



Competitive Energy Services Weekly Market Summary

August 13 - 17, 2018

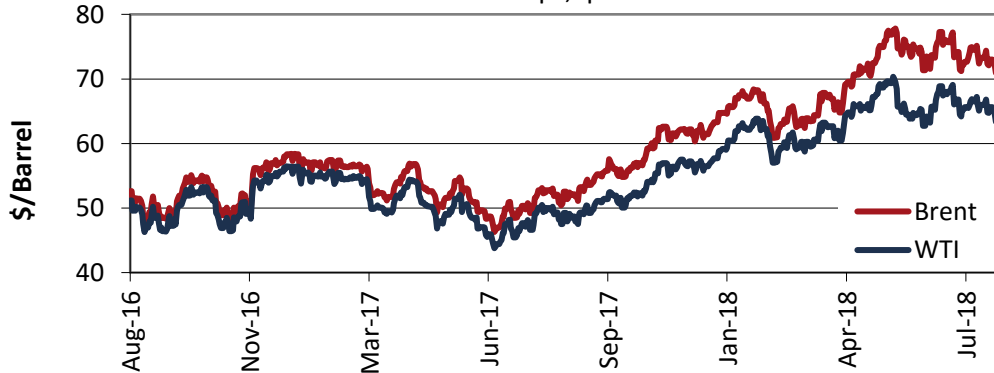
Synopsis of Last Week's Energy Markets

Crude oil prices continued its trajectory downward for a third week. International economic sentiment is bearish right now as Turkey is experiencing a currency crisis, while the United States and China continue to add items that will be subjected to import tariffs. Natural gas prices saw little weekly change despite news of a widening storage deficit. Despite record-high production, inventory levels are at the lowest levels in the past five years.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

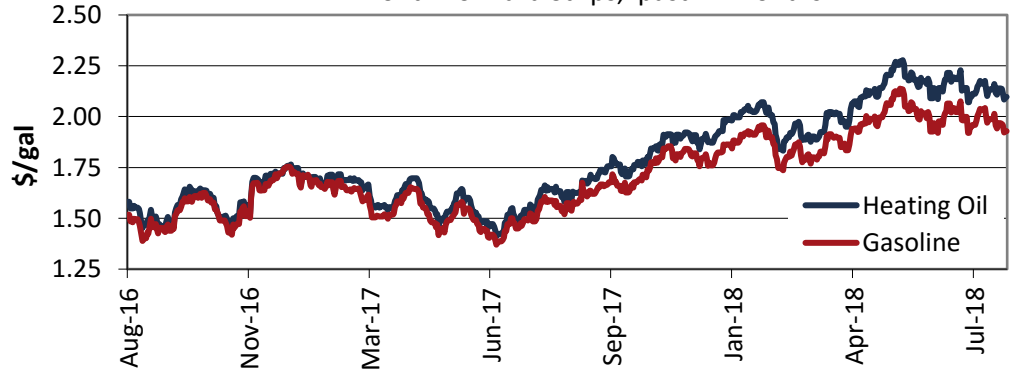


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$64.11	\$63.49	\$70.12	\$43.82
date	8/17/18	1/24/18	5/21/18	6/21/17
change from last close		1.0%	-8.6%	46%

US STORAGE (in million bbls)	crude oil
domestic stocks as of 8/10/18	414
gain / loss from previous week	6.8
comparison to historic range	within

Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

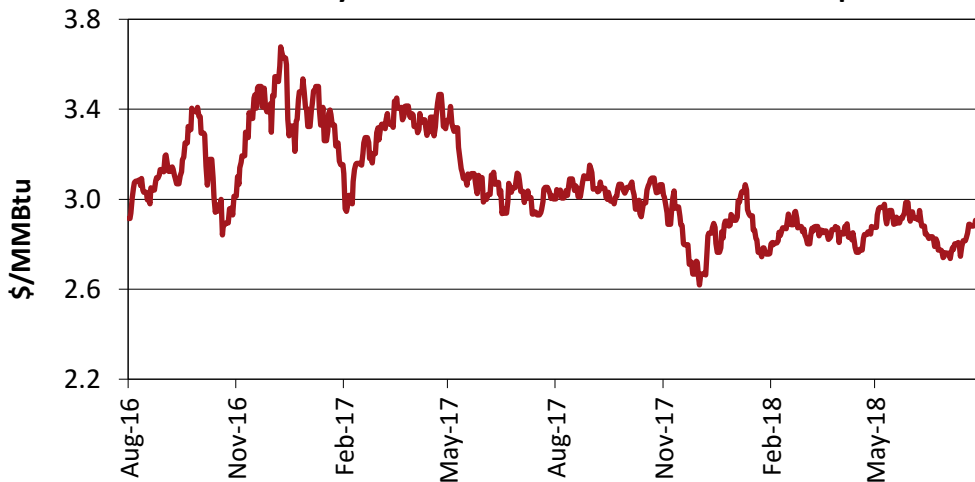


NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$2.10	\$2.06	\$2.28	\$1.41
date	8/17/18	1/24/18	5/23/18	6/21/17
change from last close		1.9%	-8%	49%

US STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 8/10/18	129	70	233
gain / loss from previous week	3.6	3.4	-0.7
comparison to historic range	within	within	within

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip



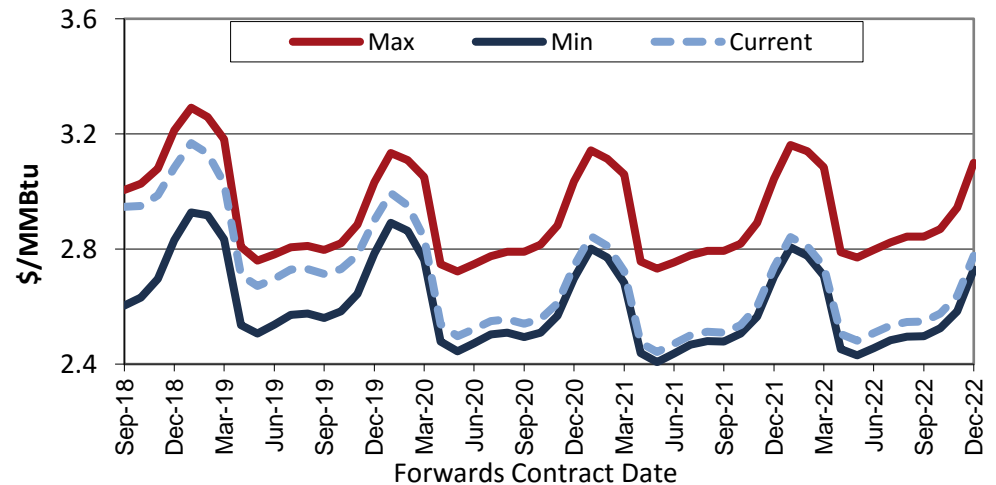
NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.90	\$2.99	\$3.70	\$2.61
date	8/17/18	1/24/18	12/28/16	12/21/17
change from last close		-2.8%	-21%	11%

