



Competitive Energy Services Weekly Market Summary

August 20 - 24, 2018

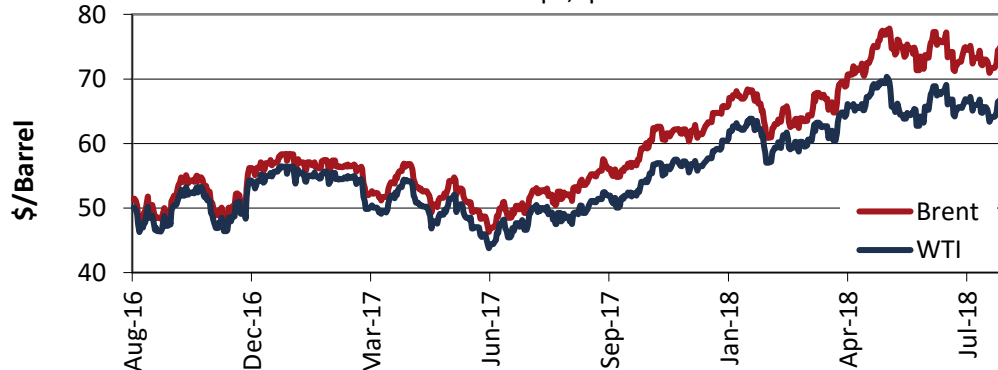
Synopsis of Last Week's Energy Markets

Crude oil prices soared last week, snapping a three-week losing streak. A large drop in US crude oil stocks plus a weakening US dollar boosted the crude market, although the trade war with China is keeping a lid on how high crude prices will climb. Natural Gas prices declined 1% last week after a six-week rally fueled by concerns over a widening storage deficit. Power burn demand has curbed injections, leaving inventories 20% behind the 5-year average.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

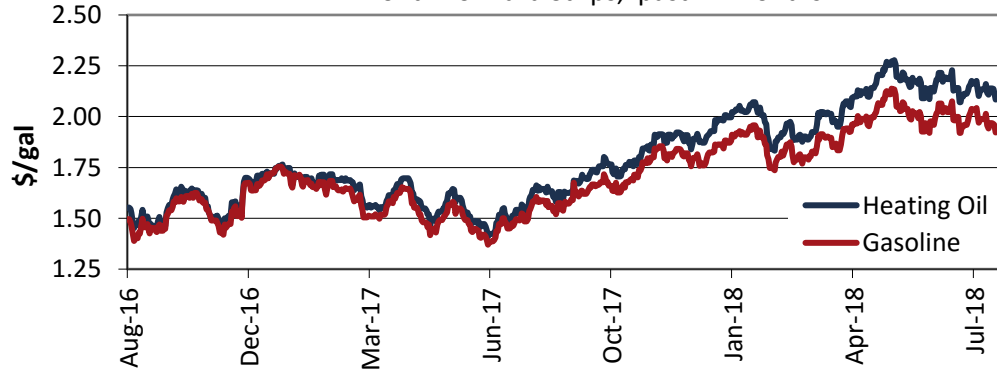


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$67.02	\$63.49	\$70.12	\$43.82
date	8/24/18	1/24/18	5/21/18	6/21/17
change from last close		5.6%	-4.4%	53%

US STORAGE (in million bbls)		crude oil
domestic stocks as of	8/17/18	408
gain / loss from previous week		-5.8
comparison to historic range		within

Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

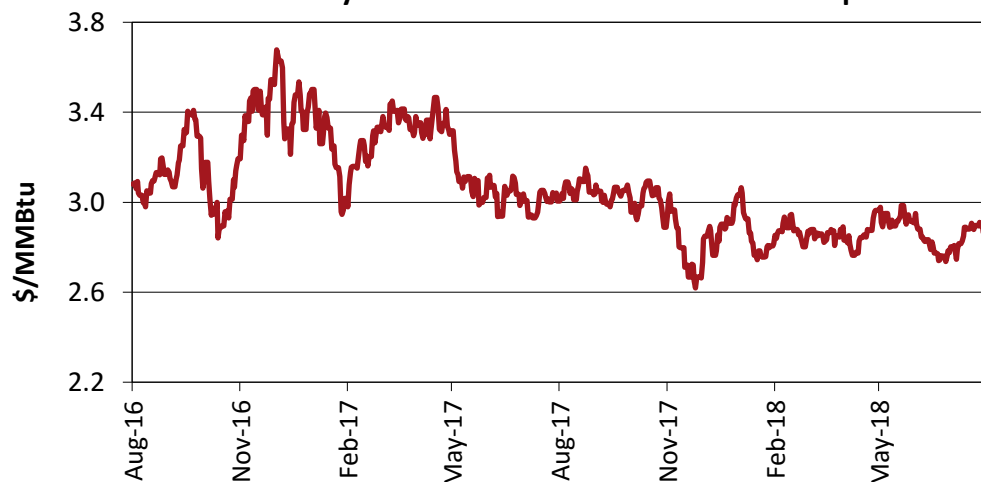


NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$2.20	\$2.06	\$2.28	\$1.41
date	8/24/18	1/24/18	5/23/18	6/21/17
change from last close		6.7%	-4%	56%

US STORAGE (in million bbls)		distillate	propane	gasoline
domestic stocks as of	8/17/18	131	69	234
gain / loss from previous week		1.8	-0.9	1.2
comparison to historic range		within	within	within

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip



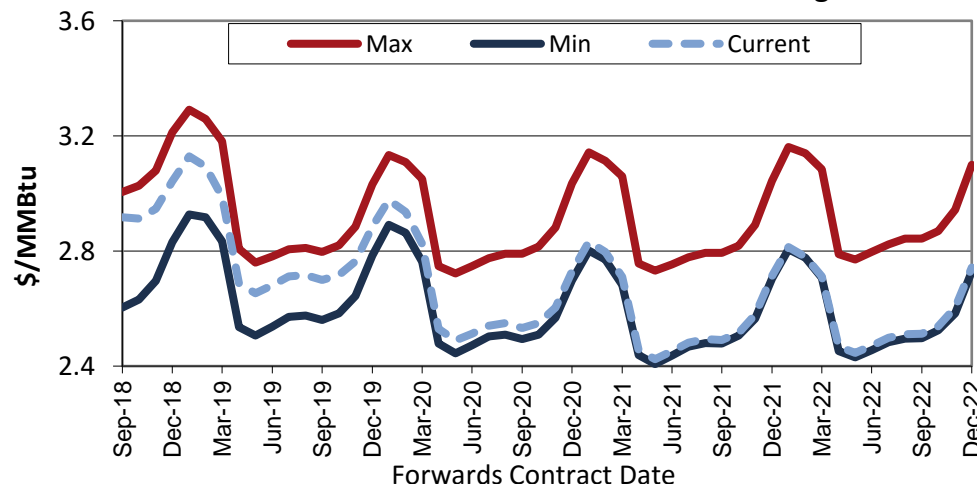
NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.87	\$2.99	\$3.70	\$2.61
date	8/24/18	1/24/18	12/28/16	12/21/17
change from last close		-3.8%	-22%	10%

CES SCORE

12 month	41
18 month	45
24 month	55
36 month	67

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



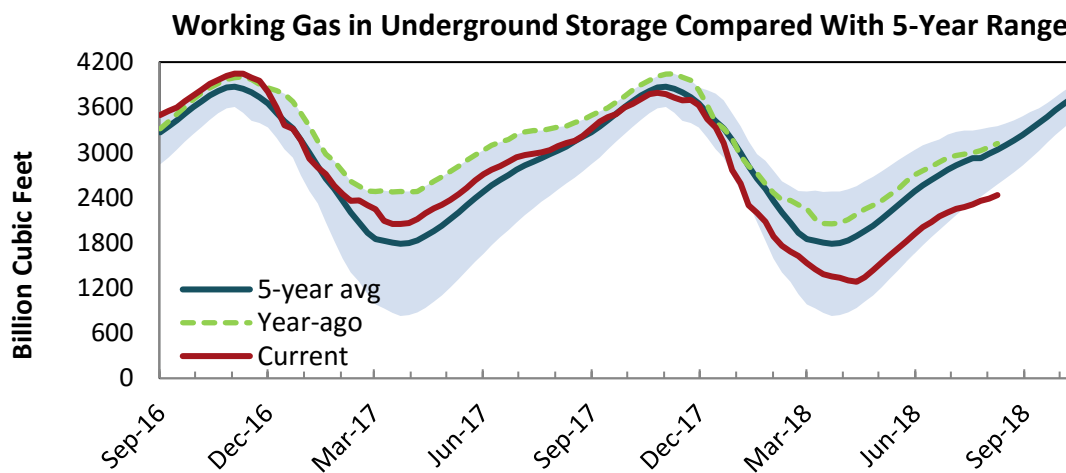
FORWARDS	12 month	18 month	24 month	36 month
strip (\$/MMBtu)	\$2.87	\$2.86	\$2.79	\$2.72

