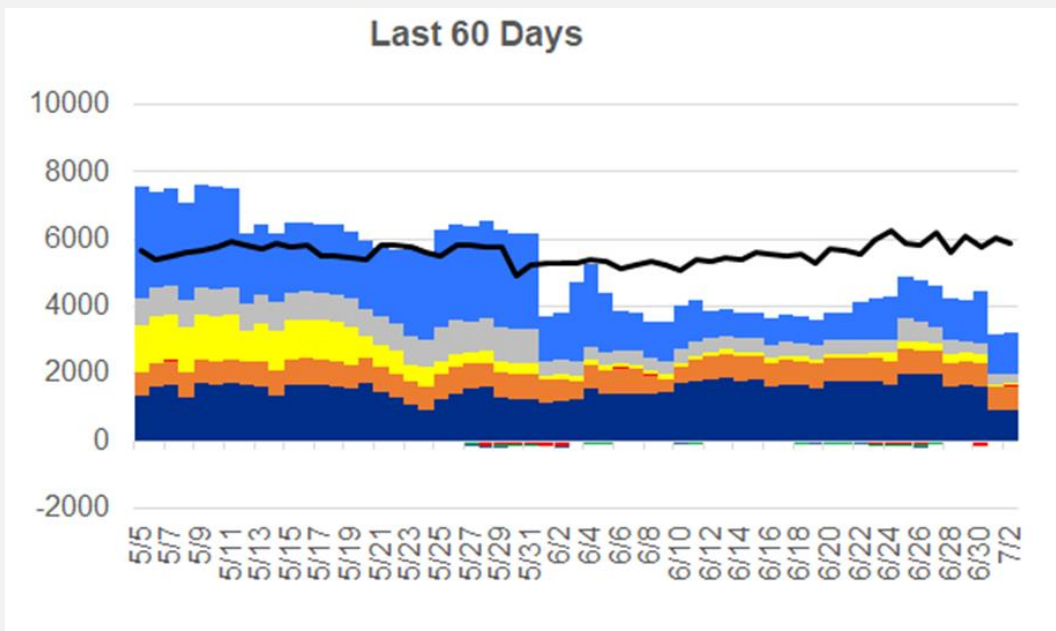
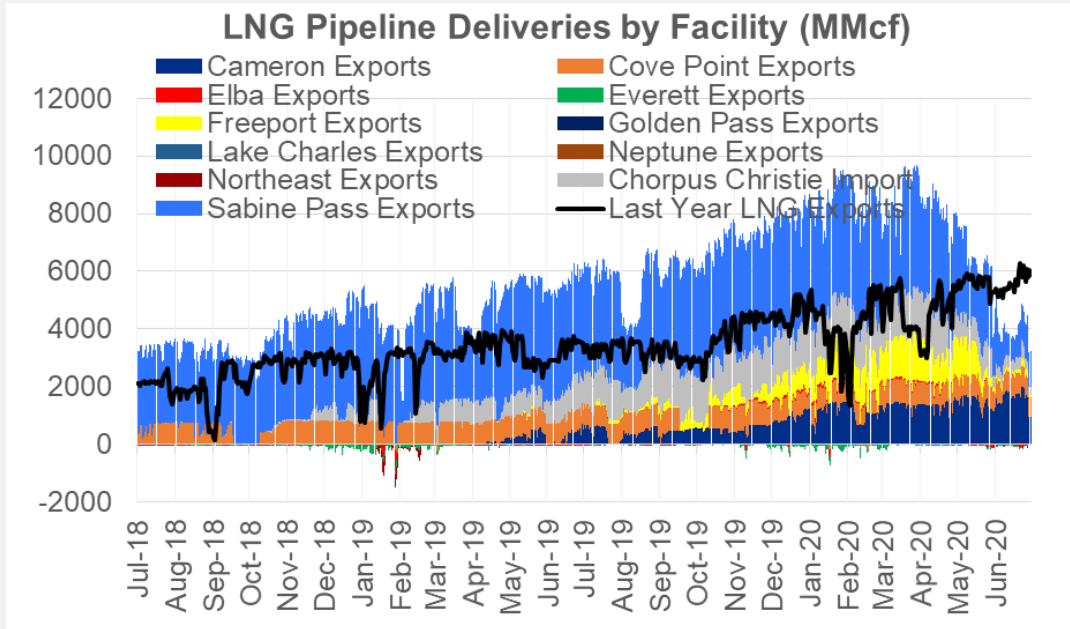


With the start of July we see a big drop in natural gas deliveries to LNG facilities. The average deliveries on July 1st dropped to 3.2 Bcf/d, or approximately 1/3 of total US export capacity. The LNG story has continuously evolved this year starting with a warmer than normal winter in Europe that left natural gas inventory levels above normal, and then COVID shook up global demand.

With June now behind us we see that the average volume delivered was 4.03 Bcf/d - 2.7 Bcf/d lower than May 2020, and 1.5 Bcf/d lower than last June.



Our estimate on total cargo cancelled for June is 38. Here is how we get there:

	Daily	Monthly
	Bcf/d	Bcf
March average US LNG feedgas	8.5	263.5
June average US LNG feedgas	4.03	120.9
Diff	4.47	142.6

Stripping out natgas usage at plant (12%)
Gas available for export

	Daily	Monthly
	Bcf/d	Bcf
March average US LNG feedgas	7.48	232
June average US LNG feedgas	3.5464	106
Diff	3.9336	125

LNG tanker volume	3.3 Bcf	
Estimated March LNG cargos	70	(232/3.3)
Estimated June LNG cargos	32	(106/3.3)

Total Cargos cancelled 38

Our estimate on total cargo cancelled for June is 38. Here is how we get there:

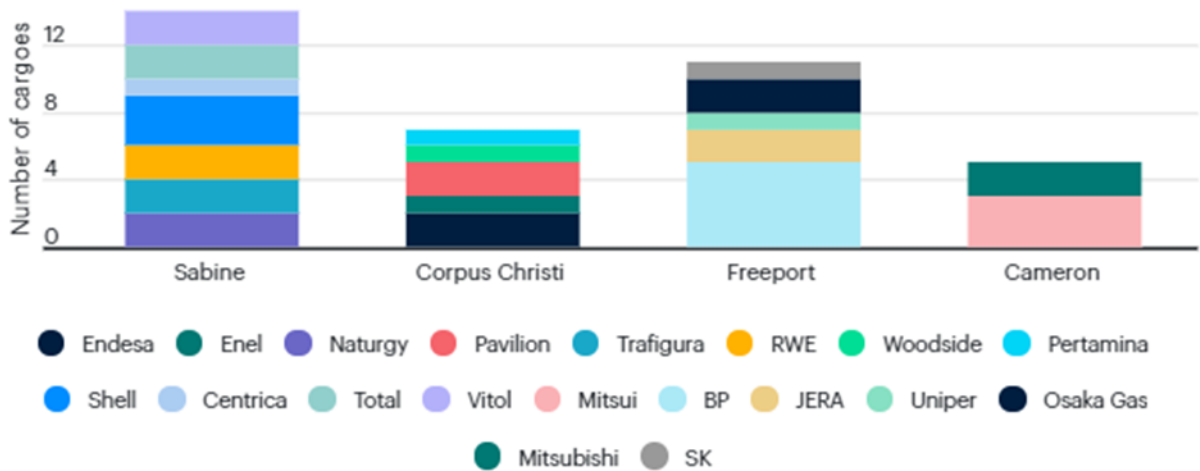
Using the same logic, we estimate 45 cargos to be cancelled in July using 3.2 Bcf/d as the average delivered LNG feedgas throughout the month.

ICIS released some data this week to show similar numbers, and give a longer term perspective. They have done a great job of aggregating and visualization the information they received. Below is a quick summary of cancellations by offtaker and plant.

July

"Between 40 and 50 cargoes could be cancelled, and the figure could go higher as some market sources see this as the peak for 2020 curtailments. As many as 21 cargoes from Sabine Pass and Corpus Christi and more than 10 cargoes from Freeport were among the cancellations heard."

