

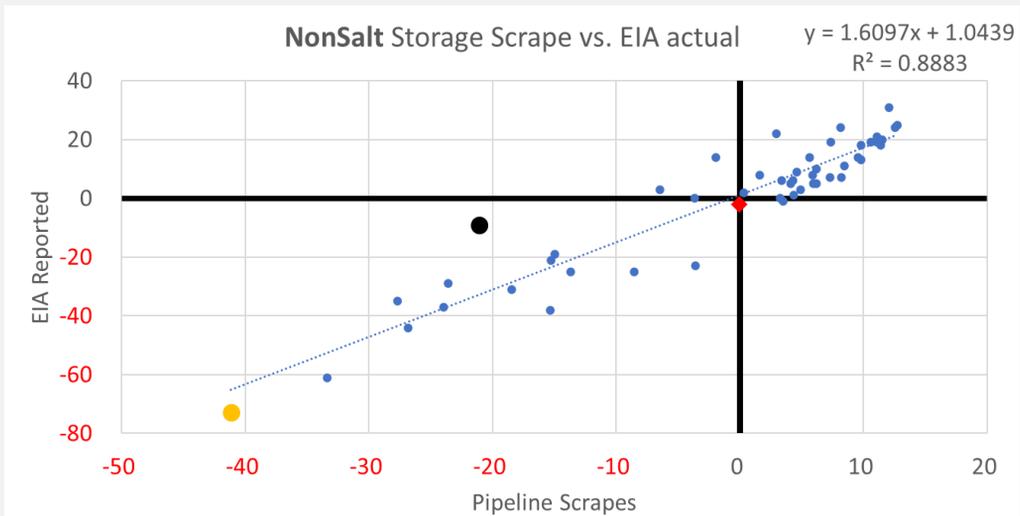
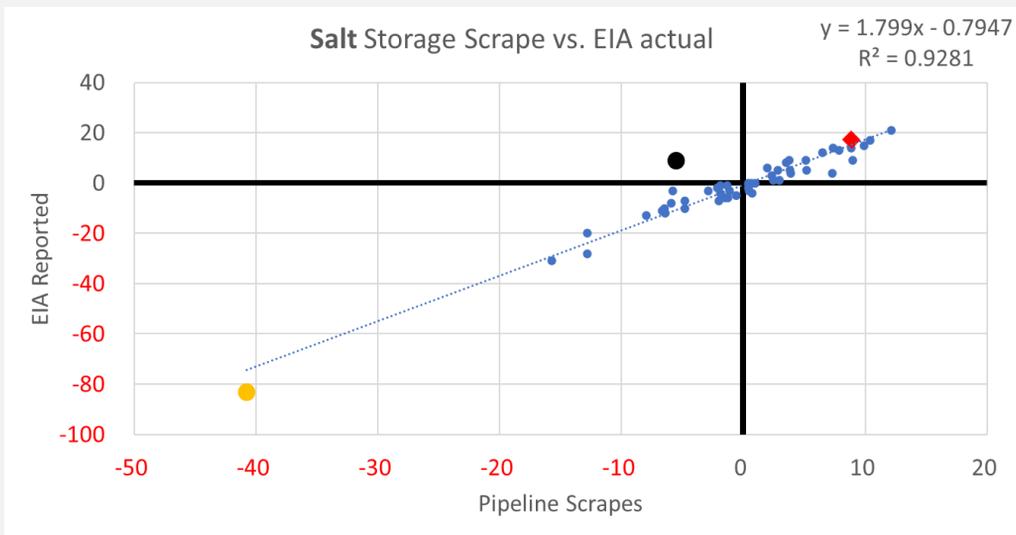
Let's start this week by reviewing this week's storage number. The -52 Bcf was in line with market expectations and it fits quite well with the output of the scrape models. Unlike last week, the South Central storage activity made a lot more sense.

RED Diamond = Week Ending Mar 05th (Last week)

BLACK Dot = Week Ending Feb 26th

Yellow Dot = Week Ending Feb 19th

It's pretty clear that **RED** Diamonds do fit this week



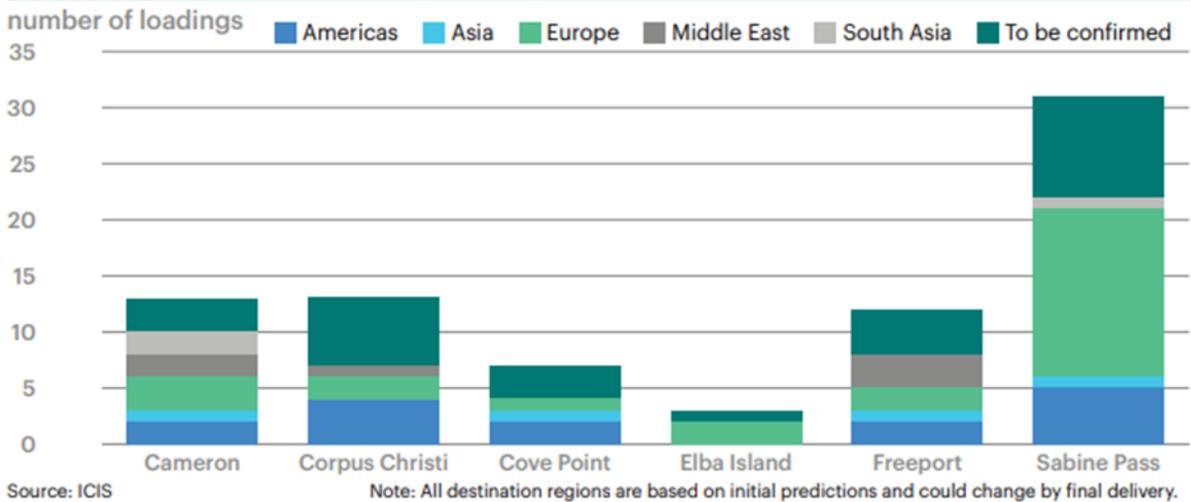
After having this number reported to us, we should feel more confident with upcoming reports.

For the remainder of the report, let's focus on LNG.

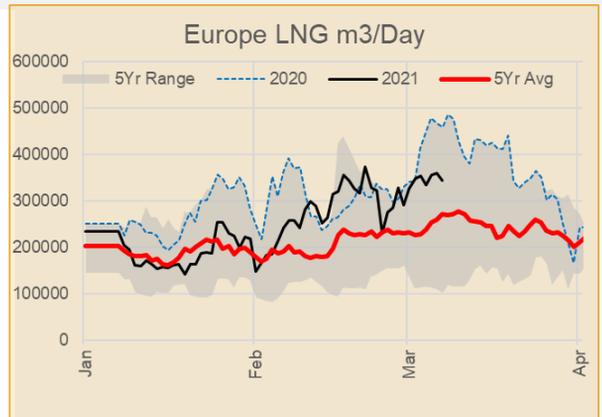
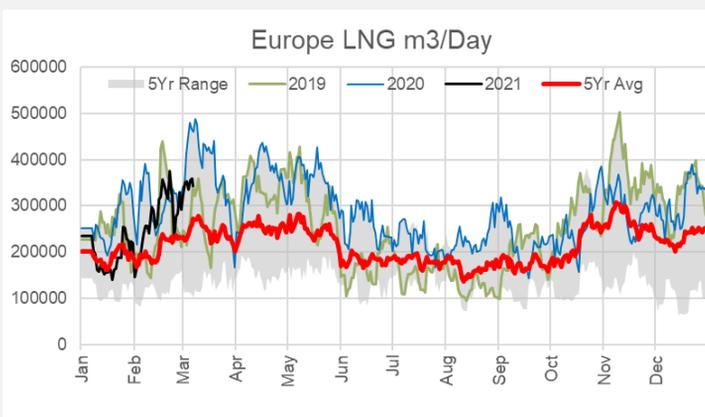
LNG levels have rebounded back after the pullback in February. In January, we saw massive spot price premiums in Asia that seemed to pull as many US cargos as possible. Now we see a restart in the US-EU LNG trade as margins have tightened and transport costs become more of an important factor.

The graph from ICIS's LNG Edge platform shows where US LNG loading has been heading. As seen, a vast majority has been heading to Europe.

