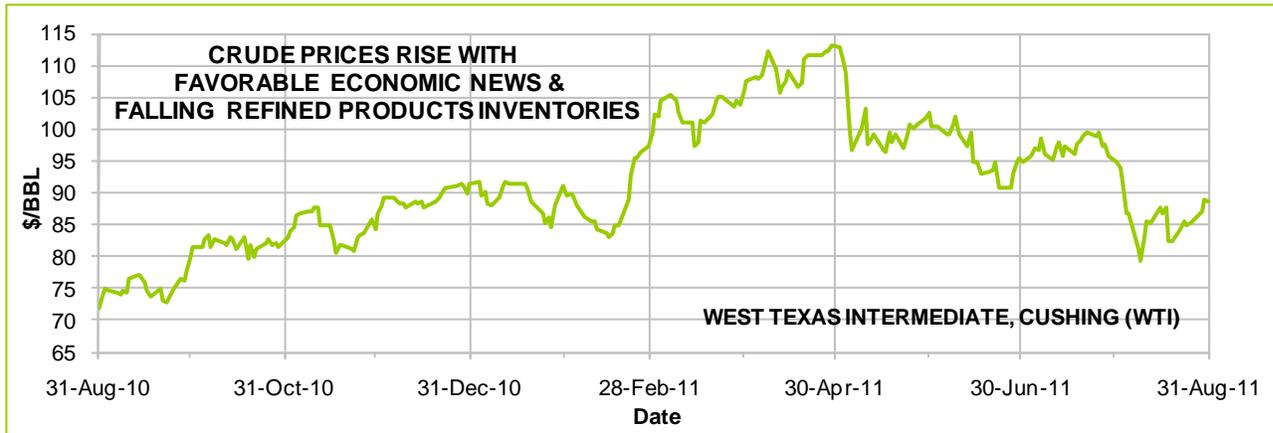


Crude Oil



Higher production, increased imports, a decline in crude inputs to refineries, and the release of stocks from the strategic reserve lead to an inventory gain of 5.3 million barrels this past week. This was the largest weekly increase since April. It was almost 9 times the expected 0.6 million barrel gain, more than 80 times the 5-year average gain of 0.064 million, and 1½ times last year's gain of 3.5 million. Inventories have improved to 1.2% below last year and to 6.6% above the 5-year average. Inventories are at their 3rd highest level ever for this date.

Falling inventories of refined products and positive economic news sent prices higher this week. Futures prices settled at \$90.36, up \$2.90 for the week. Futures are now only \$13.16 (17.1%) higher than a year ago. Spot prices rose by \$3.84 for the week. At \$88.75, they are \$16.84 (23.4%) higher than last year. Futures and spot prices are about \$56 (38%) below their 2008 peaks.