CES SCORE

12 month	32
18 month	37
24 month	48
36 month	61

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



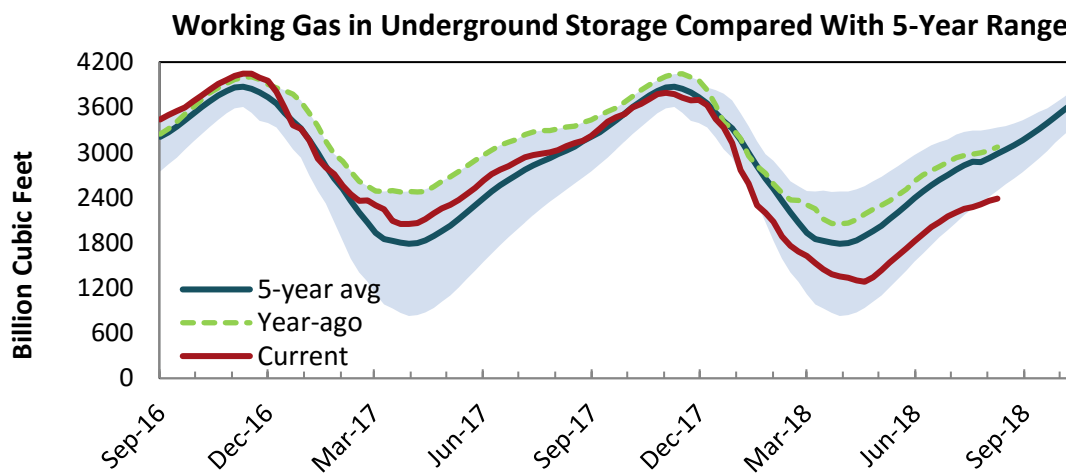
FORWARDS	12 month	18 month	24 month	36 month
strip (\$/MMBtu)	\$2.90	\$2.88	\$2.81	\$2.74

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



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	8/3/18	2,354	
Most Recent Stock Level	8/10/18	2,387	
Year-ago Stock Level		3,074	-22.3%
5-Year Average Stock Level		2,982	-20.0%
Most Recent Net Change	8/10/18	33	
Year-Ago Net Change		49	-33%
5-Year Average Net Change		56	-41%

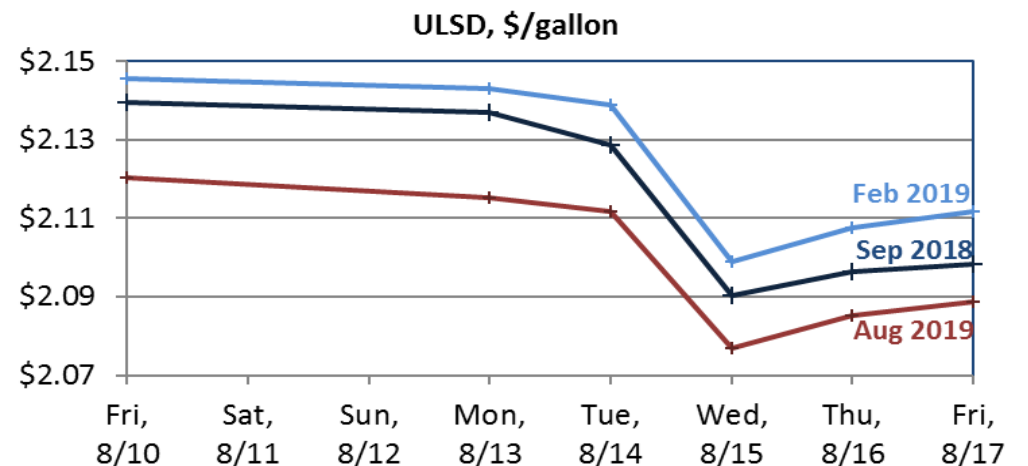
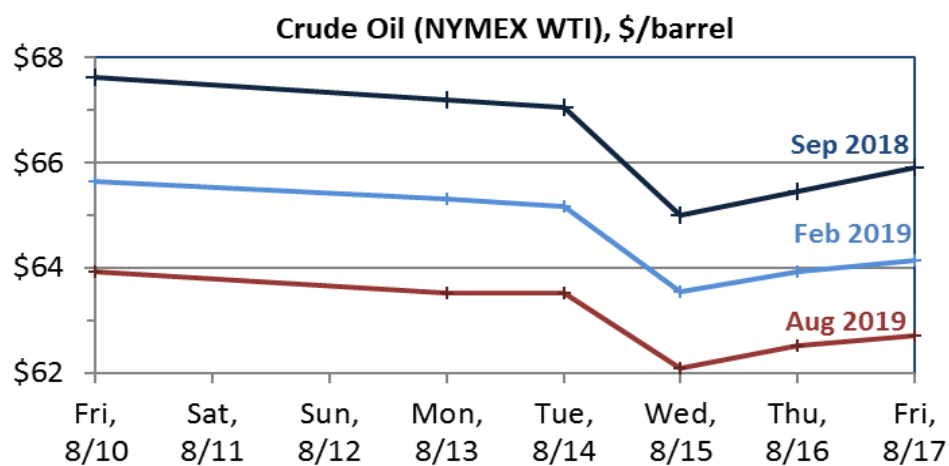
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