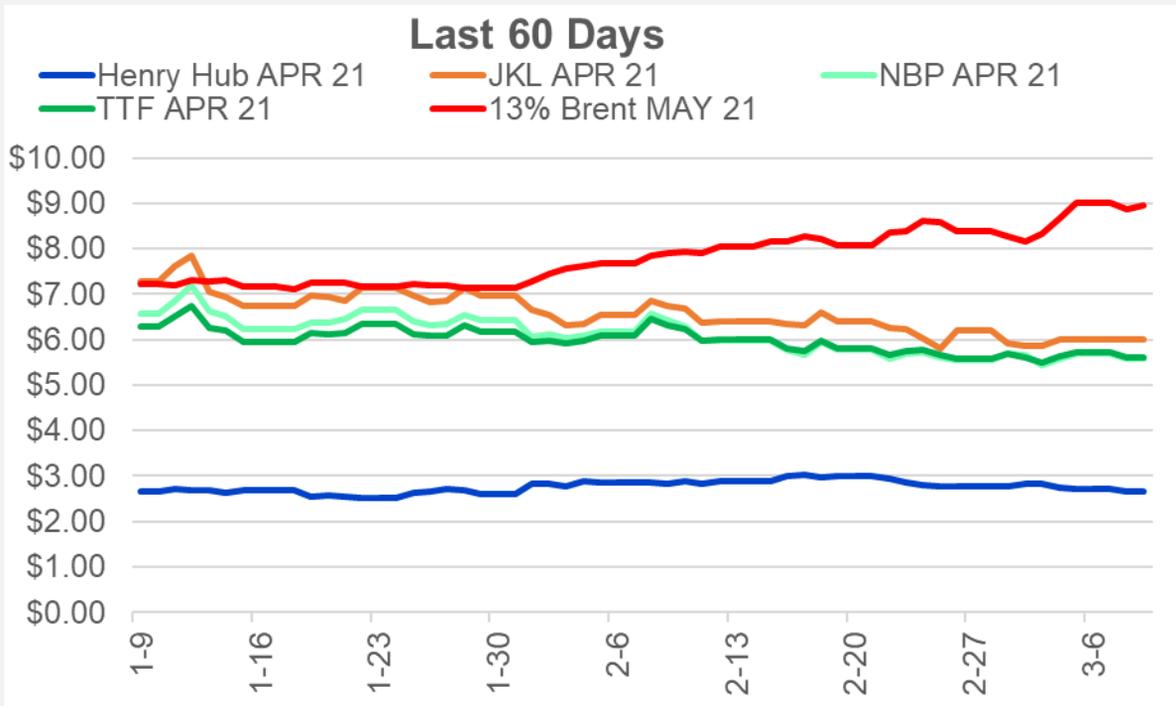
US LNG loadings over last 30 days by destination



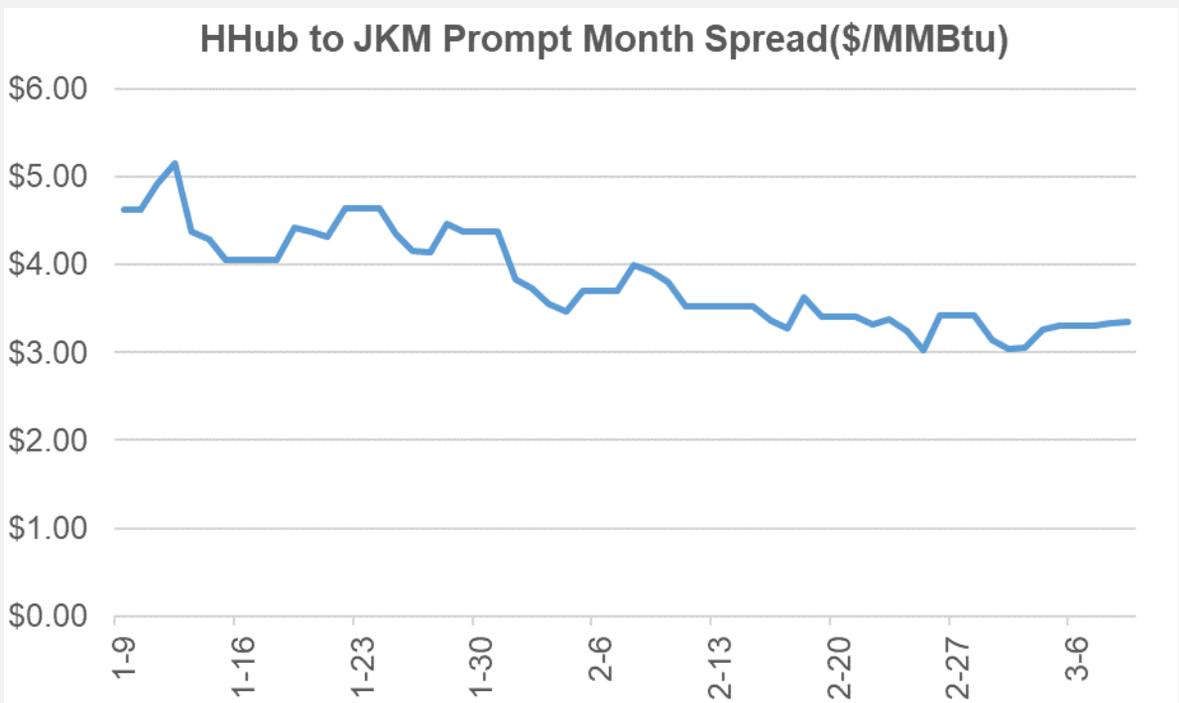
Here is how the Europe LNG imports look compared to past years.



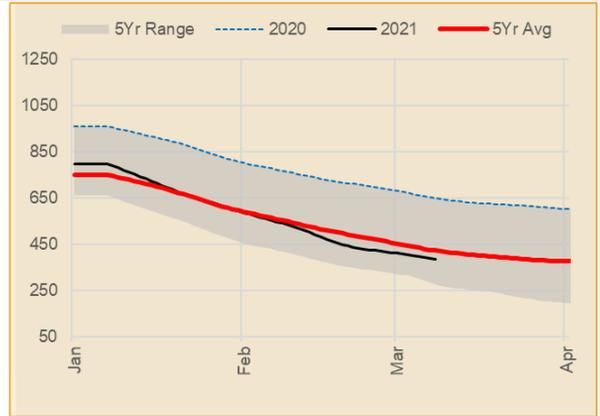
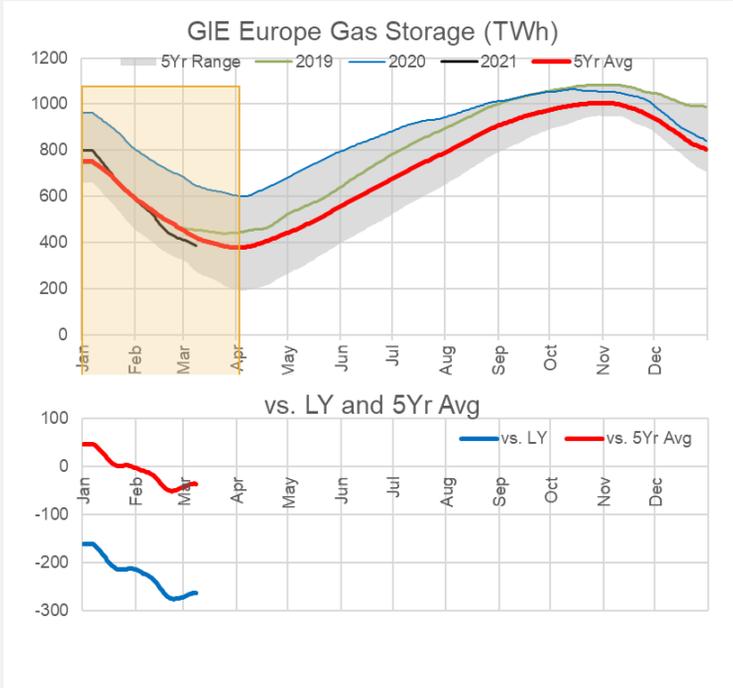
Here is the latest look at global natgas spreads. As prices contract, so do the interregional spreads.



More specifically, the US to Asia spreads. It has wound down which makes sense with winter rolling off in the northern hemisphere.