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	8/10/18	2,387	
Most Recent Stock Level	8/17/18	2,435	
Year-ago Stock Level		3,119	-21.9%
5-Year Average Stock Level		3,034	-19.7%
Most Recent Net Change	8/17/18	48	
Year-Ago Net Change		45	7%
5-Year Average Net Change		52	-8%

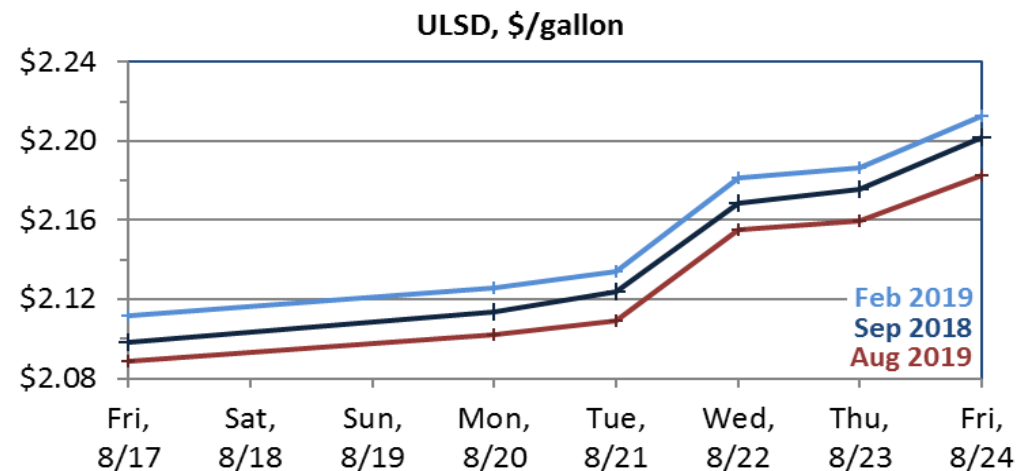
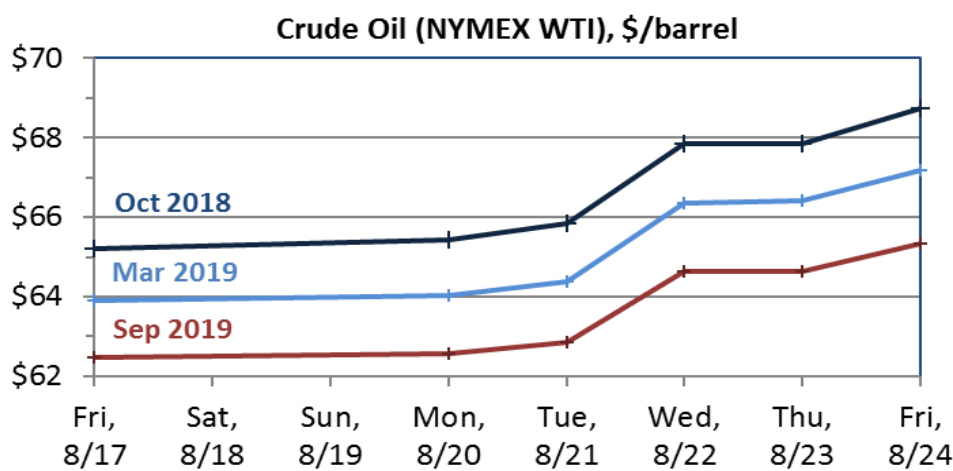
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