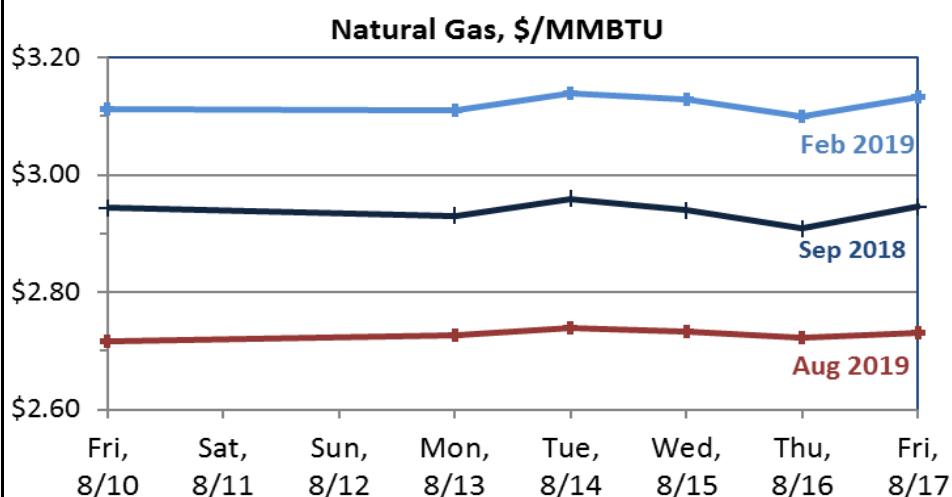
NYMEX Futures Summary Statistics

	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	\$65.91	Sep-18	\$65.91	Aug-19	\$62.72	\$64.42
Heating oil	Aug-18	7/31/18	\$2.13	Sep-18	\$2.10	Jan-19	\$2.11	Jun-19	\$2.08	\$2.11
Natural gas	Aug-18	7/27/18	\$2.82	Sep-18	\$2.95	Jan-19	\$3.17	May-19	\$2.67	\$3.08

