

## Crude Oil



Inventories fell another 4.4 million barrels this past week compared to expectations of a fall of only 0.4. Declining imports and higher refinery utilization rates lead to the steeper than expected decline. Crude inventories have now fallen in 4 of the past 5 weeks as import declines have offset reduced demand levels. Over the previous 32 weeks inventories had grown by almost 30 percent. Crude oil stocks still exceed year ago levels by 19.4% and they are 11.3% above the five-year average. Crude inventories are still at their highest level for this date since 1990.

After rising by \$2.73/bbl last week, spot prices rose another \$5.26 this week. Declining inventories, a weaker dollar, economic optimism, and fears of inflation are fueling the latest price surge. Futures prices closed at \$74.81, \$56.88 (43%) lower than a year ago. The spot price was \$71.37, \$59.98 (46%) less than last year.



## Natural gas



Natural gas inventories grew by 106 BCF this past week, the second largest increase ever for this time of year and 16% greater than the five-year average growth. Cumulative injections since the end of the heating season are 21% above the five-year average. Current inventory levels are the highest ever for this time of year. Inventories are 30% higher than a year ago and 22% above the five-year average. This is despite the gas drilling rig count being 50% lower than a year ago.

Prices reached record highs in July of 2008. Futures prices have since fallen by 61% and spot prices are down by 73%. Futures prices rose by 9 cents this past week while the spot price fell by 26 cents. The futures price change reflected the expectations of an improving economy and inflation fears. Spot prices reacted to the reality of weak demand and record storage levels. The 12-month strip is now at \$5.230 per million BTU, 58% lower than a year ago. The spot price is at \$3.560, 72% lower than a year ago.



# Heating oil



Despite the lack of heating demand and weak diesel demand, lower production levels resulted in a 0.3 million barrel fall in inventories this past week compared to an expected gain of 1.4 million. Distillate inventories are 32% above year ago levels and are 30% above the five-year average. After setting record highs on July 3<sup>rd</sup>, prices have fallen by over 50%. The 12 month strip is now \$1.991/gal, \$1.88 (49%) lower than a year ago. The spot price is now \$1.786/gal, \$2.02 (53%) below this time last year. Connecticut retail heating oil prices rose sharply this past week, mirroring the rise in crude prices. They rose by 17 cents to \$2.405/gal, \$2.36 (49%) below the July 14<sup>th</sup> peak price. Prices are now 48% (\$2.23) lower than a year ago. Prices are also 5% and 7% lower than in 2007 and 2006. The highest price in this week's survey was \$2.899 and the lowest was \$1.899. Prices continue to be at their lowest levels since before Katrina. According to census data, 52.4 percent 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
9-Jun-08	4.854	5.499	4.499	4.601	4.999	4.299	4.601	4.759	4.329
11-May-09	2.449	2.699	2.149	2.151	2.690	1.799	2.191	2.330	1.999
25-May-09	2.479	2.749	2.199	2.197	2.499	1.749	2.233	2.410	2.029
8-Jun-09	2.626	2.899	2.390	2.354	2.599	1.899	2.395	2.520	2.259
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
9-Jun-08	4.637	4.739	4.389	4.627	4.799	4.500	4.571	4.650	4.350
11-May-09	2.195	2.299	1.999	2.229	2.399	2.099	2.094	2.299	1.979
25-May-09	2.213	2.299	1.999	2.259	2.399	2.199	2.116	2.299	1.999
8-Jun-09	2.425	2.599	2.299	2.409	2.449	2.350	2.316	2.399	2.249
	NEW HAVEN								
	AVG	HIGH	LOW						
9-Jun-08	4.528	4.700	4.140						
11-May-09	2.126	2.349	1.850						
25-May-09	2.153	2.379	1.909						
8-Jun-09	2.331	2.599	2.000						

OPM 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 June 8, 2009. Figures reflect per gallon prices without discount.

For more information, see [www.ct.gov/OPM](http://www.ct.gov/OPM) > Energy Management > Energy Price and Supply Information

# Propane



Propane inventories rose by 1.37 million barrels in this week's inventory report, 5.2 percent less than the normal gain of 1.45 million for this time of year. Inventories have grown by 15.6 million barrels over the past 12 weeks, 34% higher than the five-year average gain of 11.7 million. Despite the lower than normal weekly gain, current storage levels exceed last year's levels by 37.3%. Inventories are now 32.0% above the five-year average. Weak demand, especially in the petrochemical feedstock sector, has been the main driver of the inventory gain. Spot propane prices were 87.7 cents per gallon yesterday, 50.7% lower than a year ago and 55.7% lower than their peak price of \$1.979/gal this past July. Spot prices rose by 6 cent/gal this past week after rising by 8 cents/gal the previous week. Prices are 56% above their December 9, 2008 low of 56 cents/gal. According to census data, 2% of homes in Connecticut are heated by propane.



# Gasoline



Gasoline inventories were expected to grow by 0.8 million barrels this past week. Instead, they fell by 1.6 million. Increases in production were offset by a decline in imports and stronger demand. Inventories are now 3.9 percent below last year and 3.6% below the five-year average.

Spot prices and futures prices are more than 40% below their July 2008 peaks. The spot price is at \$1.959/gal, \$1.25 (39%) less than a year ago. The 12-month strip, at \$1.964/gal, is 40% (\$1.29) less than last year. After peaking at \$4.390/gal on July 9<sup>th</sup>, retail prices have fallen by \$1.67 (38%) to \$2.721/gal. Current retail prices are \$1.63 (37.4%) lower than a year ago. Since bottoming out on January 2, 2009 at \$1.729/gal, Connecticut retail prices have risen by 99 cents, about 57%. Connecticut retail prices have risen 7 cents in the past week and 16 cents in the past two weeks.