Estimated July cancellations by offtaker and plant

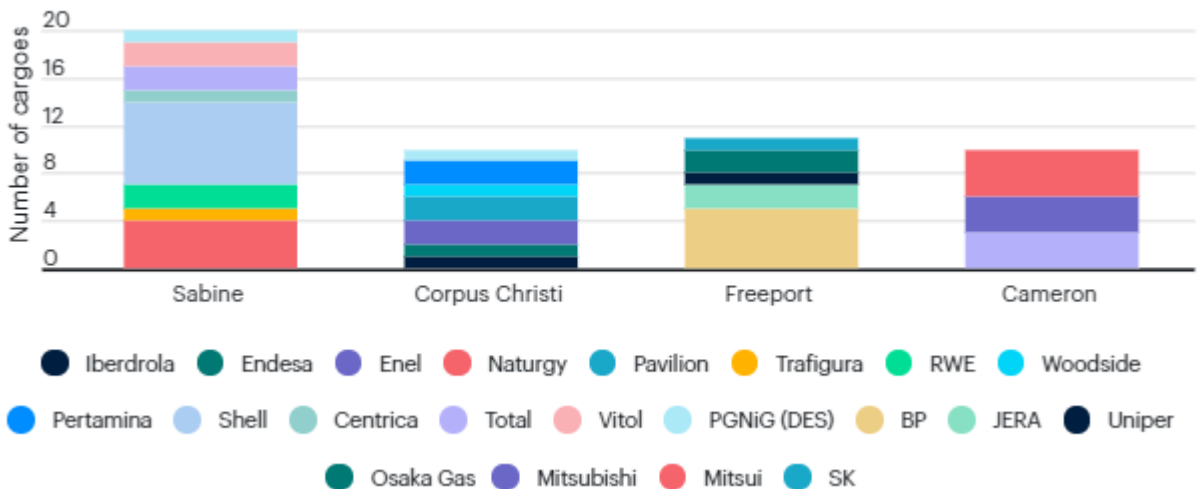


Source: ICIS

August and Beyond

"As many as 50 cargoes in August could be cancelled."

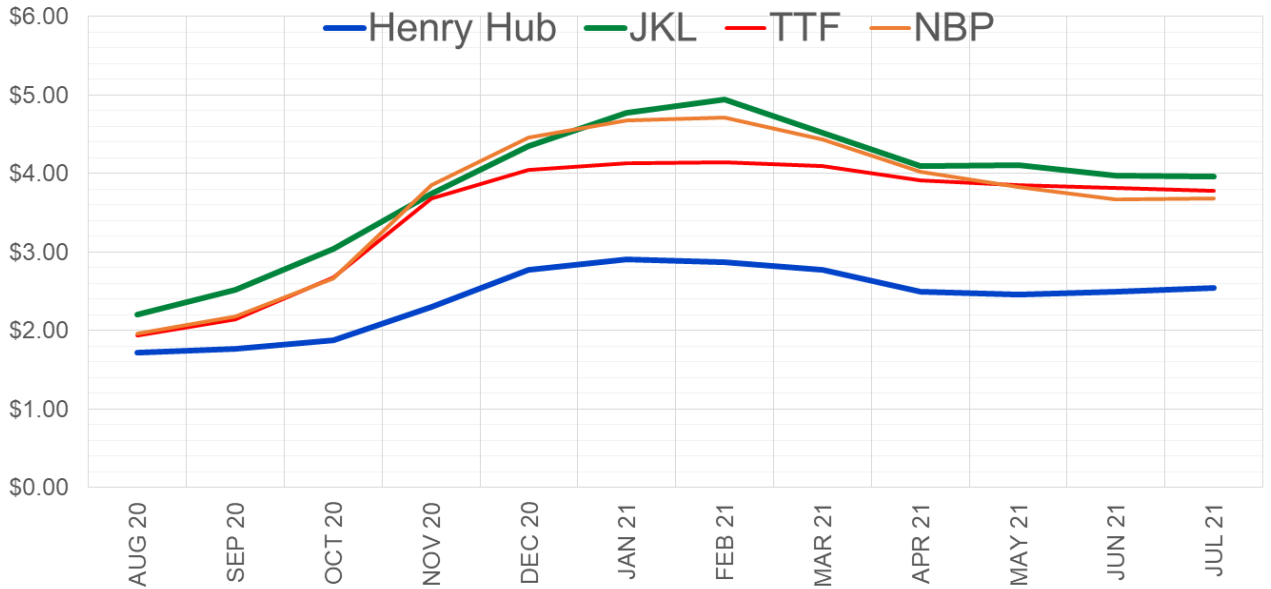
Estimated August cancellations by offtaker and plant



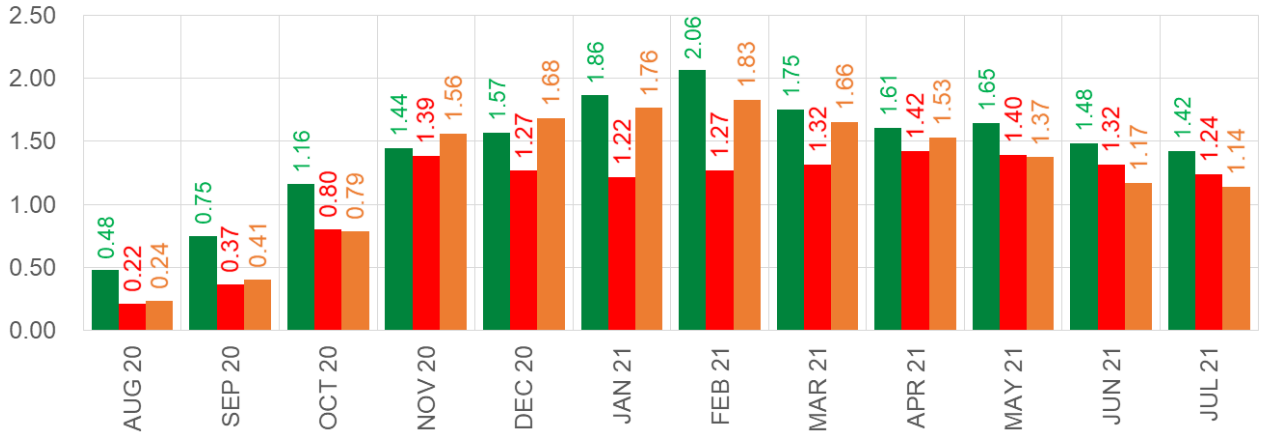
Source: ICIS

Finally we end off with global natural gas prices, and the spreads to Henry Hub. With current spreads, it is likely we see cargo cancellation in September and October as well. We do not have a concrete number on cancellation for that timeframe as physical market decisions have yet to be made for the loadings in those months.

Nat Gas Term Structure (\$MMBTU)

