



Competitive Energy Services Weekly Market Summary

July 23 - 27, 2018

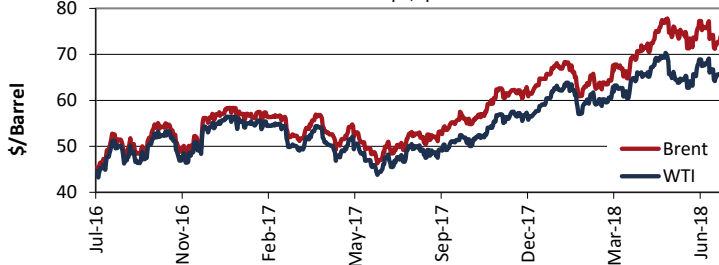
Synopsis of Last Week's Energy Markets

Crude oil prices climbed last week on increased tension between the US and Iran and also between Saudi Arabia and Iran. Iran threatened to block a key shipping channel, while Saudi Arabia suspended shipments through another shipping channel due to attacks. Natural gas also climbed last week. A warmer-than-normal August is projected to boost gas demand for power generation at a time when stocks are already touching the 5-year historical low for this time of year.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

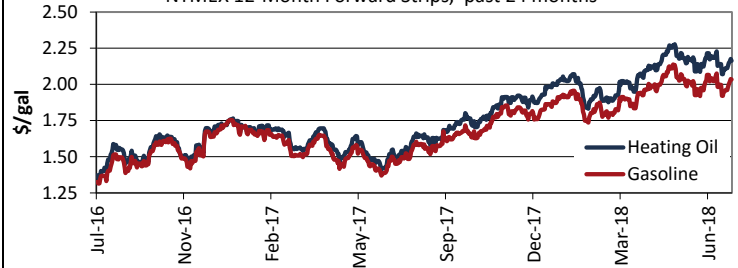


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$66.32	\$63.49	\$70.12	\$43.04
date	7/27/18	1/24/18	5/21/18	8/2/16
change from last close		4.5%	-5.4%	54%

US STORAGE (in million bbls)	crude oil
domestic stocks as of	7/20/18
	405
gain / loss from previous week	-6.1
comparison to historic range	within

Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

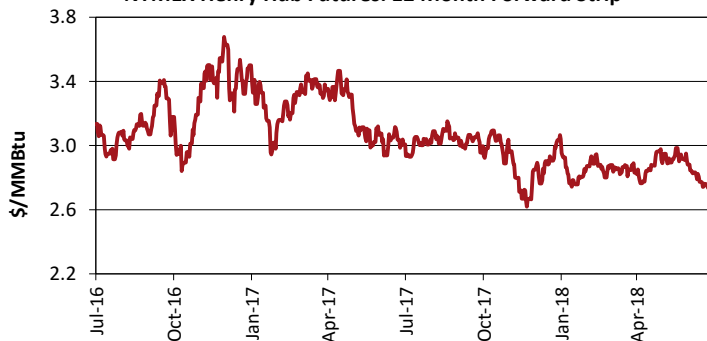


NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$2.16	\$2.06	\$2.28	\$1.34
date	7/27/18	1/24/18	5/23/18	8/2/16
change from last close		4.9%	-5%	61%

US STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of	7/20/18		
	121	64	234
gain / loss from previous week	-0.1	-0.8	-2.3
comparison to historic range	below	within	within

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip



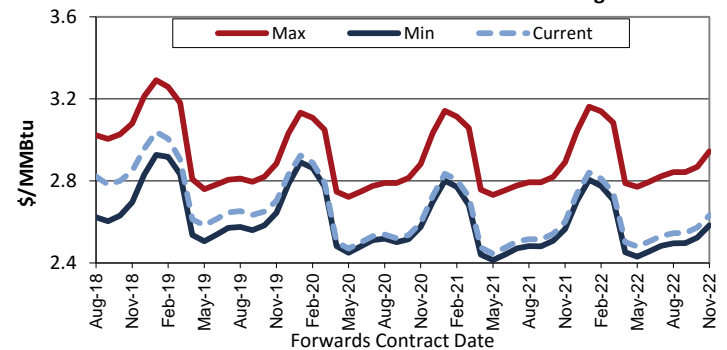
NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.80	\$2.99	\$3.70	\$2.61
date	7/27/18	1/24/18	12/28/16	12/21/17
change from last close		-6.2%	-24%	7%

CES SCORE

12 month	66
18 month	69
24 month	75
36 month	80

The Score provides a measure of how current prices compare to their 52-week range. A score close to 0 indicates that current prices are close to their 52-week highs; a score close to 100 indicates that current prices are close to their 52-week lows.