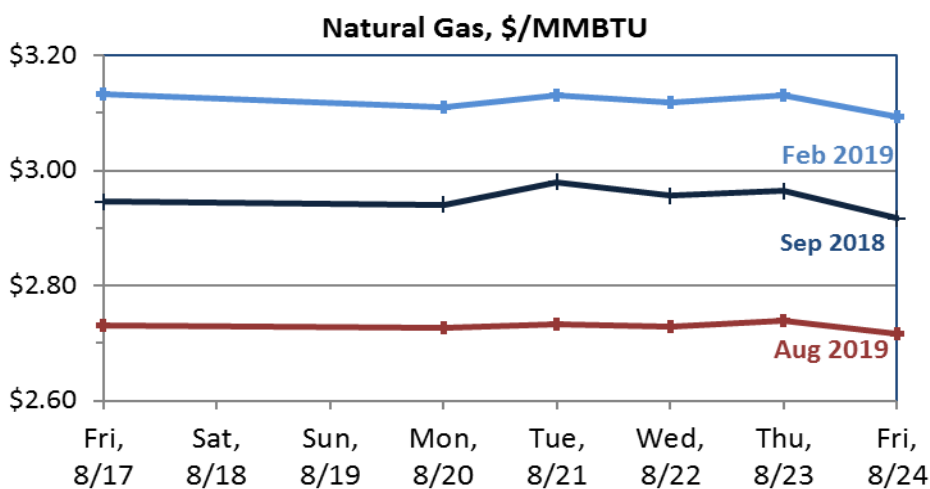
NYMEX Futures Summary Statistics

	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	Sep-18	8/21/18	\$67.35	Oct-18	\$68.72	Oct-18	\$68.72	Sep-19	\$65.32	\$67.77
Heating oil	Aug-18	7/31/18	\$2.13	Sep-18	\$2.20	Jan-19	\$2.22	Jun-19	\$2.18	\$2.21
Natural gas	Aug-18	7/27/18	\$2.82	Sep-18	\$2.92	Jan-19	\$3.13	May-19	\$2.65	\$3.04

NYMEX End-of-Day Settlements



Prompt-month WTI jumped 3% on Wednesday alone after the EIA reported a drop in crude oil stocks that was 2-3 times projections. Crude oil stocks have see-sawed much of this summer but overall, levels remain in the middle of the 5-year historical range for this time of year. A weak US dollar also helped to boost crude prices, as a weakening currency spurs investment in commodities. OPEC and Russia are scheduled to discuss compliance with the joint production cuts today. Due to various outages and the loss of Venezuela's output, the group has exceeded the intended cuts in the past few months. Furthermore, US sanctions against Iran will be reinstated in November. On the bearish side, the trade war with China continues to escalate and will likely negatively impact global oil demand.

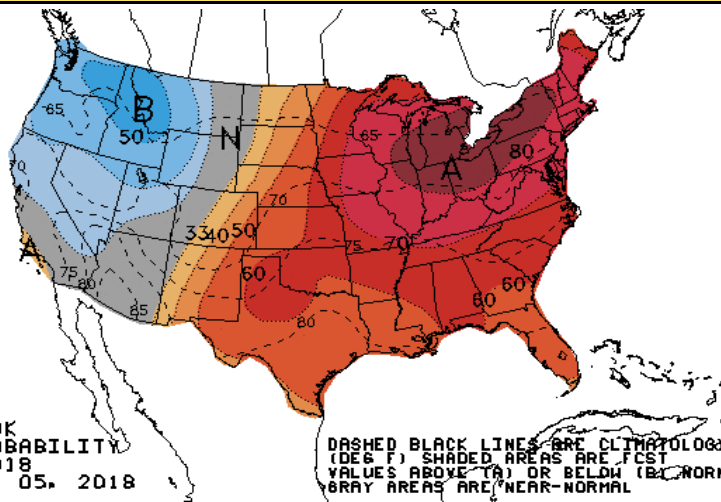


Natural gas prices slipped three cents last week as production continued to soar in the South and Northeast. Futures traded up and down over the course of the week as forecasts point to a heatwave that could support cooling demand in the East. This summer's high demand for generation has left inventories nearly 600 Bcf short of typical levels. Exports have also contributed to lower injections, but LNG exports could face tariffs as part of the US trade war with China, forcing US exporters to seek alternative buyers. Despite last week's losses, prices for this fall and winter are positioned high in this year's trading range. September futures closed at \$2.96/MMBtu on Friday afternoon.

The National Weather Service near-term forecast calls for above-normal temperatures for the eastern two-thirds of the continental US. The natural gas market scores on page 1 improved 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 Sep 1 - 5