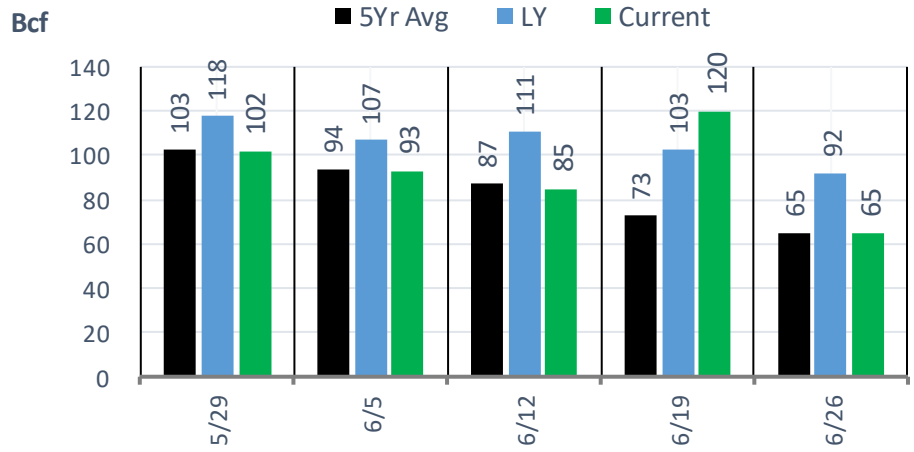


JKL-HHub TTF-HHub NBP-HHub

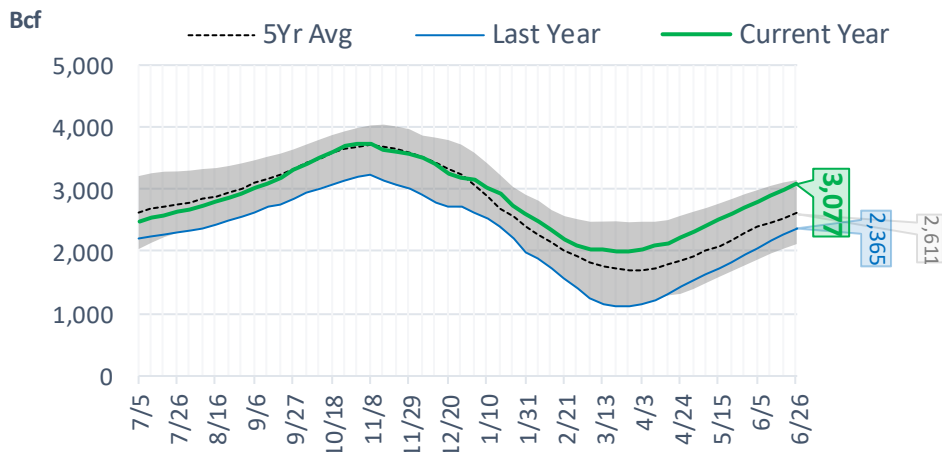


EIA Storage Report

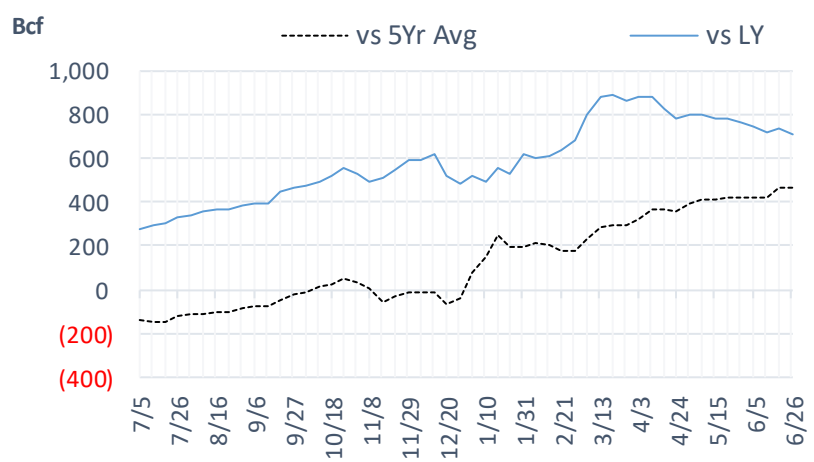
Total Lower 48 YoY Weekly Change



Total Lower 48 Storage Levels



Total Lower 48 LY Surplus/Deficit

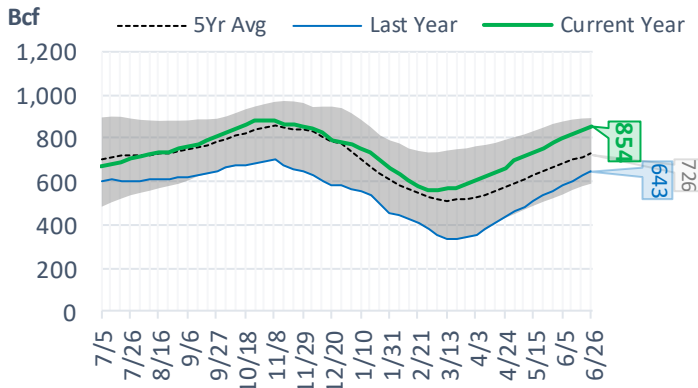


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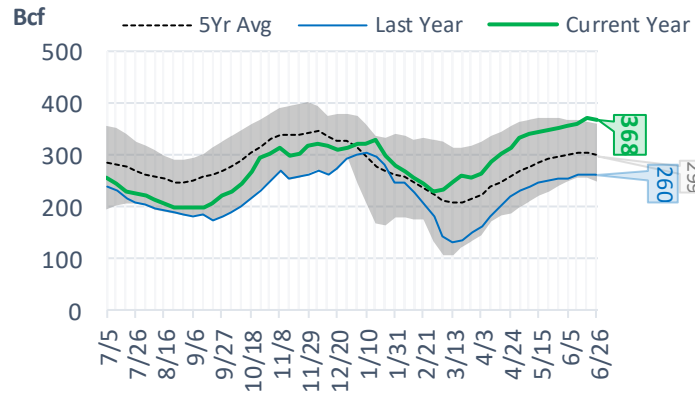
Natural Gas Storage Stats - Last 5 Weeks

Week Ending	Current 26-Jun	Week - 1 19-Jun	Week - 2 12-Jun	Week - 3 5-Jun	Week - 4 29-May	Week - 5 22-May
Total Lower 48 Storage Level	3077	3012	2892	2807	2714	2612
Weekly Change	+65	+120	+85	+93	+102	+109
vs LY	+712	+739	+722	+748	+762	+778
vs 5Yr Avg	+466	+466	+419	+421	+422	+423
S. Central Salt Storage Level	368	372	358	357	353	348
Weekly Change	-4	+14	+1	+4	+5	+3
vs LY	+108	+109	+96	+101	+98	+96
vs 5Yr Avg	+69	+68	+53	+55	+56	+57
S. Central NonSalt Storage Level	854	840	815	797	778	757
Weekly Change	+14	+25	+18	+19	+21	+20
vs LY	+211	+215	+210	+217	+220	+225
vs 5Yr Avg	+128	+125	+113	+111	+110	+109
Midwest Storage Level	740	716	688	662	634	606
Weekly Change	+24	+28	+26	+28	+28	+30
vs LY	+181	+188	+195	+202	+209	+217
vs 5Yr Avg	+144	+145	+143	+144	+145	+147
East Storage Level	639	619	586	563	536	504
Weekly Change	+20	+33	+23	+27	+32	+35
vs LY	+121	+128	+123	+130	+131	+130
vs 5Yr Avg	+98	+104	+96	+102	+103	+101
Mountain Storage Level	173	165	156	148	140	132
Weekly Change	+8	+9	+8	+8	+8	+8
vs LY	+41	+41	+40	+40	+41	+40
vs 5Yr Avg	+11	+8	+4	+2	0	-2
Pacific Storage Level	304	299	290	281	273	264
Weekly Change	+5	+9	+9	+8	+9	+11
vs LY	+52	+57	+58	+58	+64	+69