NYMEX Natural Gas Forwards vs. 1 Year Range



FORWARDS	12 month	18 month	24 month	36 month
strip (\$/MMBtu)	\$2.80	\$2.78	\$2.74	\$2.69

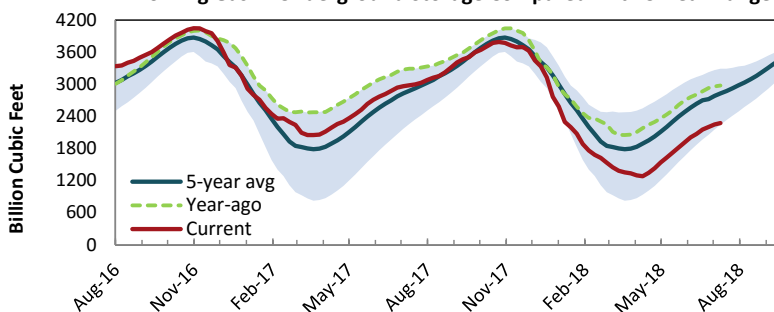
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 months.



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Natural Gas Storage

Working Gas in Underground Storage Compared With 5-Year Range



This chart shows the amount of natural gas in storage at each point in time (red line) compared to the highest, lowest, and average amounts in the past 5 calendar years.

EIA Storage Data	date	Bcf	+/-
Previous Stock Level	7/13/18	2,249	
Most Recent Stock Level	7/20/18	2,273	
Year-ago Stock Level		2,978	-23.7%
5-Year Average Stock Level		2,830	-19.7%
Most Recent Net Change	7/20/18	24	
Year-Ago Net Change		19	26%
5-Year Average Net Change		46	-48%

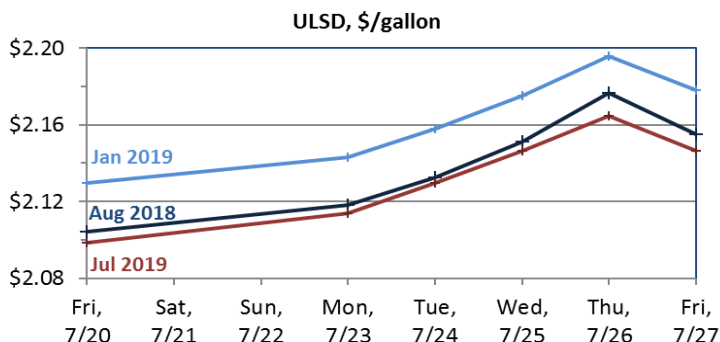
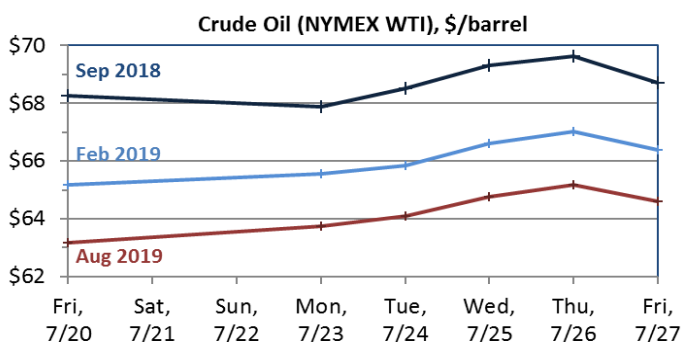
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