NYMEX End-of-Day Settlements



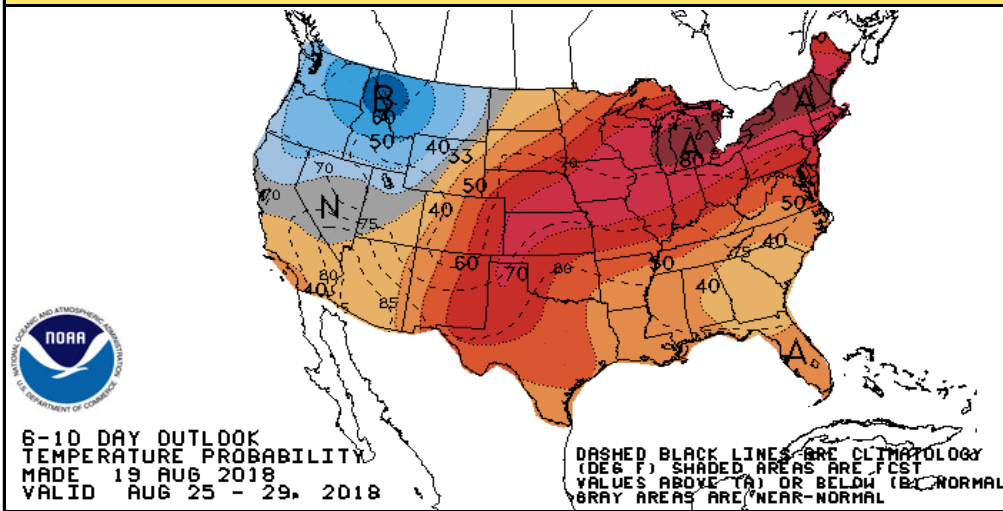
Crude oil prices fell for a third straight week. Domestically, the EIA reported an unexpectedly large gain in US crude oil stocks. Although the US refining rate is at an all-time high of 18M barrels per day, stocks gained as imports rose and exports dipped. Internationally, Turkey is on the brink of a financial crisis which may have a domino effect on other emerging markets. Turkey is facing economic sanctions and tariffs from the US in a diplomatic dispute over an American pastor who has been detained for two years on terrorism charges. The US-China trade war is also continuing to weigh on global economic sentiment and impact crude oil prices; Chinese importers stopped purchasing US crude oil early in August in the event that the Chinese government adds crude oil to the tariff list.



Natural gas prices saw little change week-over-week after an impressive three-week rally that has brought prices for winter 2018-19 contracts above the \$3/MMBtu mark. Despite rising winter prices, the 12-month strip remains at \$2.90/MMBtu, well within the tight trading range that has held since the beginning of the year. EIA-reported storage levels have fallen below the recent 5-year range and as of last week were 20% behind the 5-year average. This deficit has been widening steadily throughout the summer, as high temperatures and strong power burn demand have outweighed impressive gains in production. Expectations that new pipeline infrastructure will allow production to expand have kept prices in check, despite tight storage conditions.

The National Weather Service near-term forecast calls for above-normal temperatures for almost all of the US except for 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 25 - 29

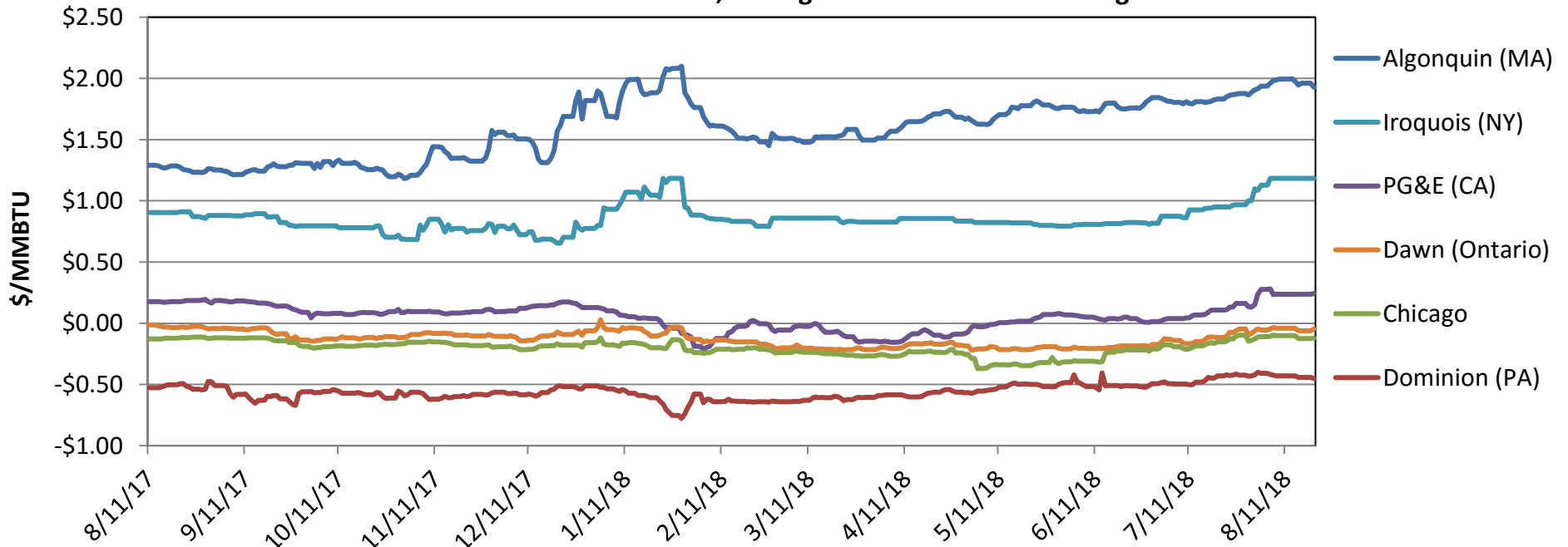
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase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