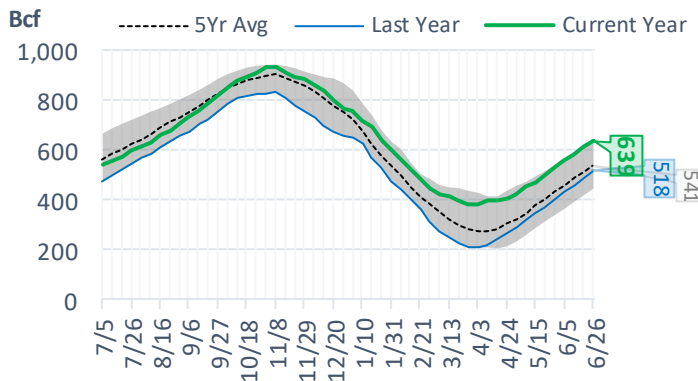
NonSalt Storage Levels



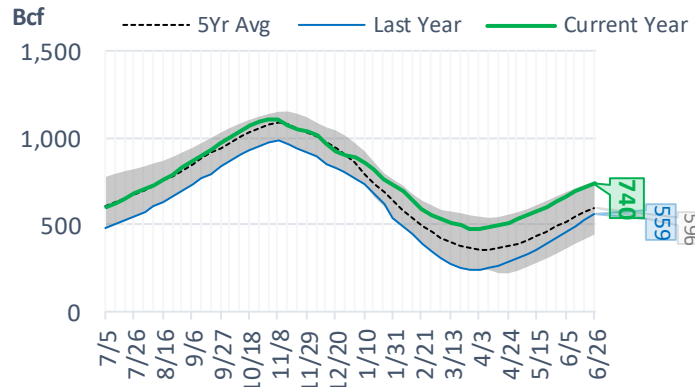
Salt Storage Levels



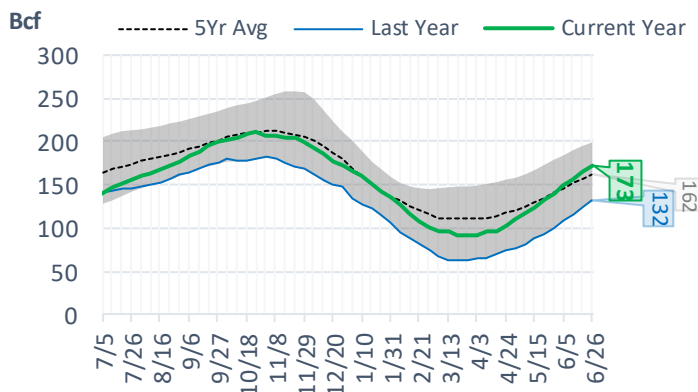
East Storage Levels



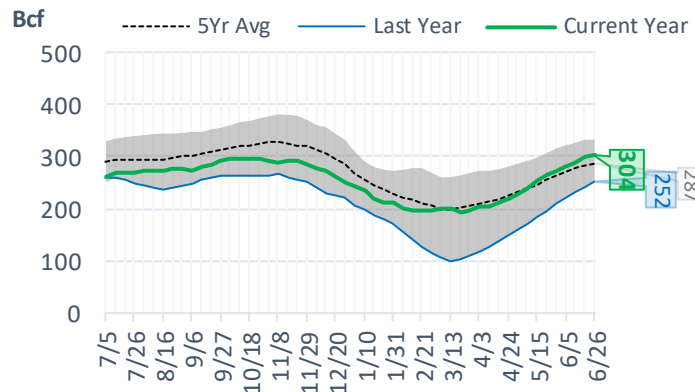
Midwest Storage Levels



Mountain Storage Levels

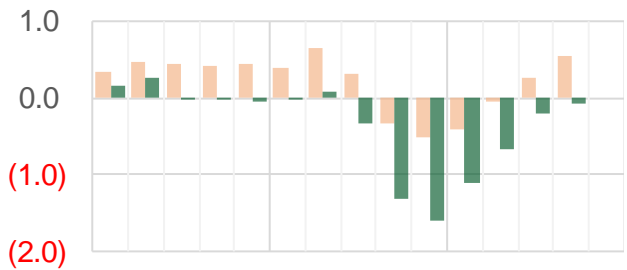
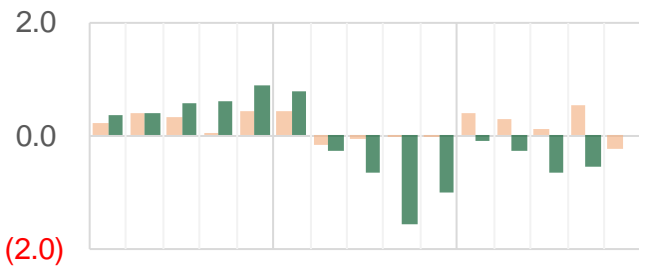
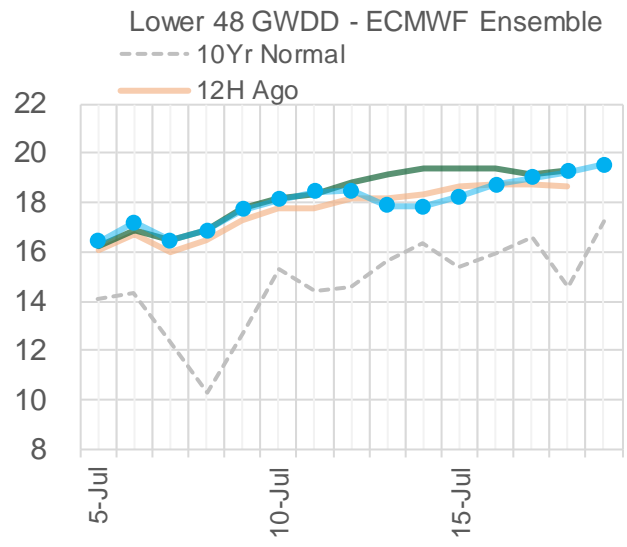
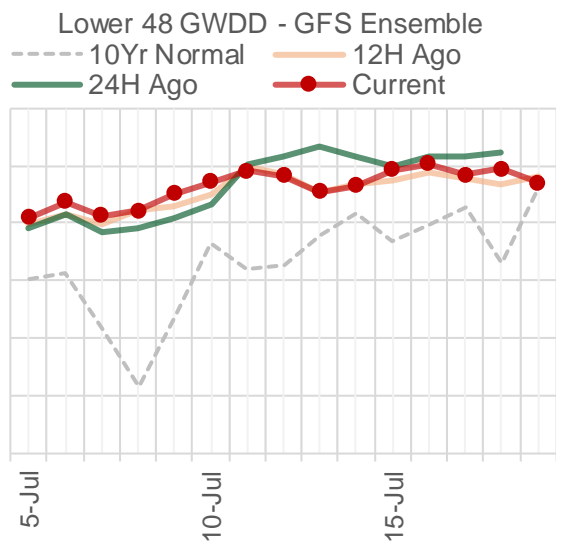
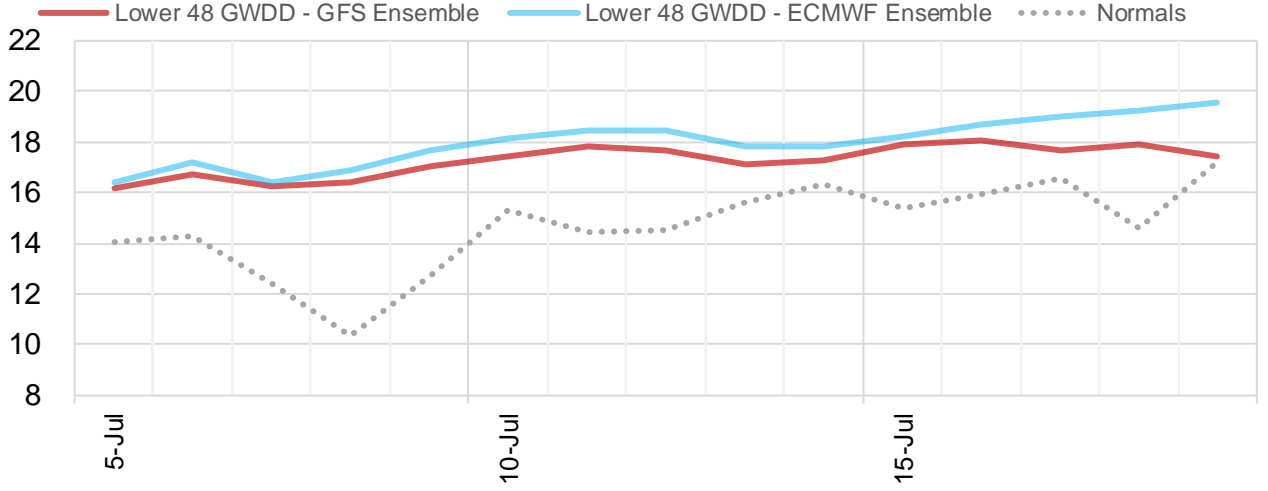


Pacific Storage Levels



Current Short-term Weather Model Outlooks (00z)

Lower 48 TDD Forecast



Source: WSI, Bloomberg

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EIA Storage Week Balances

	29-May	5-Jun	12-Jun	19-Jun	26-Jun	3-Jul	WoW	vs. 4W
Lower 48 Dry Production	83.8	84.4	84.2	84.5	84.4	84.4	▲ 0.1	▲ 0.1
Canadian Imports	4.1	4.2	3.9	3.8	4.2	4.1	▼ -0.1	▲ 0.1
L48 Power	29.2	31.4	33.3	30.3	37.3	38.8	▲ 1.4	▲ 5.7
L48 Residential & Commercial	7.7	8.1	7.7	8.0	7.4	7.4	▲ 0.0	▼ -0.4
L48 Industrial	20.5	20.3	19.2	18.2	18.5	18.2	▼ -0.3	▼ -0.9
L48 Lease and Plant Fuel	4.7	4.7	4.7	4.8	4.8	4.7	▼ 0.0	▼ 0.0
L48 Pipeline Distribution	1.8	1.9	2.0	1.8	2.2	2.2	▲ 0.0	▲ 0.2
L48 Regional Gas Consumption	63.9	66.4	67.0	63.1	70.1	71.3	▲ 1.2	▲ 4.6
Net LNG Exports	6.1	5.1	3.9	3.8	4.0	4.0	▼ 0.0	▼ -0.2
Total Mexican Exports	5.0	5.3	5.7	5.6	5.9	5.8	▼ -0.1	▲ 0.2
Implied Daily Storage Activity	12.9	11.8	11.6	15.7	8.5	7.4	-1.1	
EIA Reported Daily Storage Activity	14.6	13.3	12.1	17.1	9.3			
Daily Model Error	-1.7	-1.5	-0.6	-1.5	-0.8			