With Europe being much closer, it just makes the nearer journeys much more attractive. Thankfully, Europe needs US LNG even after starting strong storage levels at the beginning of winter. While recent temperatures have been fairly mild, we saw a cold winter through December and January, and that combined with the lockdowns has helped deplete European storage levels.



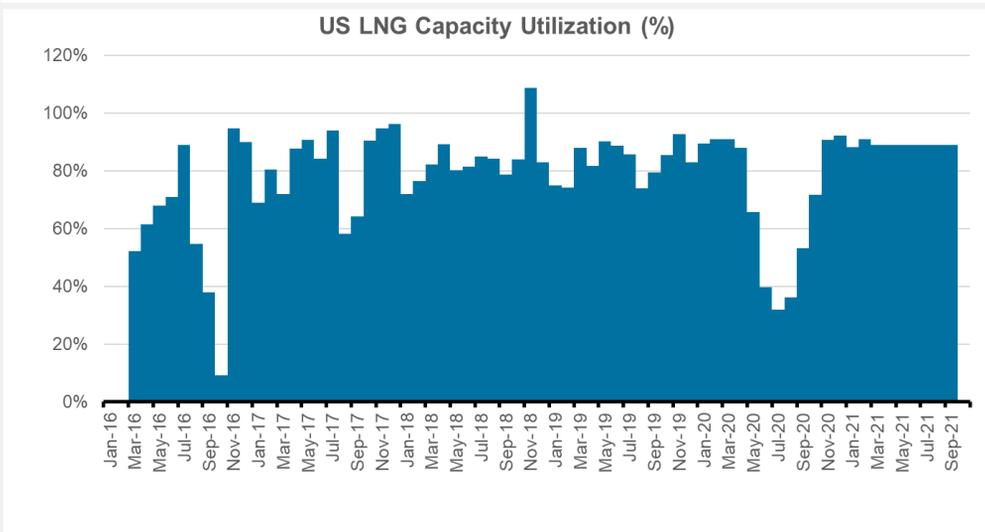
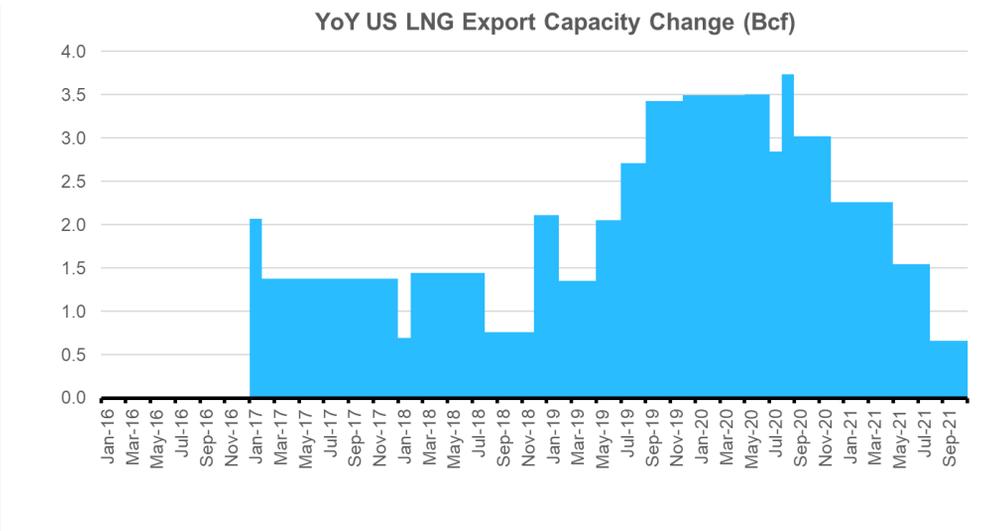
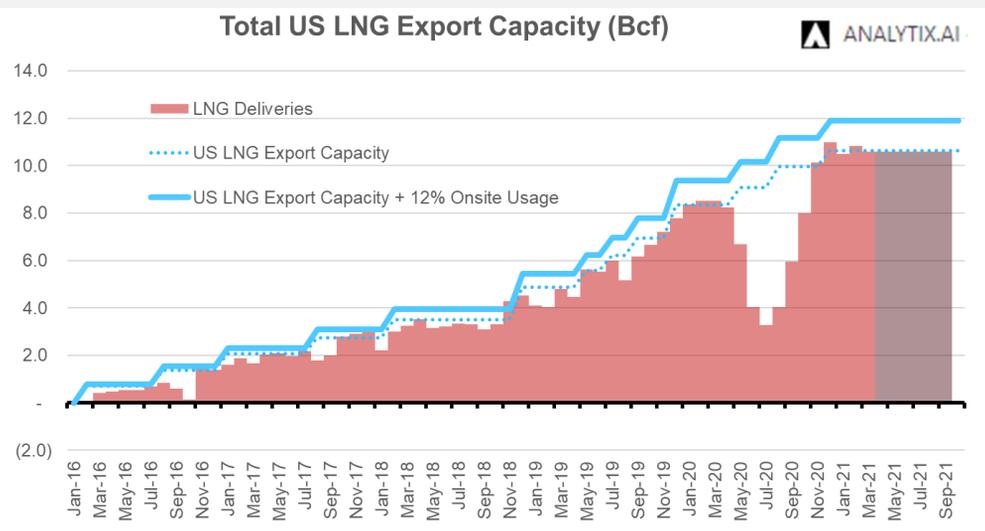
Storage levels across the continent are down 24% year-on-year to 34% capacity. This should at least support US LNG exports through the early summer period.

Latin America is another notable destination for US LNG. According to ICIS, Mexico's state buyer CFE saw US pipeline supply disruption due to the cold weather in February. This forced CFE to purchase 4 cargoes for arrival between late February and early March. Those distressed cargoes were believed to be priced around the \$8.50/MMBtu.

Argentina also launched its annual spot tender for LNG cargoes. The country is looking to buy 24 cargoes for its Escobar terminal through the May-August period. The country's domestic production can meet its needs through the summer period, but as it gets colder in Argentina and heating demand goes up, LNG is required to balance their system.

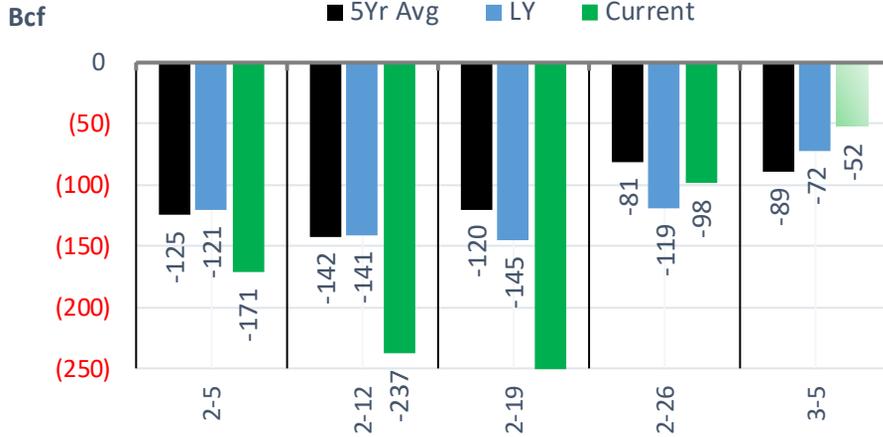
Brazil has also relied heavily on US supplies in the past, especially during low hydro years. This year the country is experiencing low hydro levels, and hence the expectation is for Brazil to be a destination for US LNG. Brazil also commissioned two new LNG terminals over the second half of 2020 that will be looking for volumes.

We expect that US LNG feedgas levels will be 10.6 Bcf/d or 85% capacity utilization over summer 2021. The LNG economics suggest the US will flow at strong levels, and prior to summer 2020, the utilization during the summer averaged between 81-84%. We used 85% to account for the strong pull from Europe this coming summer.