Source: Chart from the National Weather Service Climate Prediction

Natural Gas Basis Futures

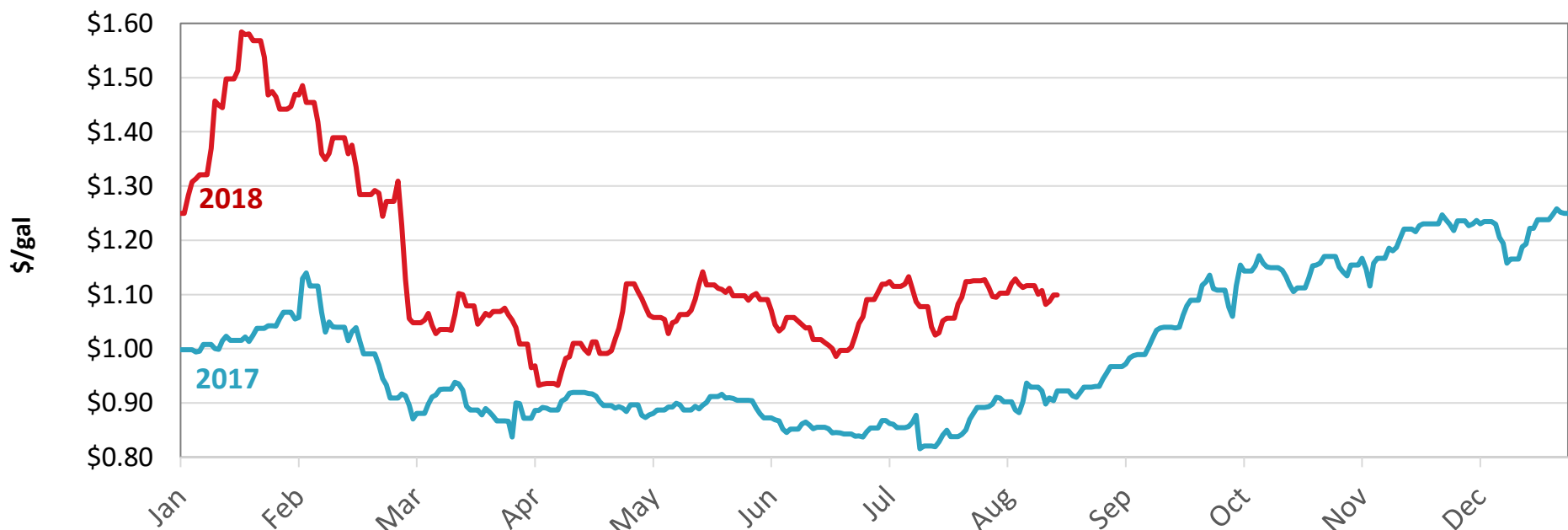
Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated 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							
Power (\$/MWh)	New England ISO Real Time Power Pricing By Zone (\$/MWh)								Avg
	8/13/18	8/14/18	8/15/18	8/16/18	8/17/18	8/18/18	8/19/18		
	Maine RT On Pk	27	34	35	35	40			34
	Maine RT Off Pk	23	3	26	28	29	32	25	24
	NH RT On Pk	27	35	36	36	41			35
	NH RT Off Pk	23	3	26	28	29	33	25	24
	Vermont RT On Pk	27	34	35	35	40			34
	Vermont RT Off Pk	23	3	25	28	29	33	25	24
	Connecticut RT On Pk	27	34	35	35	41			34
	Connecticut RT Off Pk	23	3	25	27	29	33	25	24
	Rhode Island RT On Pk	27	34	35	35	41			34
	Rhode Island RT Off Pk	23	3	26	28	29	33	25	24
	NE Mass RT On Pk	27	35	36	36	41			35
	NE Mass RT Off Pk	23	3	26	28	29	33	25	24
	SE Mass RT On Pk	27	35	36	36	42			35
	SE Mass RT Off Pk	23	3	26	28	29	33	25	24
	WC Mass RT On Pk	27	34	35	36	41			35
	WC Mass RT Off Pk	23	3	26	28	29	33	25	24
	New York ISO Real Time Power Pricing By Zone (\$/MWh)								Avg
	Capital RT On Pk	29	28	33	36	39			33
	Capital RT Off Pk	25	16	18	25	26	33	24	24
	Central RT On Pk	27	26	32	35	36			31
	Central RT Off Pk	23	16	17	24	24	31	23	23
	Hudson RT On Pk	29	26	34	36	42			34
	Hudson RT Off Pk	25	16	18	25	26	33	24	24