Monthly Balances

	2Yr Ago Jul-18	LY Jul-19	Mar-20	Apr-20	May-20	Jun-20	MTD Jul-20	MoM	vs. LY
Lower 48 Dry Production	81.9	90.1	92.2	90.7	85.1	84.3	84.9	▲ 0.5	▼ -5.2
Canadian Imports	5.6	5.0	4.1	4.0	3.9	4.0	4.0	▼ -0.1	▼ -1.0
L48 Power	39.0	40.9	28.3	25.4	26.3	34.3	31.6	▼ -2.8	▼ -9.3
L48 Residential & Commercial	7.8	8.1	27.5	20.9	12.3	7.7	5.8	▼ -1.9	▼ -2.4
L48 Industrial	20.7	20.1	21.9	19.6	19.6	18.7	15.0	▼ -3.8	▼ -5.2
L48 Lease and Plant Fuel	4.6	5.0	5.2	5.1	4.8	4.8	3.8	▼ -1.0	▼ -1.2
L48 Pipeline Distribution	2.2	2.2	2.5	2.1	1.9	2.0	1.7	▼ -0.3	▼ -0.5
L48 Regional Gas Consumption	74.3	76.4	85.3	73.1	64.8	67.6	57.8	▼ -9.7	▼ -18.6
Net LNG Exports	3.3	6.0	8.5	8.2	6.7	4.0	2.8	▼ -1.3	▼ -3.2
Total Mexican Exports	5.0	5.4	5.6	4.9	4.9	5.7	5.7	▼ 0.0	▲ 0.3
Implied Daily Storage Activity	5.0	7.3	-3.1	8.4	12.7	11.1	22.6		
EIA Reported Daily Storage Activity									
Daily Model Error									

Source: Bloomberg, analytix.ai

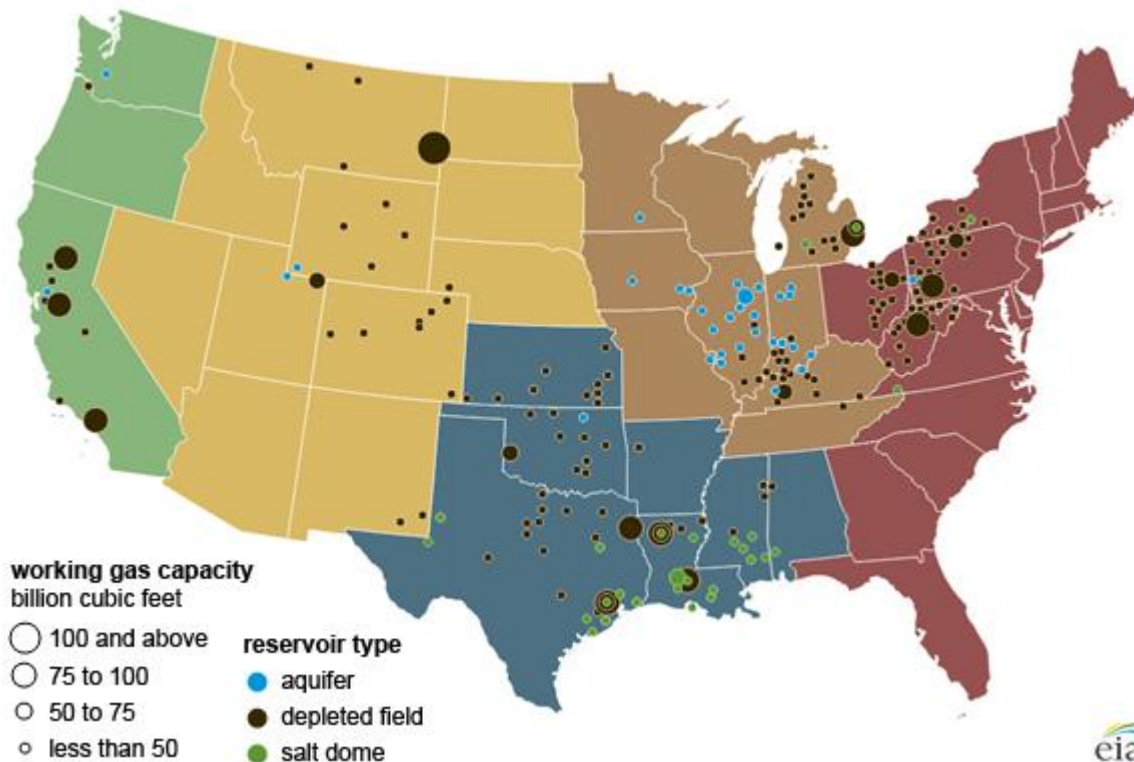
Regional S/D Models Storage Projection

Week Ending 3-Jul

	Daily Raw Storage	Daily Adjustment Factor	Daily Average Storage Activity (Adjusted) *	Weekly Adjusted Storage Activity
L48	7.2	1.4	8.5	60
East	1.2	1.5	2.7	19
Midwest	3.5	-0.5	3.0	21
Mountain	2.9	-2.0	0.9	7
South Central	-1.9	2.7	0.9	6
Pacific	1.4	-0.3	1.0	7

*Adjustment Factor is calculated based on historical regional deltas

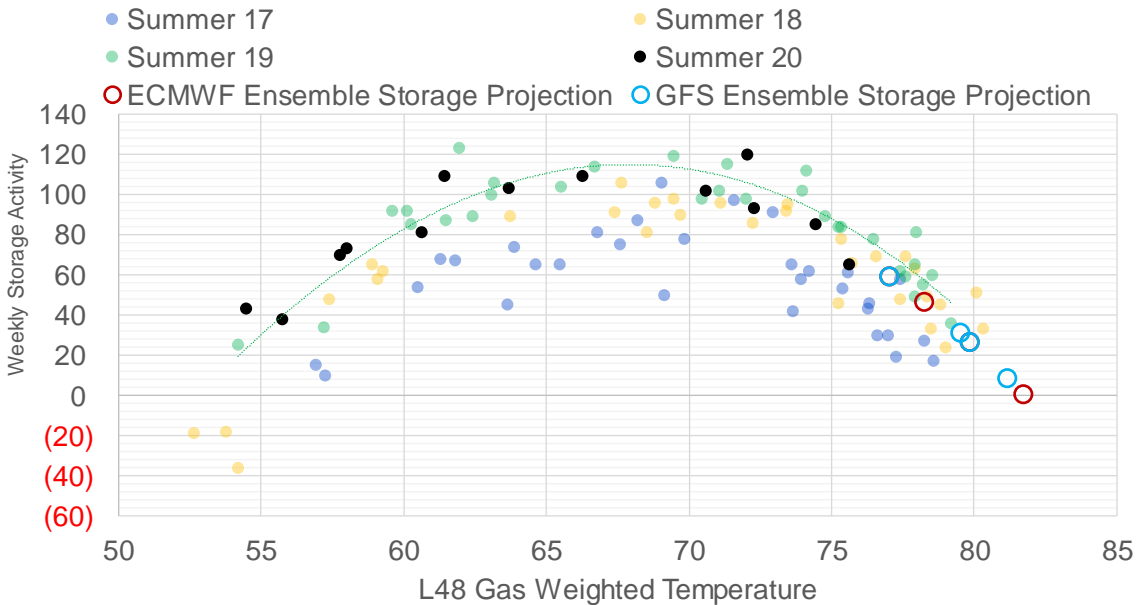
U.S. underground natural gas storage facilities by type (July 2015)



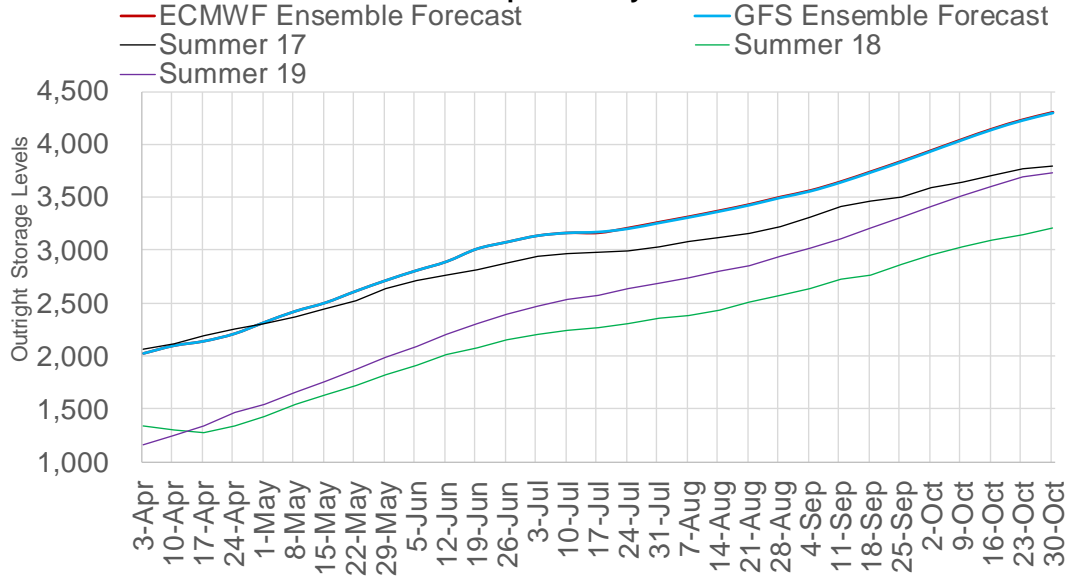
Weather Model Storage Projection

Next report and beyond	
Week Ending	Week Storage Projection
10-Jul	27
17-Jul	5
24-Jul	39