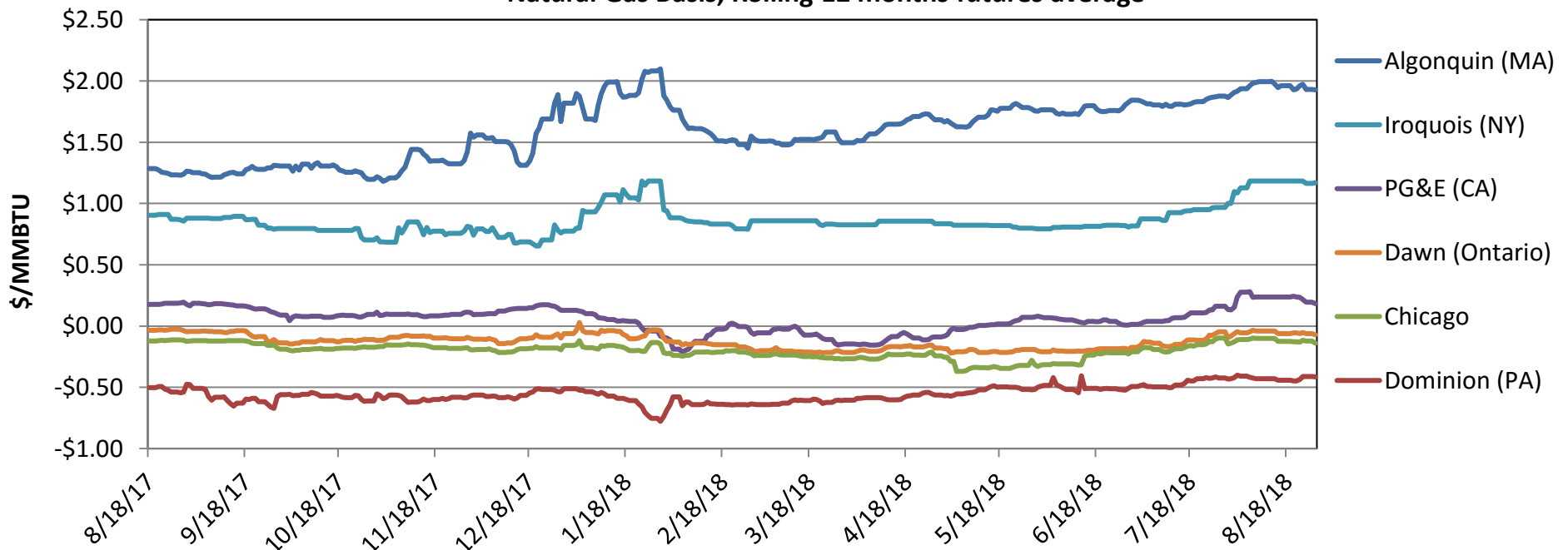
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase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

Source: Chart from the National Weather Service Climate Prediction

Natural Gas Basis Futures

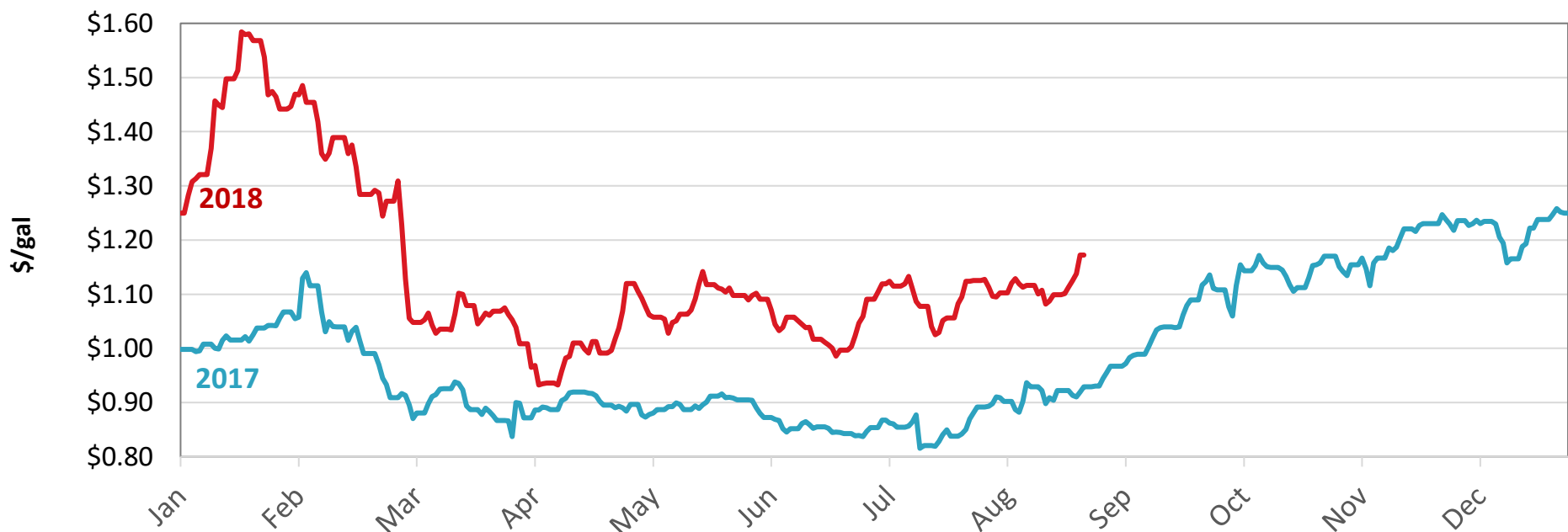
Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated 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