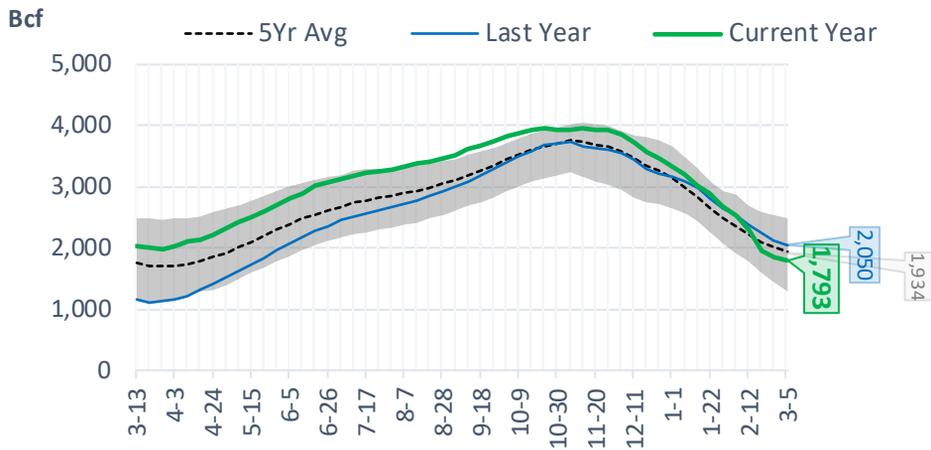


EIA Storage Report

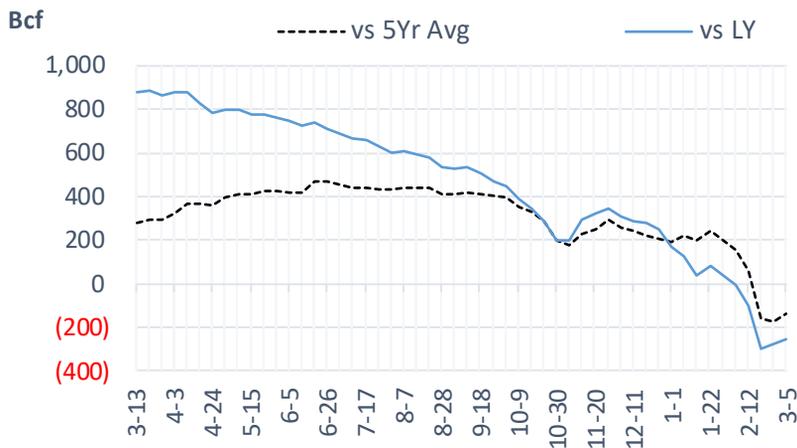
Total Lower 48 YoY Weekly Change



Total Lower 48 Storage Levels



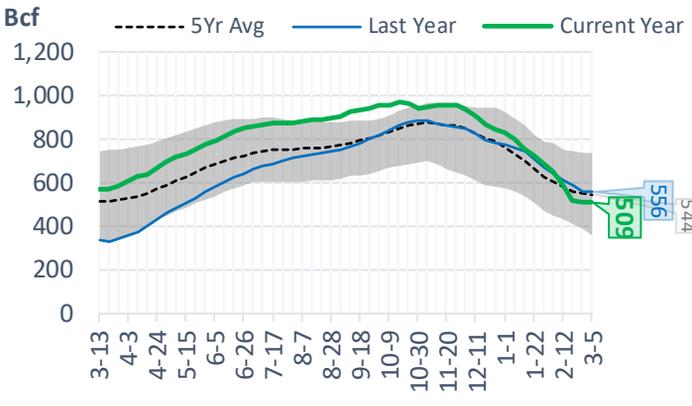
Total Lower 48 LY Surplus/Deficit



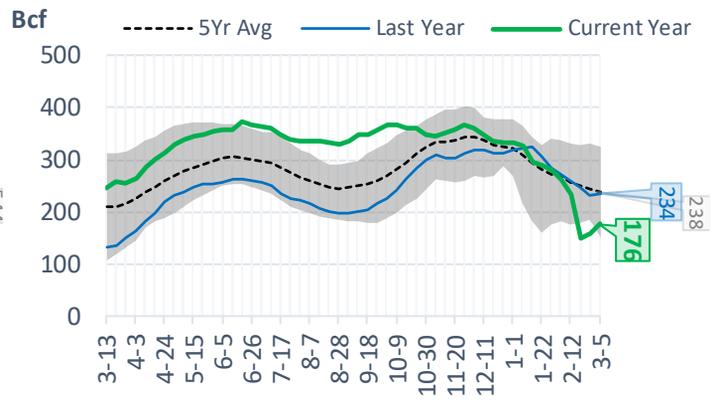
Natural Gas Storage Stats - Last 5 Weeks

Week Ending	Current 5-Mar	Week - 1 26-Feb	Week - 2 19-Feb	Week - 3 12-Feb	Week - 4 5-Feb	Week - 5 29-Jan
Total Lower 48 Storage Level	1793	1845	1943	2281	2518	2689
Weekly Change	-52	-98	-338	-237	-171	-192
vs LY	-257	-277	-298	-105	-9	+41
vs 5Yr Avg	-141	-178	-161	+57	+152	+198
S. Central Salt Storage Level	176	159	150	233	261	281
Weekly Change	+17	+9	-83	-28	-20	-7
vs LY	-58	-74	-98	-27	-11	-5
vs 5Yr Avg	-62	-86	-99	-25	-8	+9
S. Central NonSalt Storage Level	509	511	520	593	654	689
Weekly Change	-2	-9	-73	-61	-35	-37
vs LY	-47	-51	-66	-20	+13	+18
vs 5Yr Avg	-35	-41	-42	+14	+50	+60
Midwest Storage Level	440	465	508	589	666	719
Weekly Change	-25	-43	-81	-77	-53	-61
vs LY	-93	-102	-97	-66	-37	-16
vs 5Yr Avg	-33	-42	-29	+11	+40	+49
East Storage Level	350	383	424	485	529	582
Weekly Change	-33	-41	-61	-44	-53	-59
vs LY	-80	-77	-72	-54	-48	-27
vs 5Yr Avg	-32	-32	-16	+3	+4	+20
Mountain Storage Level	113	117	123	137	150	158
Weekly Change	-4	-6	-14	-13	-8	-12
vs LY	+15	+14	+12	+17	+21	+20
vs 5Yr Avg	+4	+4	+4	+12	+18	+18
Pacific Storage Level	205	210	218	244	257	261
Weekly Change	-5	-8	-26	-13	-4	-14
vs LY	+5	+13	+21	+45	+53	+51
vs 5Yr Avg	+17	+19	+21	+41	+48	+43