Weather Storage Model - Next 4 Week Forecast



Weather Based End of Winter Projection (Bcf) 10Y normals past 15 day forecast window



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Weather Model Storage Projection to End of Season

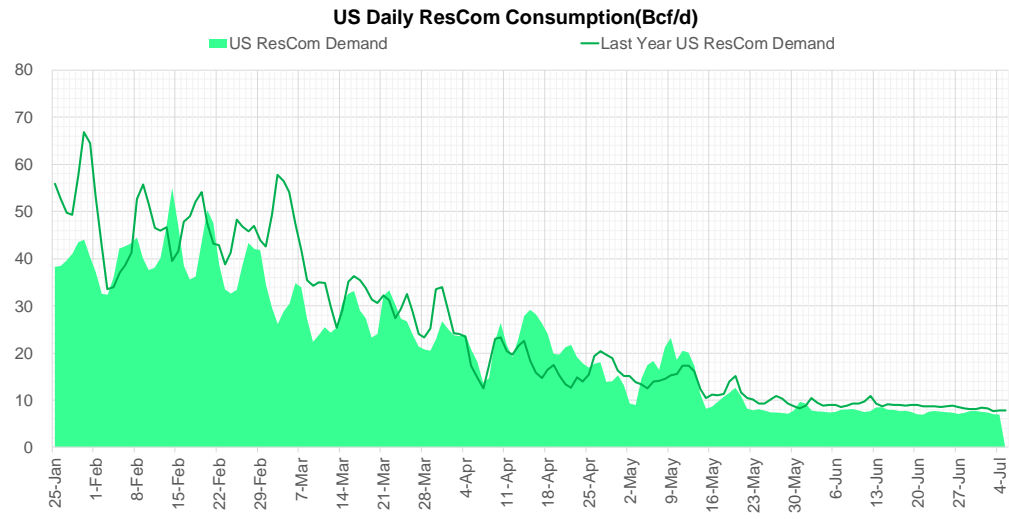
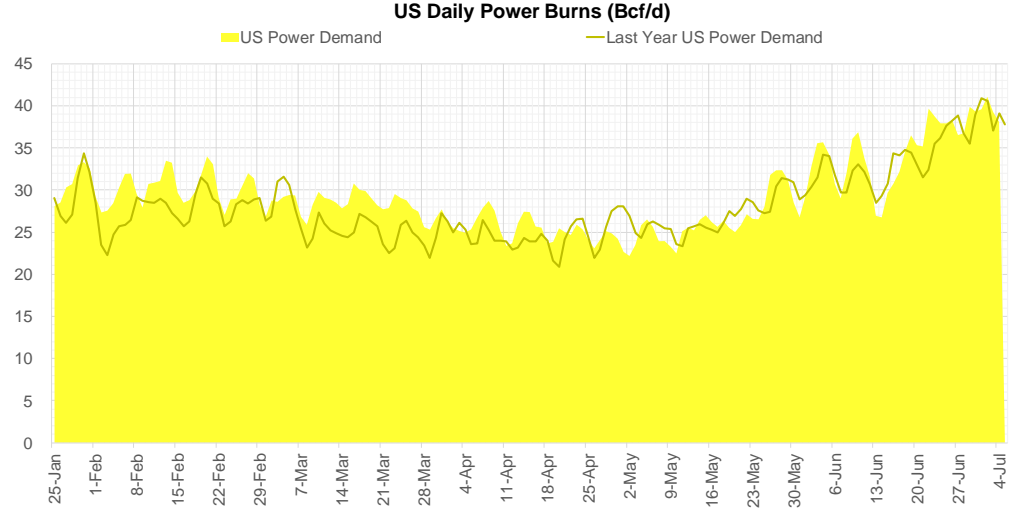
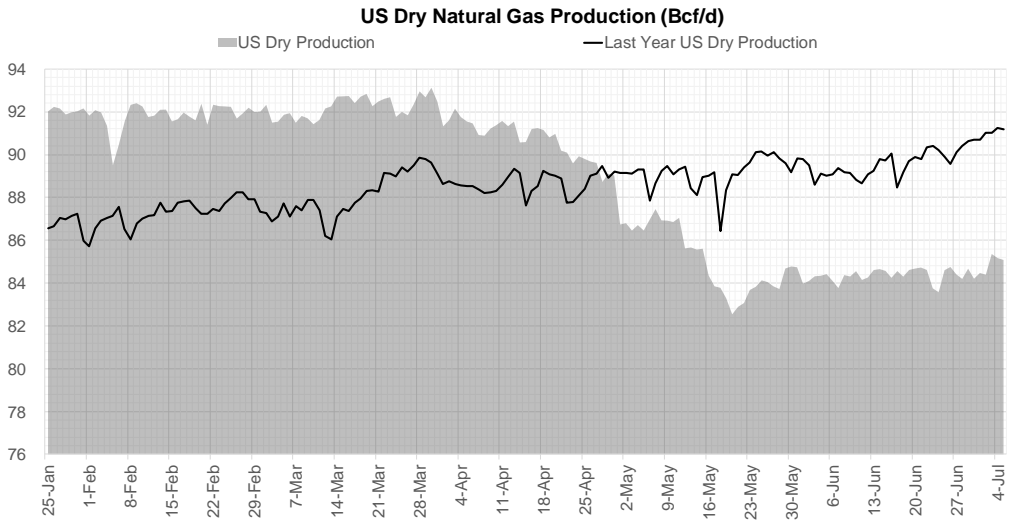
L48 Storage Trajectory from Weather Model

Forecast Storage Levels

	Report		vs 5Yr	Reported	Estimate	Forecast Storage Levels			
	Storage Level	vs. LY	Avg	Chg	Chg *	LY Chg	vs. LY	5Yr Avg Chg	vs. 5Yr
3-Apr-20	2024	876	324	38		25	13	6	32
10-Apr-20	2097	876	370	73		73	0	27	46
17-Apr-20	2140	827	364	43		92	(49)	49	(6)
24-Apr-20	2210	783	360	70		114	(44)	74	(4)
1-May-20	2319	796	395	109		96	13	74	35
8-May-20	2422	799	413	103		100	3	85	18
15-May-20	2503	779	407	81		101	(20)	87	(6)
22-May-20	2612	778	423	109		110	(1)	93	16
29-May-20	2714	762	422	102		118	(16)	103	(1)
5-Jun-20	2807	748	421	93		107	(14)	94	(1)
12-Jun-20	2892	722	419	85		111	(26)	87	(2)
19-Jun-20	3012	739	466	120		103	17	73	47
26-Jun-20	3077	712	466	65		92	(27)	65	0
3-Jul-20					59	83	(24)	68	(9)
10-Jul-20					27	67	(40)	63	(36)
17-Jul-20					5	44	(39)	37	(32)
24-Jul-20					39	56	(17)	33	6
31-Jul-20					54	58	(4)	33	21
7-Aug-20					53	51	2	44	9
14-Aug-20					56	56	0	44	12
21-Aug-20					60	60	(0)	49	11
28-Aug-20					69	77	(8)	66	3
4-Sep-20					62	80	(18)	68	(6)
11-Sep-20					83	82	1	77	6
18-Sep-20					95	97	(2)	80	15
25-Sep-20					98	109	(11)	78	20
2-Oct-20					103	102	1	86	17
9-Oct-20					103	102	1	87	16
16-Oct-20					99	92	7	75	24
23-Oct-20					86	89	(3)	67	19
30-Oct-20					71	49	22	52	19
			2313	2596	(283)	2024	289		