		New England ISO Real Time Power Pricing By Zone (\$/MWh)							Avg
		8/20/18	8/21/18	8/22/18	8/23/18	8/24/18	8/25/18	8/26/18	
Power (\$/MWh)	Maine RT On Pk	28	29	28	26	27			28
	Maine RT Off Pk	20	22	22	20	21	24	25	22
	NH RT On Pk	28	29	29	27	27			28
	NH RT Off Pk	20	22	22	22	21	24	25	22
	Vermont RT On Pk	28	29	28	26	27			28
	Vermont RT Off Pk	20	22	22	22	21	24	25	22
	Connecticut RT On Pk	28	29	29	27	27			28
	Connecticut RT Off Pk	20	22	22	22	21	24	25	22
	Rhode Island RT On Pk	28	29	28	26	27			28
	Rhode Island RT Off Pk	20	22	22	23	21	24	25	23
	NE Mass RT On Pk	28	29	29	27	27			28
	NE Mass RT Off Pk	20	22	22	23	21	24	25	23
	SE Mass RT On Pk	28	29	29	27	27			28
	SE Mass RT Off Pk	20	22	22	23	21	24	25	23
	WC Mass RT On Pk	28	29	29	27	27			28
	WC Mass RT Off Pk	20	22	22	23	21	24	25	23
		New York ISO Real Time Power Pricing By Zone (\$/MWh)							Avg
	Capital RT On Pk	30	30	33	26	27			29
	Capital RT Off Pk	20	19	20	21	18	28	28	22
	Central RT On Pk	30	29	32	25	25			28
	Central RT Off Pk	19	18	16	17	13	26	27	19
	Hudson RT On Pk	30	31	34	26	27			30
	Hudson RT Off Pk	20	19	19	20	17	28	28	22
	Mohawk RT On Pk	29	30	36	25	26			29
	Mohawk RT Off Pk	19	20	20	17	13	26	27	20
	Milwood RT On Pk	30	31	34	27	27			30
	Milwood RT Off Pk	20	19	19	20	17	28	28	22
	NYC RT On Pk	31	31	35	27	28			30
	NYC RT Off Pk	20	19	19	22	17	29	29	22
		PJM Real Time Power Pricing By Zone (\$/MWh)							Avg
	Eastern Hub On Pk	28	30	30	26	29			28
	Eastern Hub Off Pk	20	22	22	20	19	25	26	22
	Western Hub On Pk	33	32	28	27	29			30
	Western Hub Off Pk	20	23	21	20	19	26	28	22
	PPL Zone On Pk	28	30	28	25	28			28
	PPL Zone Off Pk	20	22	21	19	19	25	25	22
	AEP RT On Pk	38	32	27	27	27			31
	AEP RT Off Pk	20	22	21	19	19	27	34	23
	Chicago RT On Pk	39	32	27	27	25			30
	Chicago RT Off Pk	20	22	20	19	18	26	32	22
	New Jersey Hub On Pk	28	31	29	26	29			29
	New Jersey Hub Off Pk	20	22	21	19	19	25	25	22
		California ISO Real Time Power Pricing (\$/MWh)							Avg
	SoCal Edison RT On Pk	39	45	47	36	27			39
	SoCal Edison RT Off Pk	30	38	40	26	29	30	25	31
		8/20/18	8/21/18	8/22/18	8/23/18	8/24/18	8/25/18	8/26/18	Avg
Natural Gas \$/MMBtu	Henry Hub, LA	3.03	3.01	3.02	2.97	2.99			3.00
	TZ6, MA	2.92	3.07	3.00	2.91	3.04			2.99
	Algonquin, MA	2.92	2.91	2.85	2.91	3.25			2.97
	Chicago Hub, IL	2.89	2.85	2.83	2.82	2.83			2.84
	New York, NY	2.71	2.69	2.74	2.72	2.67			2.71
	Dominion South, PA	2.72	2.68	2.63	2.64	2.56			2.65
	Opal Hub, WY	2.70	2.62	2.52	2.32	2.30			2.49
	PG&E Citygate, CA	3.40	3.38	3.33	3.29	3.27			3.33