NYMEX Futures Summary Statistics

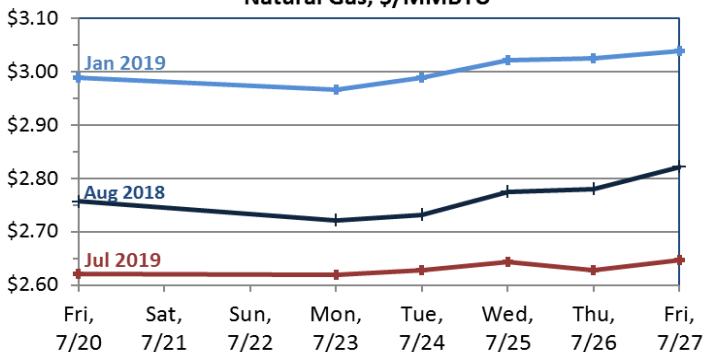
	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Next Winter Avg (Nov18-Mar19)
Crude oil	Aug-18	7/20/18	\$70.46	Sep-18	\$68.69	Sep-18	\$68.69	Aug-19	\$64.59	\$66.71
Heating oil	Jul-18	6/29/18	\$2.21	Aug-18	\$2.16	Jan-19	\$2.18	Jun-19	\$2.14	\$2.17
Natural gas	Jul-18	6/27/18	\$3.00	Aug-18	\$2.76	Jan-19	\$2.99	May-19	\$2.56	\$2.95

NYMEX End-of-Day Settlements



Prompt month crude was steady last week but outer-months futures climbed. On Monday near-term futures fell, diverging from the outer-month futures. Tensions between the US and Iran grew as threats were traded back and forth. Iran threatened to close the S trait of Hormuz, an important passageway for crude oil shipments out of Persian Gulf on the Eastern side of the Arabian Peninsula. President Trump tweeted at Iran's president to "NEVER, EVER THREATEN THE UNITED STATES AGAIN..." On the Western side of the Arabian Peninsula, two Saudi crude oil tankers were attacked in the Red Sea. Although damage was minimal, the state-owned oil company, Saudi Aramco, announced it was suspending shipments through the Bab al-Mandeb strait, the outlet from the Red Sea.

Natural Gas, \$/MMBTU

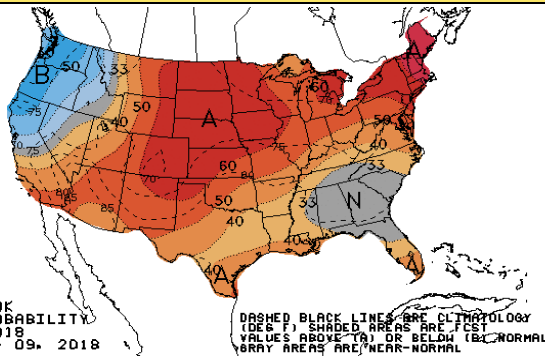


Near-term natural gas contracts fell on Monday and then rose the remainder of the week. Gas prices gained on forecasts for above-average temperatures for the month of August across the US, increasing gas demand for power generation. Texas experienced a week-long heat wave which ended last Monday with new record for power demand, nearing 75,000 MW for the state's electrical grid. The EIA has reported below-expected injections into storage for the past three weeks, adding to the bullish sentiment. Natural gas stocks are touching lowest levels for this time of the year compared to the past 5 years.

The National Weather Service near-term forecast calls for above-normal temperatures for almost all of the US except the Northwest. The natural gas market scores on page 1 declined from the previous week. Clients with electricity or natural gas contracts expiring in 2018 should consult with a CES representative for customized guidance.