* first 15D change is an average of the GFS Ensemble and ECMWF Ensemble

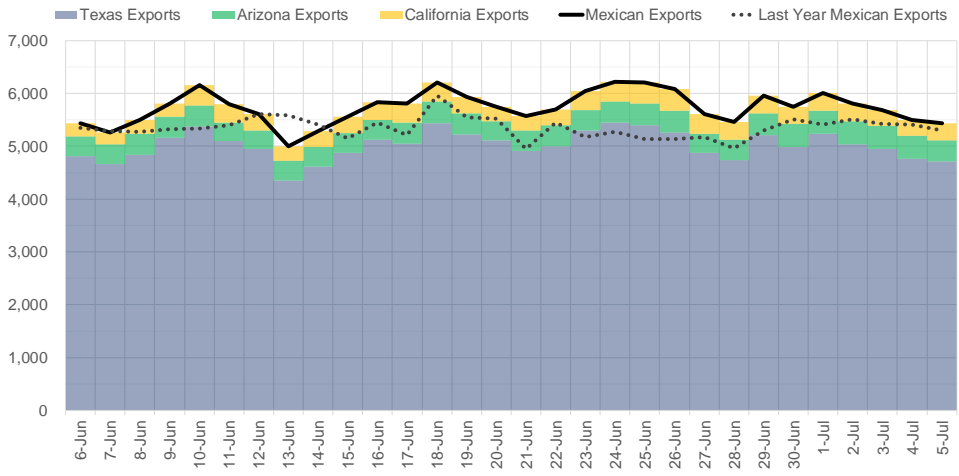
Supply – Demand Trends



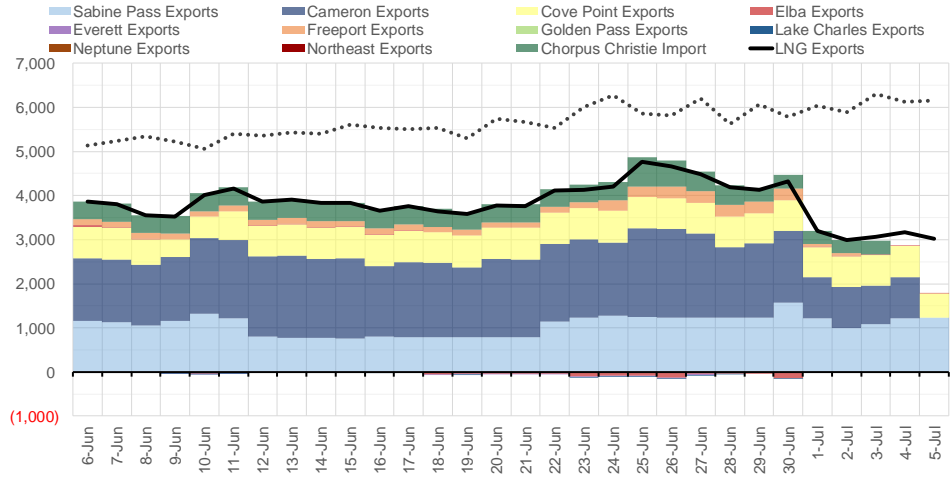
Source: Bloomberg

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Mexican Exports - Last 30 days (MMcf/d)



Net LNG Exports - Last 30 days (MMcf/d)



Source: Bloomberg

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Nat Gas Options Volume and Open Interest CME, ICE and Nasdaq Combined

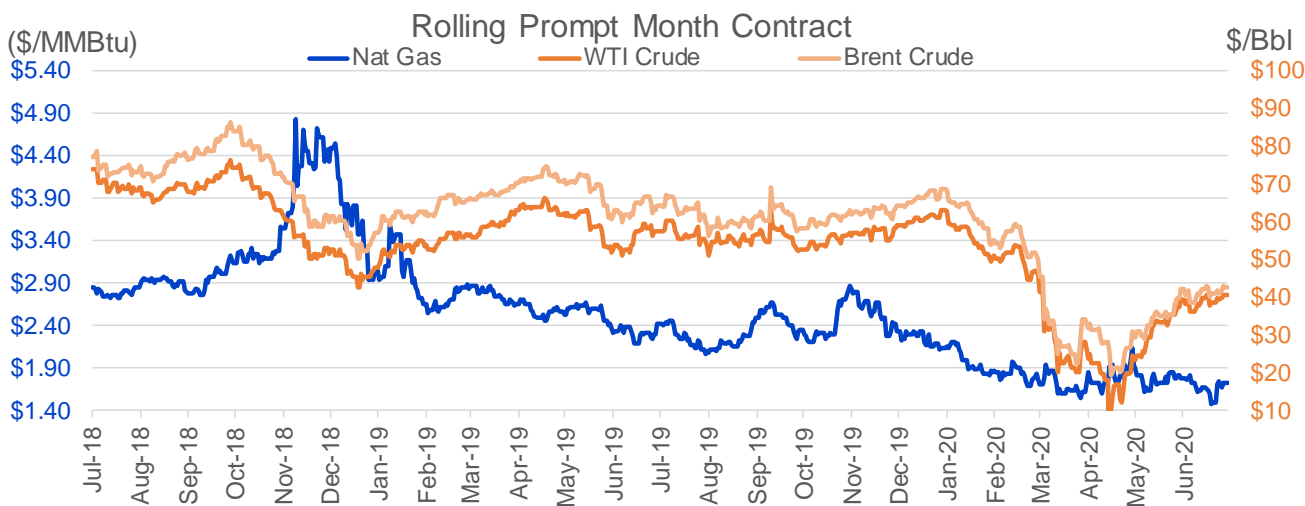
CONTRACT MONTH	CONTRACT YEAR	PUT/CALL	STRIKE	CUMULATIVE VOL	CONTRACT MONTH	CONTRACT YEAR	PUT/CALL	STRIKE	CUMULATIVE OI
8	2020	P	1.50	6994	8	2020	P	1.50	39803
8	2020	C	2.10	5462	10	2020	P	1.50	38661
9	2020	P	1.50	4261	10	2020	C	2.75	35239
9	2020	C	2.25	3413	3	2021	P	2.00	33300
8	2020	C	2.25	3392	8	2020	C	2.00	32183
9	2020	P	1.25	2971	10	2020	C	2.50	32183
8	2020	C	1.85	2876	10	2020	P	1.60	31408
8	2020	C	2.00	2841	9	2020	P	1.20	30404
8	2020	C	1.75	2177	10	2020	C	3.00	30393
8	2020	P	1.25	2101	10	2020	P	2.00	28384
9	2020	P	1.65	2010	9	2020	C	2.50	27464
9	2020	P	1.00	1886	9	2020	P	1.50	25063
10	2020	C	2.50	1857	8	2020	C	2.50	24604
9	2020	C	2.00	1789	10	2020	P	1.75	24476
8	2020	P	1.55	1786	9	2020	P	1.00	24400
8	2020	P	1.75	1525	10	2020	P	1.25	23859
8	2020	C	1.80	1453	9	2020	P	1.75	20754
10	2020	P	1.10	1451	8	2020	P	1.20	19956
8	2020	P	1.60	1307	9	2020	P	1.25	19880
11	2020	C	2.65	1228	9	2020	C	2.75	19669
9	2020	C	2.10	1208	8	2020	P	1.30	19354
10	2020	P	1.50	1152	8	2020	C	2.25	18962
11	2020	C	2.25	1104	10	2020	P	1.20	18798
9	2020	C	2.75	1103	10	2020	C	3.25	18197
8	2020	P	1.40	1045	10	2020	P	2.10	18132
8	2020	C	2.40	1011	1	2021	C	3.50	17943
10	2020	C	2.20	1002	10	2020	P	1.00	17743
12	2020	P	1.00	1000	10	2020	C	2.10	17377
12	2020	P	1.50	1000	8	2020	C	2.10	17070
10	2020	C	2.00	899	8	2020	P	1.00	16759
8	2020	C	1.95	816	1	2021	C	3.00	16649
9	2020	C	2.50	814	9	2020	C	2.25	16325
10	2020	P	1.30	812	9	2020	C	3.00	15950
11	2020	P	1.70	750	3	2021	C	3.00	15797
11	2020	P	1.80	750	8	2020	P	1.25	15545
11	2020	P	2.10	750	12	2020	P	1.50	15154
8	2020	P	1.35	683	8	2020	P	1.40	15094
8	2020	C	2.05	621	10	2020	C	2.25	14957
8	2020	C	1.90	587	10	2020	P	1.30	14746
8	2020	C	2.20	571	4	2021	C	3.00	14710
10	2020	P	1.25	502	8	2020	C	3.00	14665
10	2020	C	2.75	500	9	2020	P	1.30	14458
10	2020	P	1.85	475	8	2020	P	1.60	14398
9	2020	P	1.20	465	9	2020	P	2.00	13891
9	2020	C	3.00	401	8	2020	P	1.75	13440
10	2020	P	1.70	391	11	2020	C	3.50	13349
8	2020	P	1.70	384	8	2020	C	2.75	13181
9	2020	P	1.75	374	10	2020	C	3.50	13077
8	2020	P	1.65	344	1	2021	P	2.50	12974
					9	2020	C	2	12816