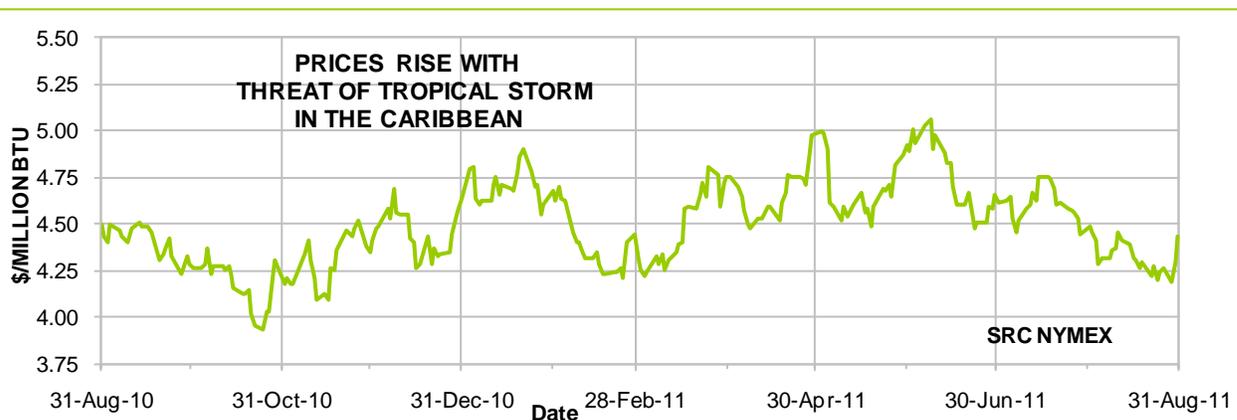


Natural gas



Natural gas inventories grew by 55 BCF this past week. This was 12.7% less than the expected gain of 63 BCF and 8.7% below the 5-year average gain of 60 BCF. The gain was 5.8% higher than last year's gain of 52 BCF. As a result, this week's 2,961 BCF inventory level has improved to 4.4% below last year's level but worsened to 2.0% below the 5-year average. Cumulative injections this year are running 4.4% below last year and 5.4% below the 5-year average.

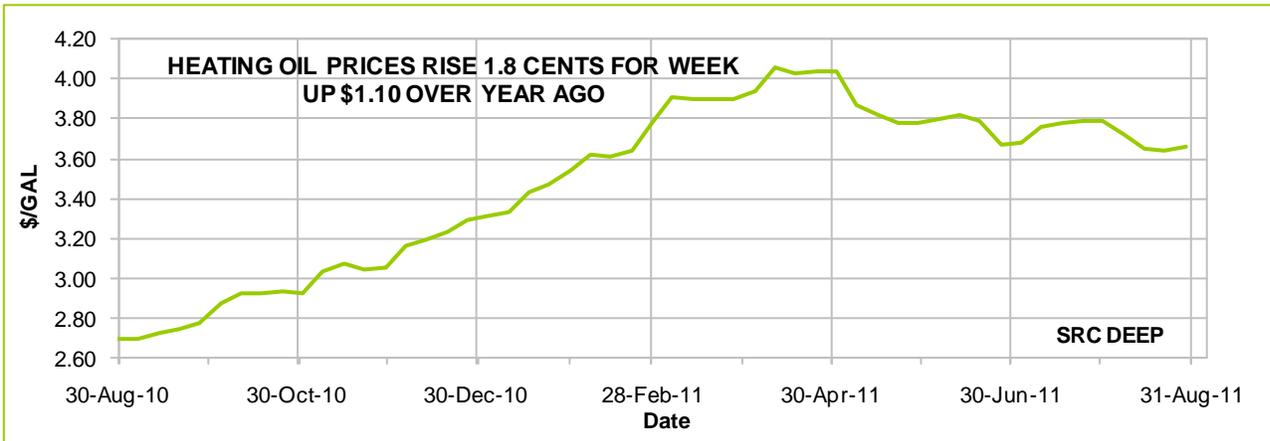
A Caribbean storm threat sent futures prices 22.8 cents higher this week. Futures settled at \$4.431 per million BTU. This was 7.1 cents (1.6%) lower than a year ago and 66.8% below the 2008 peak. Spot prices fell by 10 cents this week as hurricane outages reduced electric generation demand. They settled at \$3.99 per million BTU, 19 cents (5.0%) higher than a year ago. Spot prices are 70.0% below their 2008 peak. According to census data, 31% of dwelling units in Connecticut heat with natural gas.





Increases in exports and demand limited the impact of production and imports gains as inventories grew by only 0.4 million barrels this past week. The weekly gain was 40% the size of the 5-year average gain and 54% the amount of the expected gain. Inventories now trail last year by 11.0% but at 5.7% above the five-year average, they are at their third highest level ever for this date.