	Mohawk RT On Pk	28	27	33	35	38			32
	Mohawk RT Off Pk	24	16	18	24	25	32	23	23
	Milwood RT On Pk	29	30	34	37	43			34
	Milwood RT Off Pk	25	16	19	25	26	34	24	24
	NYC RT On Pk	32	33	35	39	53			38
	NYC RT Off Pk	29	17	19	27	28	42	24	27
	PJM Real Time Power Pricing By Zone (\$/MWh)								Avg
	Eastern Hub On Pk	38	33	45	83	83			56
	Eastern Hub Off Pk	23	20	20	23	23	23	23	22
	Western Hub On Pk	37	35	38	38	38			37
	Western Hub Off Pk	23	20	20	23	23	23	23	22
	PPL Zone On Pk	35	30	39	37	37			35
	PPL Zone Off Pk	22	20	20	22	22	22	22	21
	AEP RT On Pk	37	36	37	36	36			36
	AEP RT Off Pk	22	20	20	22	22	22	22	22
	Chicago RT On Pk	47	36	38	39	39			40
	Chicago RT Off Pk	21	20	20	22	22	22	22	21
	New Jersey Hub On Pk	35	31	38	38	38			36
	New Jersey Hub Off Pk	23	20	20	23	23	23	23	22
	California ISO Real Time Power Pricing (\$/MWh)								Avg
	SoCal Edison RT On Pk	59	66	77	85	55			68
	SoCal Edison RT Off Pk	47	42	65	43	32	34	39	43
Natural Gas \$/MMBtu	8/13/18	8/14/18	8/15/18	8/16/18	8/17/18	8/18/18	8/19/18	Avg	
	Henry Hub, LA	2.92	3.02	3.03	3.02	3.01			3.00
	TZ6, MA	3.14	3.28	4.22	3.44	2.84			3.38
	Algonquin, MA	3.17	3.25	4.16	3.30	2.91			3.36
	Chicago Hub, IL	2.94	2.97	2.96	2.93	2.89			2.94
	New York, NY	2.65	2.79	2.76	2.71	2.65			2.71
	Dominion South, PA	2.55	2.66	2.64	2.57	2.55			2.59
	Opal Hub, WY	2.56	2.76	2.72	2.71	2.60			2.67
	PG&E Citygate, CA	3.44		3.48	3.39	3.39			3.43