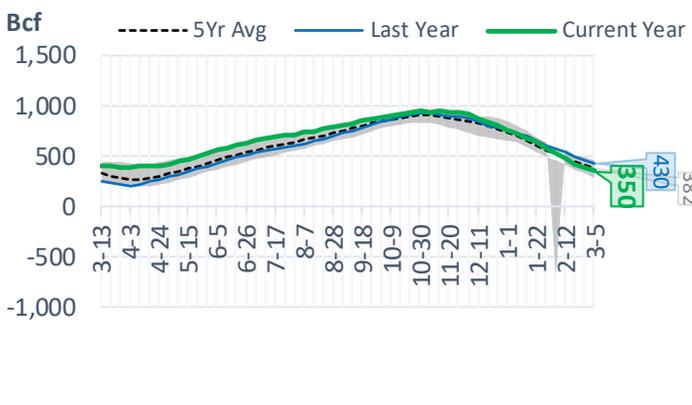
NonSalt Storage Levels



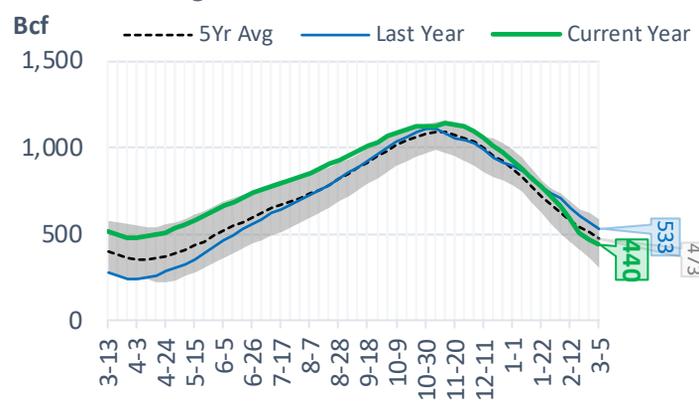
Salt Storage Levels



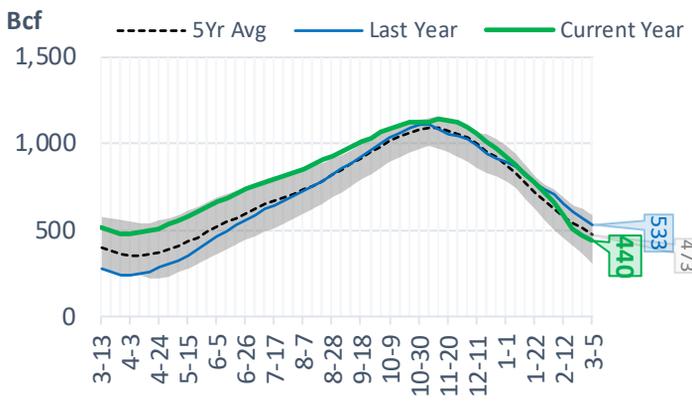
East Storage Levels



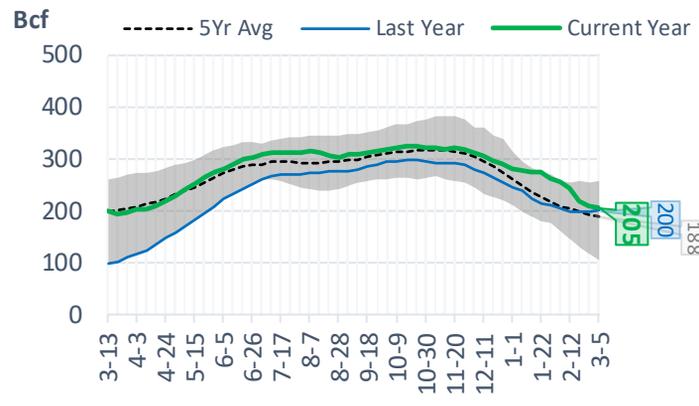
Midwest Storage Levels



Midwest Storage Levels



Pacific Storage Levels



EIA Storage Week Balances

	5-Feb	12-Feb	19-Feb	26-Feb	5-Mar	12-Mar	WoW	vs. 4W
Lower 48 Dry Production	91.2	90.6	76.9	85.0	92.5	92.3	▼-0.2	▲6.0
Canadian Imports	6.3	6.3	7.8	6.2	4.9	4.7	▼-0.1	▼-1.6
L48 Power	28.9	28.8	30.3	25.3	26.2	24.8	▼-1.4	▼-2.8
L48 Residential & Commercial	46.6	52.4	59.8	41.8	35.5	30.5	▼-4.9	▼-16.8
L48 Industrial	22.3	24.3	20.6	22.2	19.4	18.6	▼-0.8	▼-3.0
L48 Lease and Plant Fuel	5.0	5.0	4.2	4.7	5.1	5.1	▼0.0	▲0.3
L48 Pipeline Distribution	3.4	3.7	4.1	3.0	2.9	2.6	▼-0.2	▼-0.8
L48 Regional Gas Consumption	106.3	114.1	119.0	97.0	89.0	81.7	▼-7.4	▼-23.1
Net LNG Exports	10.7	10.7	4.9	7.8	10.1	10.6	▲0.5	▲2.2
Total Mexican Exports	6.2	6.4	4.9	5.6	6.1	6.5	▲0.4	▲0.7
Implied Daily Storage Activity	-25.7	-34.2	-44.1	-19.2	-7.8	-1.7	6.1	
EIA Reported Daily Storage Activity	-24.4	-33.9	-48.3	-14.0	-7.4			
Daily Model Error	-1.2	-0.4	4.2	-5.2	-0.4			

Monthly Balances

	2Yr Ago Mar-19	LY Mar-20	Jan-18	Feb-18	Jan-21	Feb-21	MTD Mar-21	MoM	vs. LY
Lower 48 Dry Production	88.7	93.7	77.0	78.7	91.1	86.1	92.2	▲6.1	▲13.5
Canadian Imports	5.1	4.1	5.9	5.2	6.3	6.4	4.9	▼-1.5	▼-0.3
L48 Power	25.7	28.3	25.3	24.5	28.7	27.9	25.8	▼-2.1	▲1.3
L48 Residential & Commercial	35.7	27.4	48.9	39.3	44.4	48.5	32.4	▼-16.1	▼-6.8
L48 Industrial	23.0	22.2	23.8	22.6	22.8	22.0	18.9	▼-3.1	▼-3.7
L48 Lease and Plant Fuel	4.9	5.2	4.3	4.4	5.0	4.7	5.1	▲0.3	▲0.7
L48 Pipeline Distribution	2.9	2.6	3.2	2.8	3.3	3.4	2.8	▼-0.7	▼-0.1
L48 Regional Gas Consumption	92.3	85.7	105.5	93.6	104.3	106.6	85.0	▼-21.6	▼-8.7
Net LNG Exports	4.8	8.5	2.2	3.0	10.5	8.4	10.5	▲2.1	▲7.5
Total Mexican Exports	4.9	5.4	4.2	4.1	6.2	5.7	6.5	▲0.8	▲2.3
Implied Daily Storage Activity	-8.1	-1.9	-29.1	-16.9	-23.5	-28.2	-4.9		
EIA Reported Daily Storage Activity									
Daily Model Error									

Source: Bloomberg, analytix.ai

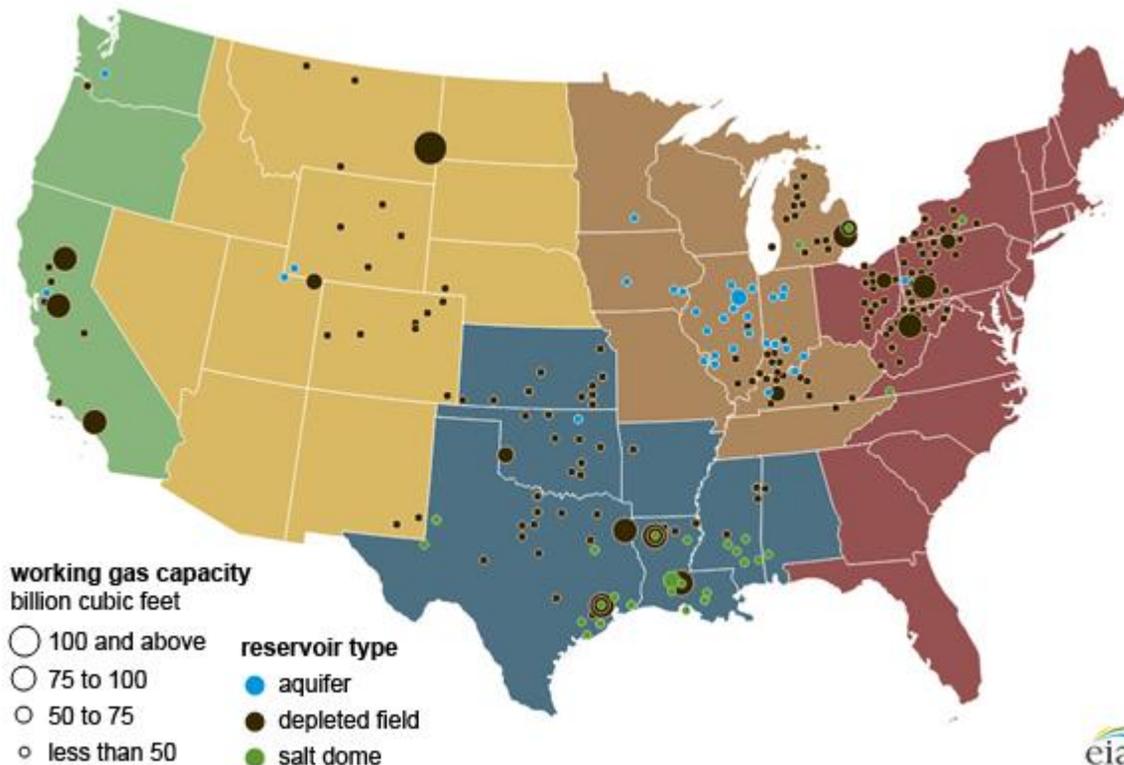
Regional S/D Models Storage Projection

Week Ending 12-Mar

	Daily Raw Storage	Daily Adjustment Factor	Daily Average Storage Activity (Adjusted) *	Weekly Adjusted Storage Activity
L48	-2.0	0.7	-1.3	-9
East	-5.2	2.7	-2.5	-18
Midwest	-1.3	-0.5	-1.8	-13
Mountain	3.8	-3.0	0.7	5
South Central	1.0	2.1	3.2	22
Pacific	-0.4	-0.5	-0.9	-6