National Weather Service Forecast

6 - 10 Day Forecast for Aug 5 - 9



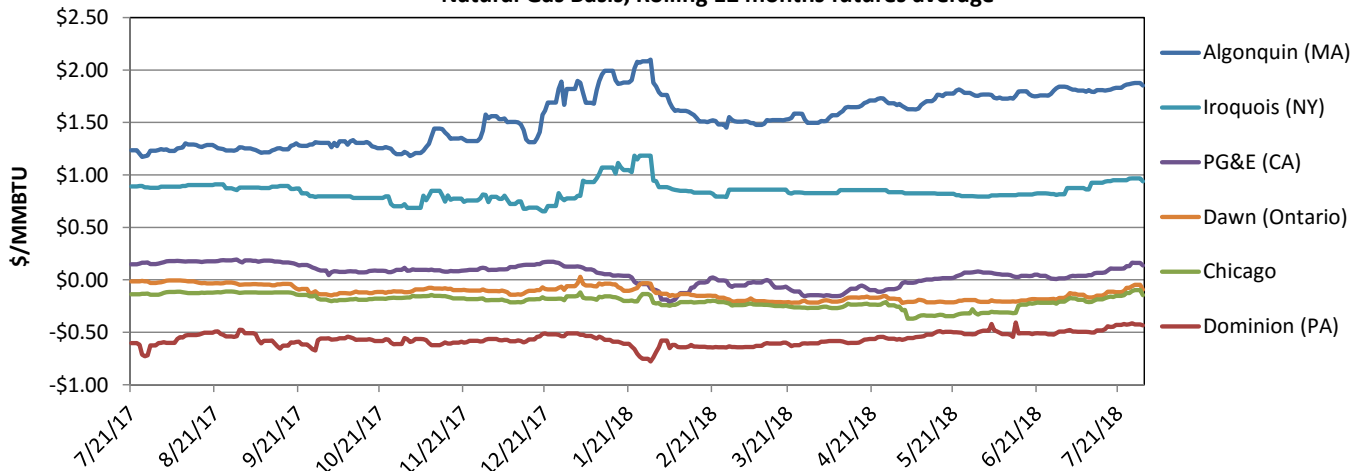
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase the price for natural gas, oil, and electricity.

Source: Chart from the National Weather Service Climate Prediction

Natural Gas Basis Futures

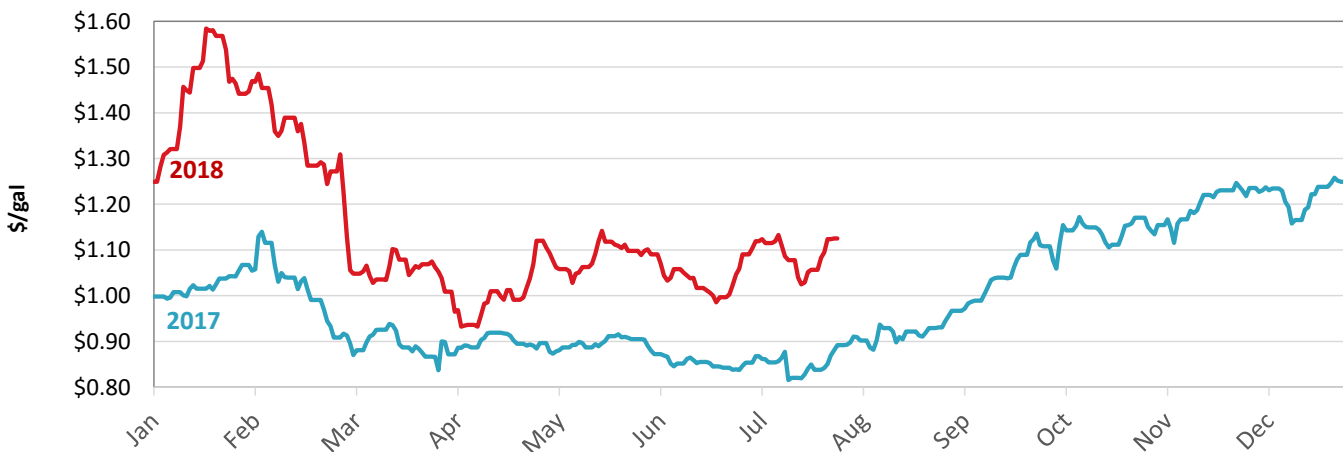
Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated by adding the basis price for the appropriate liquidity point to the NYMEX futures contract. Basis prices can be negative (indicating that natural gas at a liquidity point is cheaper than at the Henry Hub) or positive (indicating that natural gas at a different liquidity point is more expensive than at the Henry Hub). Basis prices are a key component of regional electricity and natural gas costs.