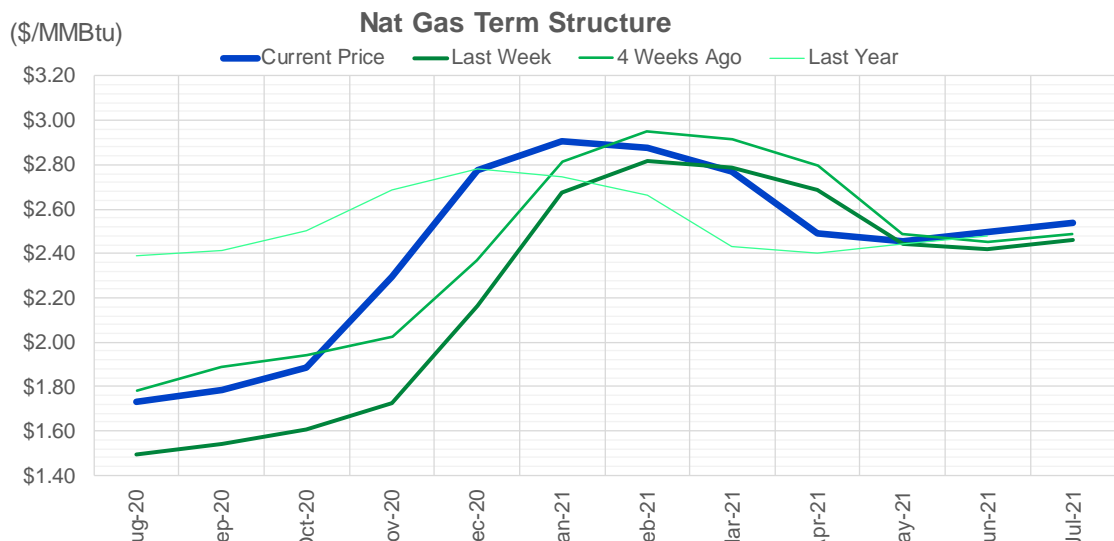
Source: CME, Nasdaq, ICE

Nat Gas Futures Open Interest CME, ICE and Nasdaq Combined

CME Henry Hub Futures (10,000 MMBtu)				ICE Henry Hub Futures Contract Equivalent (10,000 MM			
	Current	Prior	Daily Change	FOR JUNE 26	Current	Prior	Daily Change
AUG 20	273584	273041	543	AUG 20	87206	87566	-360
SEP 20	207981	209517	-1536	SEP 20	72985	72181	803.75
OCT 20	120805	122332	-1527	OCT 20	77527	78164	-637.25
NOV 20	71484	70798	686	NOV 20	65966	65539	427
DEC 20	74873	76241	-1368	DEC 20	61186	61486	-299.5
JAN 21	115175	117590	-2415	JAN 21	75665	75568	97
FEB 21	39417	38803	614	FEB 21	46958	46815	142.5
MAR 21	84352	83940	412	MAR 21	63085	63006	79.5
APR 21	76329	76957	-628	APR 21	50838	50356	481.75
MAY 21	30816	29637	1179	MAY 21	46214	46227	-12.25
JUN 21	18069	18219	-150	JUN 21	44397	44382	15.25
JUL 21	16625	16541	84	JUL 21	44863	44930	-67
AUG 21	12846	12693	153	AUG 21	45330	45386	-56.25
SEP 21	15853	15779	74	SEP 21	43315	43180	134.75
OCT 21	36687	36485	202	OCT 21	61582	61504	78.5
NOV 21	20451	20330	121	NOV 21	36933	36970	-36.5
DEC 21	15664	15678	-14	DEC 21	37767	37857	-89.5
JAN 22	13186	13230	-44	JAN 22	29776	29616	160.5
FEB 22	8810	8685	125	FEB 22	26635	26571	64.25
MAR 22	13545	13482	63	MAR 22	28329	28381	-52.5
APR 22	12458	12521	-63	APR 22	27410	27569	-158.5
MAY 22	5204	5202	2	MAY 22	22519	22499	20.25
JUN 22	2029	2029	0	JUN 22	22319	22208	111
JUL 22	1796	1796	0	JUL 22	22248	22159	88.75
AUG 22	1248	1248	0	AUG 22	22032	21912	119.75
SEP 22	1451	1451	0	SEP 22	21611	21497	114.25
OCT 22	1910	1910	0	OCT 22	23470	23487	-17
NOV 22	1425	1425	0	NOV 22	20105	20018	87.25
DEC 22	1292	1292	0	DEC 22	20686	20595	90.5
JAN 23	2464	2464	0	JAN 23	11056	11021	34.75

Source: CME, ICE






	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21
Current Price	\$1.734	\$1.785	\$1.884	\$2.297	\$2.773	\$2.907	\$2.873	\$2.768	\$2.490	\$2.457	\$2.495	\$2.540
Last Week	\$1.495	\$1.544	\$1.605	\$1.725	\$2.162	\$2.676	\$2.816	\$2.787	\$2.688	\$2.446	\$2.419	\$2.461
vs. Last Week	\$0.239	\$0.241	\$0.279	\$0.572	\$0.611	\$0.231	\$0.057	-\$0.019	-\$0.198	\$0.011	\$0.076	\$0.079
4 Weeks Ago	\$1.782	\$1.886	\$1.941	\$2.028	\$2.367	\$2.811	\$2.950	\$2.914	\$2.798	\$2.485	\$2.454	\$2.488
vs. 4 Weeks Ago	-\$0.048	-\$0.101	-\$0.057	\$0.269	\$0.406	\$0.096	-\$0.077	-\$0.146	-\$0.308	-\$0.028	\$0.041	\$0.052
Last Year	\$2.418	\$2.389	\$2.415	\$2.503	\$2.684	\$2.784	\$2.746	\$2.663	\$2.434	\$2.404	\$2.441	\$2.480
vs. Last Year	-\$0.684	-\$0.604	-\$0.531	-\$0.206	\$0.089	\$0.123	\$0.127	\$0.105	\$0.056	\$0.053	\$0.054	\$0.060

	Units	Current Price	vs. Last Week	vs. 4 Weeks Ago	vs. Last Year
NatGas Jan/Apr	\$/MMBtu	-0.42	▼ -0.047	▲ 0.048	▼ -0.030
NatGas Mar/Apr	\$/MMBtu	-0.278	▼ -0.036	▼ -0.591	▼ -0.528
NatGas Oct/Nov	\$/MMBtu	0.41	▼ -0.024	▲ 0.074	▲ 0.353
NatGas Oct/Jan	\$/MMBtu	1.02	▼ -0.068	▲ 0.101	▲ 0.698
WTI Crude	\$/Bbl	40.65	▲ 2.160	▲ 1.100	▼ -16.860
Brent Crude	\$/Bbl	42.80	▲ 1.780	▲ 0.500	▼ -21.430
Fuel Oil, NY Harbour 1%	\$/Bbl	98.03	▲ 0.000	▲ 0.000	▲ 0.000
Heating Oil	cents/Gallon	123.11	▲ 9.480	▲ 8.050	▼ -67.390
Propane, Mt. Bel	cents/Gallon	0.47	▼ -0.032	▼ -0.053	▼ -0.007
Ethane, Mt. Bel	cents/Gallon	0.20	▼ -0.017	▼ -0.036	▲ 0.068
Coal, PRB	\$/MTon	12.30	▲ 0.000	▲ 0.000	▲ 0.000
Coal, ILB	\$/MTon	31.05	▲ 0.000	▲ 0.000	▼ -7.500

Source: CME, Bloomberg

Baker Hughes Rig Counts

This week we once again see a big change to rig counts. Oil rigs dropped by -1, while nat gas rigs stayed flat. The weekly changes for the major basins are listed below.

Rotary Rig Count						Baker Hughes 
7/2/2020						
U.S. Breakout Information	This Week	+/-	Last Week	+/-	Year Ago	
Oil	185	-3	188	-603	788	
Gas	76	1	75	-98	174	
Miscellaneous	2	0	2	1	1	
Directional	20	0	20	-46	66	
Horizontal	226	-4	230	-613	839	
Vertical	17	2	15	-41	58	
Canada Breakout	This Week	+/-	Last Week	+/-	Year Ago	
Oil	6	2	4	-74	80	
Gas	12	3	9	-28	40	
Major Basin Variances	This Week	+/-	Last Week	+/-	Year Ago	
Ardmore Woodford	1	0	1	-5	6	
Arkoma Woodford	0	0	0	-2	2	
Barnett	2	0	2	1	1	
Cana Woodford	6	0	6	-41	47	
DJ-Niobrara	4	0	4	-22	26	
Eagle Ford	11	0	11	-60	71	
Granite Wash	0	0	0	-4	4	
Haynesville	33	1	32	-18	51	
Marcellus	28	1	27	-31	59	
Mississippian	0	0	0	-2	2	
Permian	126	-5	131	-317	443	
Utica	8	-1	9	-9	17	
Williston	10	0	10	-45	55	