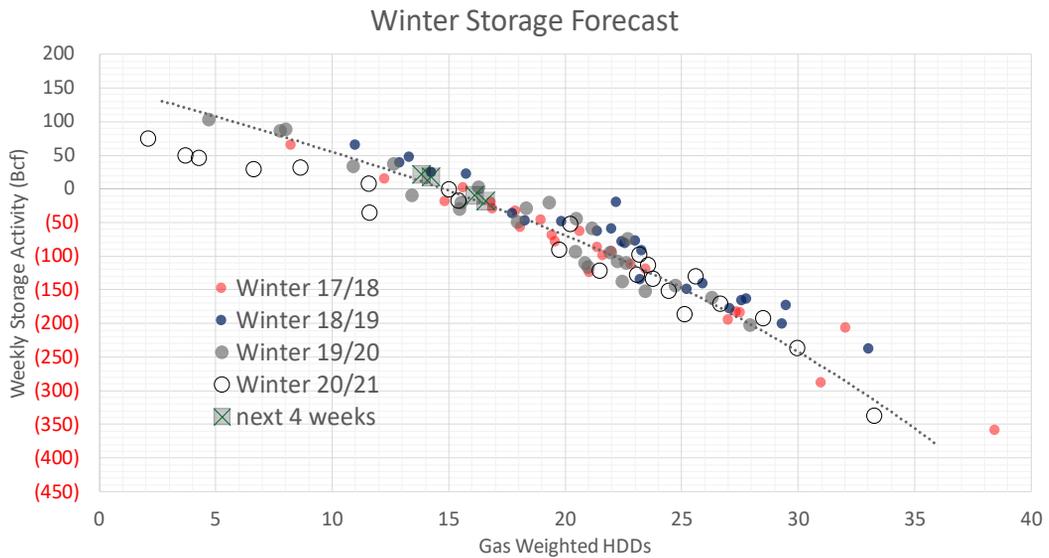
*Adjustment Factor is calculated based on historical regional deltas

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



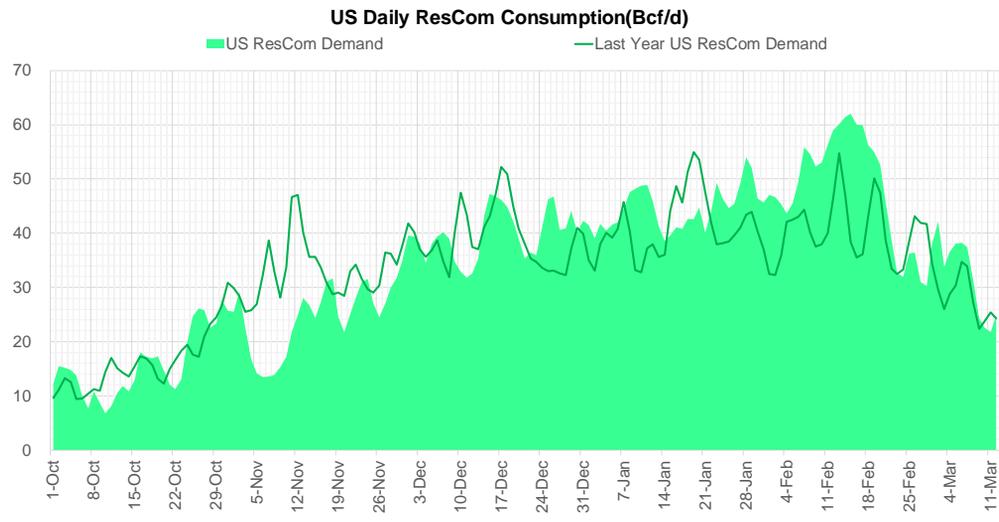
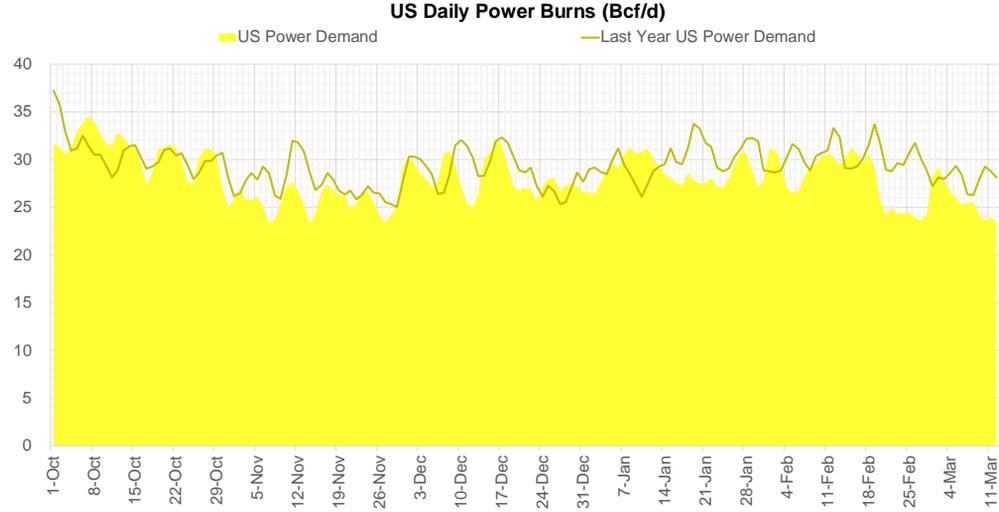
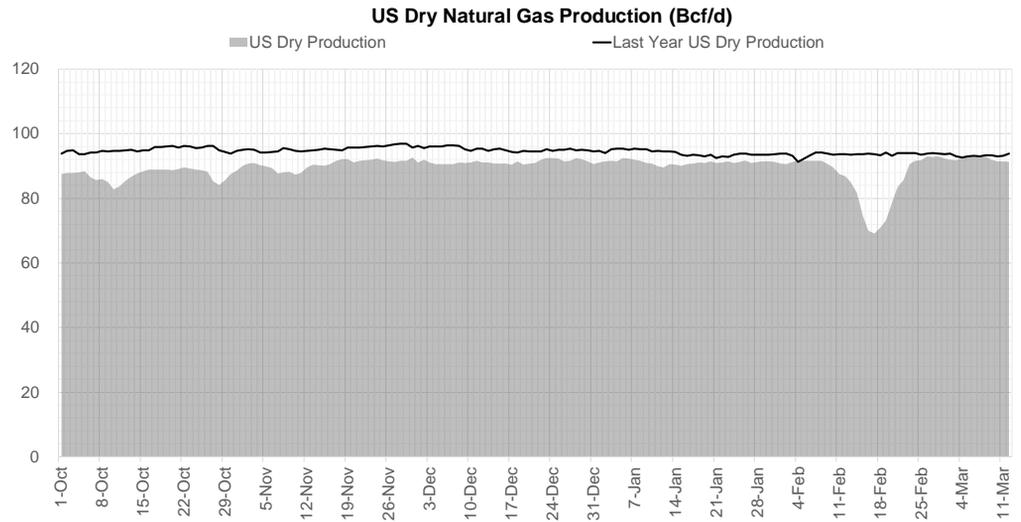
Weather Model Storage Projection

Next report and beyond		
Week Ending	Temp	Week Storage Projection
19-Mar	16.6	-17
26-Mar	14.3	19
02-Apr	13.8	22