Natural Gas Basis, Rolling 12 months futures average



Propane

Spot propane price for Northeast US



Spot Prices

		Spot Prices								
		New England ISO Real Time Power Pricing By Zone (\$/MWh)								
		7/23/18	7/24/18	7/25/18	7/26/18	7/27/18	7/28/18	7/29/18	Avg	
Power (\$/MWh)	Maine RT On Pk	48	40	38	29	33			38	
	Maine RT Off Pk	25	24	26	20	16	34	24	24	
	NH RT On Pk	48	42	39	30	33			38	
	NH RT Off Pk	25	25	27	21	16	34	24	25	
	Vermont RT On Pk	48	42	39	31	33			39	
	Vermont RT Off Pk	26	25	27	21	16	34	24	25	
	Connecticut RT On Pk	48	42	39	30	33			38	
	Connecticut RT Off Pk	26	25	27	21	16	34	24	25	
	Rhode Island RT On Pk	47	41	39	30	33			38	
	Rhode Island RT Off Pk	25	25	27	21	16	34	24	24	
	NE Mass RT On Pk	48	41	39	30	33			38	
	NE Mass RT Off Pk	25	25	27	21	16	35	24	25	
	SE Mass RT On Pk	48	41	39	30	33			38	
	SE Mass RT Off Pk	25	25	27	21	16	35	24	25	
	WC Mass RT On Pk	48	42	39	30	33			38	
	WC Mass RT Off Pk	26	25	27	21	16	34	24	25	
			New York ISO Real Time Power Pricing By Zone (\$/MWh)							Avg
	Capital RT On Pk	53	49	40	29	29			40	
	Capital RT Off Pk	29	26	27	21	19	31	25	25	
	Central RT On Pk	51	47	38	29	27			38	
	Central RT Off Pk	28	25	25	19	18	27	23	24	
	Hudson RT On Pk	54	50	40	30	27			40	
	Hudson RT Off Pk	29	27	27	21	19	31	25	26	
	Mohawk RT On Pk	52	48	39	29	27			39	
	Mohawk RT Off Pk	28	25	26	20	18	28	23	24	
	Milwood RT On Pk	54	50	40	30	33			41	
	Milwood RT Off Pk	29	27	27	21	19	31	25	26	
	NYC RT On Pk	54	51	41	33	40			44	
NYC RT Off Pk	30	27	31	21	21	35	27	27		
		PJM Real Time Power Pricing By Zone (\$/MWh)							Avg	
Eastern Hub On Pk	71	43	35	36	36			44		
Eastern Hub Off Pk	22	24	23	21	21	21	21	22		
Western Hub On Pk	45	42	36	36	36			39		
Western Hub Off Pk	21	24	23	21	21	21	21	22		
PPL Zone On Pk	44	41	34	35	35			38		
PPL Zone Off Pk	21	23	22	20	20	20	20	21		
AEP RT On Pk	43	39	33	33	33			36		
AEP RT Off Pk	21	23	22	20	20	20	20	21		
Chicago RT On Pk	42	39	33	30	30			35		
Chicago RT Off Pk	20	22	21	20	20	20	20	21		
New Jersey Hub On Pk	45	42	34	35	35			38		
New Jersey Hub Off Pk	21	23	23	21	21	21	21	21		
		California ISO Real Time Power Pricing (\$/MWh)							Avg	
SoCal Edison RT On Pk	80	216	83	73	70			104		
SoCal Edison RT Off Pk	29	60	57	70	61	39	56	53		
Natural Gas \$/MMBtu		7/23/18	7/24/18	7/25/18	7/26/18	7/27/18	7/28/18	7/29/18	Avg	
	Henry Hub, LA	2.70	2.72	2.77	2.78	2.78			2.75	
	TZ6, MA	2.74	2.94	2.77	3.12	2.68			2.85	
	Algonquin, MA	2.82	2.75	2.84	2.98	2.81			2.84	
	Chicago Hub, IL	2.67	2.66	2.70	2.70	2.64			2.67	
	New York, NY	2.50	2.50	2.56	2.61	2.52			2.54	
	Dominion South, PA	2.49	2.49	2.39	2.44	2.39			2.44	
	Opal Hub, WY	2.53	2.50	2.52	2.50	2.48			2.51	
	PG&E Citygate, CA	3.16	3.08	3.18	3.14	3.15			3.14	