Futures prices rose by 10.5 cents this week and settled at \$3.067/gal, \$0.997 (48.2%) above last year but \$1.127 (26.9%) below 2008's peak. Spot prices rose by 12.0 cents. They settled at \$3.066/gal, \$1.100 (56.0%) above last year but \$1.014 (24.8%) below their 2008 peak. Retail prices rose by 1.8 cents this week after falling by 14.7 cents over the previous 4 weeks. Prices are now at \$3.663/gal, \$0.968 (35.9%) above a year ago. Prices are \$1.104 (22.3%) below their 2008 peak. The highest price in this week's survey was \$4.399 and the lowest was \$3.199. According to census data, 49.1% of dwelling units in Connecticut heat with oil.



Connecticut Regional Heating Oil Prices

	FAIRFIELD			HARTFORD			NEW LONDON		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
30-Aug-10	2.826	3.249	2.400	2.678	3.199	2.399	2.681	2.840	2.480
15-Aug-11	3.631	3.729	3.440	3.675	3.999	3.249	3.685	3.860	3.499
22-Aug-11	3.733	4.399	3.340	3.648	3.899	3.149	3.563	3.799	3.340
29-Aug-11	3.763	4.399	3.400	3.623	3.899	3.199	3.573	3.799	3.380
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
30-Aug-10	2.617	2.679	2.549	2.751	2.899	2.590	2.623	2.749	2.499
15-Aug-11	3.584	3.639	3.469	3.777	3.899	3.590	3.596	3.849	3.339
22-Aug-11	3.647	3.799	3.499	3.772	3.850	3.590	3.589	3.799	3.339
29-Aug-11	3.677	3.819	3.569	3.792	3.999	3.590	3.589	3.699	3.419
	NEW HAVEN			DEEP conducts a weekly survey of retail heating oil prices in Connecticut. These figures reference the most recent results of that survey for the reporting week beginning August 29, 2011. Figures reflect per gallon prices without discount. For more information, go to: http://www.ct.gov/deep/cwp/view.asp?a=4120&Q=481600&deepNav=					
	AVG	HIGH	LOW						
30-Aug-10	2.639	2.899	2.359						
15-Aug-11	3.579	3.699	3.390						
22-Aug-11	3.562	3.790	3.199						
29-Aug-11	3.595	3.799	3.199						

Propane



Propane inventories grew by 1.5 million barrels this past week. This was 5.8% above last year's gain of 1.46 million barrels and 2½ times the five-year average gain of 0.6 million barrels. As a result, inventories have improved to 13.9% below last year and to 11.4% below the five-year average. Cumulative injections over the past 19 weeks are running 7.5% below the five-year average and 14.2% below last year.

Spot propane prices rose slightly by 2.5 cents/gal this past week. Prices have risen by 7.4 cents over the past nine weeks. At \$1.559 per gallon, spot prices are 49.9 cents (47.1 %) higher than a year ago but they are 21.2% lower than their peak 2008 price. The usual reporting of Connecticut retail propane heating prices has been discontinued for the season but will resume in October. According to census data, propane is used to heat 2.7% of homes in Connecticut.



Gasoline



Inventories fell by 2.8 million barrels this week as an increase in demand and a decline in imports offset an increase in production. The inventory fall was almost 3 times the expected decline of 1.0 million and more than two times the 5-year average decline of 1.2 million. Inventories have worsened to 7.4% below last year and to only 1.8% above the 5-year average.

Futures prices rose by 8.5 cents this past week. They are at \$2.850/gal, \$0.862 (43.4%) higher than last year but \$0.761 (21.1%) below their 2008 peak. Spot prices fell by 1.6 cents/gal to \$2.844/gal. They are \$0.947 (49.9%) higher than a year ago. Spot prices are 16.7% (\$0.568) below their 2008 peak. Connecticut retail prices rose by 0.6 cents this week after falling by 14.7 over the previous 3 weeks. At \$3.916/gal, prices are \$1.118 (40.0%) higher than a year ago. Although prices are 47.4 cents (10.8%) cents below their 2008 all time high of \$4.390, they are at their highest level ever for this date.