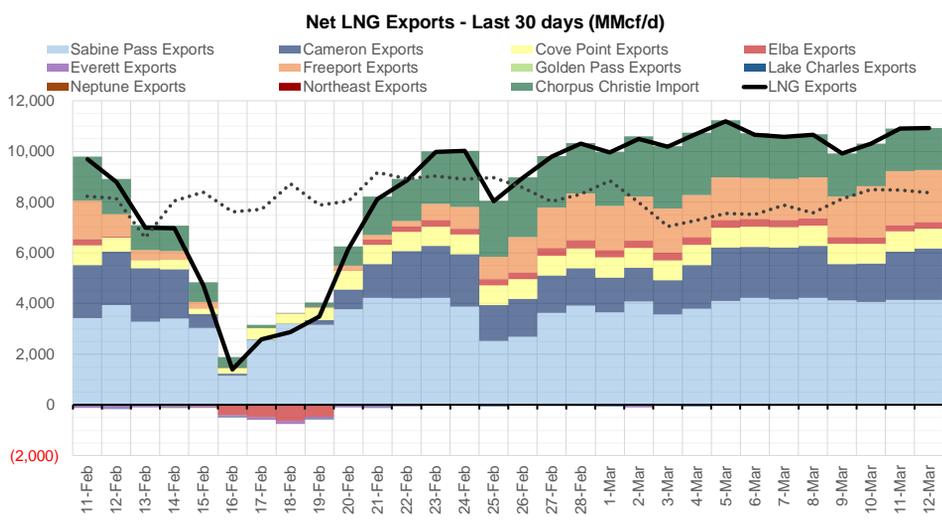
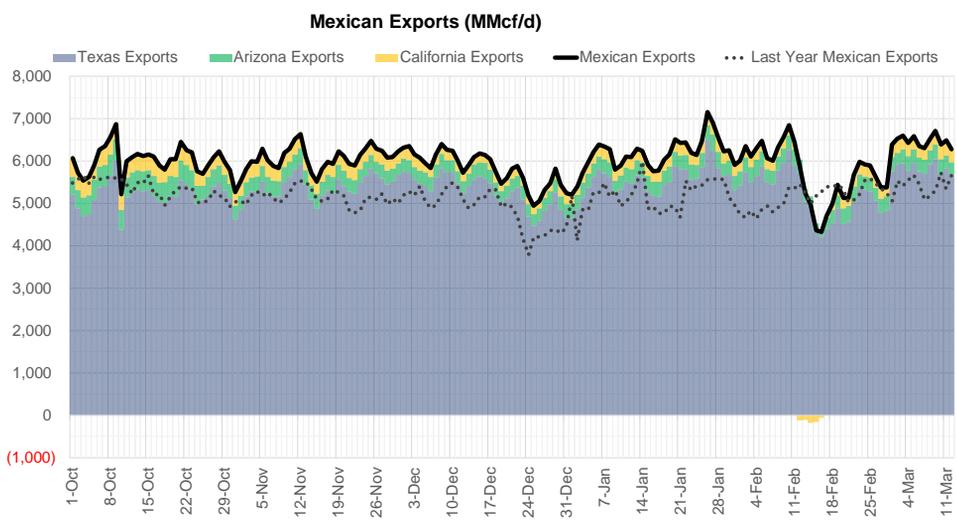
Note: this is not our official end of season forecast. This chart signifies where storage levels end with 10-year normal weather and current market tightness relative to last year

Supply – Demand Trends



Source: Bloomberg

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Source: Bloomberg

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

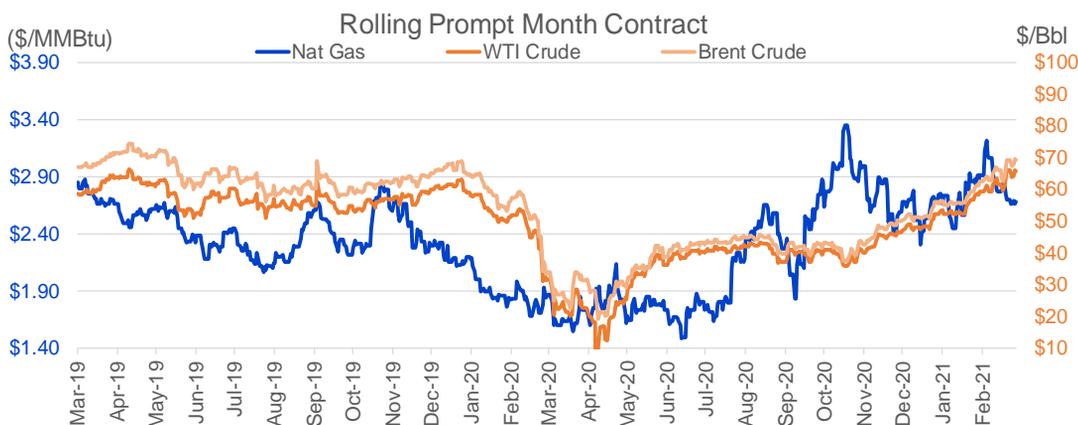
CONTRACT MONTH	CONTRACT YEAR	PUT/CALL	STRIKE	CUMULATIVE VOL	CONTRACT MONTH	CONTRACT YEAR	PUT/CALL	STRIKE	CUMULATIVE OI
4	2021	P	2.50	12223	4	2021	C	3.00	58384
4	2021	C	3.00	4644	4	2021	C	4.00	53198
4	2021	P	2.60	4549	4	2021	P	2.50	51468
4	2021	P	2.40	4440	10	2021	C	4.00	42816
4	2021	C	2.75	4387	4	2021	C	3.25	42742
8	2021	C	3.25	3509	8	2021	C	4.00	32375
4	2021	P	2.65	2649	7	2021	C	4.00	31329
5	2021	C	3.50	2310	5	2021	C	3.00	30009
4	2021	C	2.80	2242	10	2021	C	3.25	29370
8	2021	C	3.00	2211	4	2021	P	2.00	28601
5	2021	C	3.25	2037	4	2021	C	2.75	27980
4	2021	C	2.70	1929	6	2021	C	4.00	27973
5	2021	P	2.50	1896	5	2021	C	3.50	25160
4	2021	P	2.25	1874	8	2021	C	3.50	24772
10	2021	P	2.50	1700	5	2021	C	4.00	24706
5	2021	C	3.10	1671	10	2021	C	5.00	24627
4	2021	P	2.55	1554	4	2021	C	3.50	24023
5	2021	C	3.20	1503	4	2021	P	2.75	23417
4	2021	C	2.90	1290	4	2021	P	2.25	23376
4	2021	P	2.45	1219	5	2021	P	2.50	22548
4	2021	P	2.70	1203	6	2021	P	2.50	21963
6	2021	C	3.20	1132	5	2021	C	3.25	21829
10	2022	P	2.50	1100	10	2021	C	3.50	21127
4	2021	C	2.65	1061	4	2021	C	5.00	20533
6	2021	C	3.35	1054	4	2021	P	2.60	19716
7	2021	C	3.25	976	8	2021	P	2.25	19415
6	2021	P	2.75	971	5	2021	P	2.25	19311
7	2021	P	2.50	827	7	2021	C	3.50	18814
4	2021	C	2.85	819	6	2021	C	3.00	18552
6	2021	P	2.50	806	4	2022	C	3.00	17914
8	2021	P	2.50	800	6	2021	C	3.50	17827
10	2021	C	3.25	800	9	2021	P	2.00	17711
4	2022	C	5.00	800	10	2021	P	2.00	17711
5	2022	C	5.00	800	6	2021	P	2.25	17608
6	2022	C	5.00	800	11	2021	C	4.00	17550
7	2022	C	5.00	800	10	2021	C	3.00	17513
8	2022	C	5.00	800	5	2021	P	2.00	17479
9	2022	C	5.00	800	12	2021	C	4.00	17232
10	2022	C	5.00	800	6	2021	P	2.00	16448
10	2021	C	4.00	721	10	2021	P	2.50	16098
8	2021	P	2.25	701	6	2021	C	3.25	16065
11	2021	P	1.80	700	9	2021	C	3.50	15496
12	2021	P	1.80	700	4	2021	C	2.50	15252
1	2022	P	2.25	600	7	2021	P	2.00	15131
3	2022	P	2.25	600	7	2021	C	3.25	15060
5	2021	C	2.90	586	4	2021	C	3.75	15049
8	2021	C	3.50	575	8	2021	P	2.00	15003
7	2021	C	3.75	570	9	2021	C	3.25	13816
10	2021	C	3.50	550	8	2021	P	2.5	13768.25

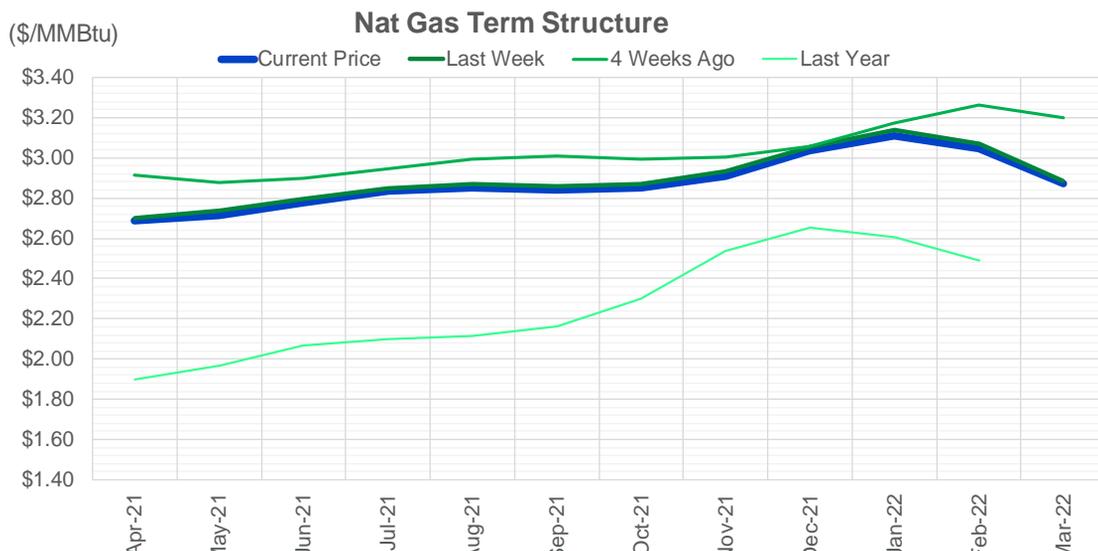
Source: CME, Nasdaq, ICE

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
APR 21	126847	139741	-12894	APR 21	91950	96082	-4133
MAY 21	225125	222986	2139	MAY 21	90152	92690	-2538
JUN 21	91764	89542	2222	JUN 21	71208	71127	82
JUL 21	85619	83485	2134	JUL 21	74776	74800	-25
AUG 21	49664	50398	-734	AUG 21	77262	77534	-272
SEP 21	102625	101360	1265	SEP 21	69357	69538	-182
OCT 21	129865	127917	1948	OCT 21	86426	87356	-930
NOV 21	66335	65587	748	NOV 21	56540	56370	171
DEC 21	46548	46213	335	DEC 21	57512	57554	-42
JAN 22	53676	53759	-83	JAN 22	57150	57065	85
FEB 22	19733	19971	-238	FEB 22	41397	41173	224
MAR 22	42853	42624	229	MAR 22	46873	46630	243
APR 22	41091	40773	318	APR 22	44085	44079	6
MAY 22	18928	18893	35	MAY 22	36867	36722	145
JUN 22	12406	12234	172	JUN 22	35138	35015	124
JUL 22	7801	7499	302	JUL 22	35625	35484	142
AUG 22	8327	8181	146	AUG 22	34371	34247	124
SEP 22	8673	8311	362	SEP 22	35209	35103	107
OCT 22	18963	19035	-72	OCT 22	41657	41563	94
NOV 22	8496	8457	39	NOV 22	32596	32442	154
DEC 22	8694	8580	114	DEC 22	37912	37721	192
JAN 23	6104	5998	106	JAN 23	20508	20486	22
FEB 23	2408	2362	46	FEB 23	18782	18756	26
MAR 23	4209	4191	18	MAR 23	20539	20516	23
APR 23	4860	5541	-681	APR 23	16730	16738	-9
MAY 23	3484	2842	642	MAY 23	15911	15893	18
JUN 23	1043	1033	10	JUN 23	15353	15338	15
JUL 23	996	993	3	JUL 23	15045	15061	-16
AUG 23	768	758	10	AUG 23	15387	15403	-16
SEP 23	603	596	7	SEP 23	14627	14610	18

Source: CME, ICE





	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Current Price	\$2.685	\$2.716	\$2.776	\$2.833	\$2.852	\$2.840	\$2.853	\$2.911	\$3.034	\$3.111	\$3.048	\$2.872
Last Week	\$2.701	\$2.739	\$2.793	\$2.846	\$2.869	\$2.859	\$2.871	\$2.935	\$3.053	\$3.137	\$3.069	\$2.885
vs. Last Week	-\$0.016	-\$0.023	-\$0.017	-\$0.013	-\$0.017	-\$0.019	-\$0.018	-\$0.024	-\$0.019	-\$0.026	-\$0.021	-\$0.013
4 Weeks Ago	\$2.912	\$2.876	\$2.900	\$2.945	\$2.993	\$3.007	\$2.994	\$3.006	\$3.059	\$3.173	\$3.261	\$3.199
vs. 4 Weeks Ago	-\$0.227	-\$0.160	-\$0.124	-\$0.112	-\$0.141	-\$0.167	-\$0.141	-\$0.095	-\$0.025	-\$0.062	-\$0.213	-\$0.327
Last Year	\$1.869	\$1.901	\$1.968	\$2.065	\$2.101	\$2.115	\$2.163	\$2.302	\$2.536	\$2.652	\$2.608	\$2.492
vs. Last Year	\$0.816	\$0.815	\$0.808	\$0.768	\$0.751	\$0.725	\$0.690	\$0.609	\$0.498	\$0.459	\$0.440	\$0.380

	Units	Current Price	vs. Last Week	vs. 4 Weeks Ago	vs. Last Year
NatGas Jan21/Apr21	\$/MMBtu	0.218	▼ -0.016	▼ -0.191	▲ 0.659
NatGas Mar21/Apr21	\$/MMBtu	-0.169	▼ -0.016	▼ -0.205	▼ -0.450
NatGas Oct21/Nov21	\$/MMBtu	0.058	▼ -0.006	▲ 0.005	▲ 0.000
NatGas Apr21/Oct21	\$/MMBtu	0.168	▲ 0.572	▲ 0.707	▼ -0.200
WTI Crude	\$/Bbl	65.80	▼ -0.290	▲ 6.330	▲ 34.070
Brent Crude	\$/Bbl	69.44	▲ 0.080	▲ 7.010	▲ 35.590
Fuel Oil, NY Harbour 1%	\$/Bbl	97.18	▲ 0.000	▲ 0.000	▲ 0.000
Heating Oil	cents/Gallon	196.19	▲ 1.790	▲ 19.050	▲ 82.450
Propane, Mt. Bel	cents/Gallon	0.94	▼ -0.028	▲ 0.062	▲ 0.611
Ethane, Mt. Bel	cents/Gallon	0.22	▲ 0.012	▼ -0.054	▲ 0.083
Coal, PRB	\$/MTon	12.30	▲ 0.000	▲ 0.000	▲ 0.000
Coal, PRB	\$/MMBtu	0.70			

Source: CME, Bloomberg

Baker Hughes Rig Counts

Rotary Rig Count						Baker Hughes 
3/12/2021						
U.S. Breakout Information	This Week	+/-	Last Week	+/-	Year Ago	
Oil	309	-1	310	-374	683	
Gas	92	0	92	-15	107	
Miscellaneous	1	0	1	-1	2	
Directional	15	-1	16	-33	48	
Horizontal	362	0	362	-351	713	
Vertical	25	0	25	-6	31	
Canada Breakout	This Week	+/-	Last Week	+/-	Year Ago	
Oil	58	-22	80	-57	115	
Gas	58	-3	61	-2	60	
Major Basin Variances	This Week	+/-	Last Week	+/-	Year Ago	
Ardmore Woodford	0	0	0	-4	4	
Arkoma Woodford	0	0	0	-1	1	
Barnett	1	0	1	0	1	
Cana Woodford	11	2	9	-8	19	
DJ-Niobrara	7	0	7	-13	20	
Eagle Ford	29	0	29	-39	68	
Granite Wash	0	0	0	-2	2	
Haynesville	45	-1	46	2	43	
Marcellus	30	-1	31	-9	39	
Mississippian	0	0	0	-2	2	
Permian	212	1	211	-206	418	
Utica	9	2	7	0	9	
Williston	12	-1	13	-40	52	