

## Crude Oil



Inventories fell another 3.9 million barrels this past week compared to expectations of only 1.7. Crude inventories have declined in 5 of the past 6 weeks, falling 4.7 percent for a total of 17.5 million barrels. Despite the recent declines, inventory levels are still more than adequate. Crude oil stocks exceed year ago levels by 18.8% and they are 10.0% above the five-year average. Crude inventories continue to be at their highest level for this date since 1990.

After rising by \$5.26/bbl last week, spot prices actually fell by 31 cents this past week. Market drivers have been mixed. Declining inventories, a weaker dollar, economic optimism, and fears of inflation have encouraged price increases. Weak demand, historically high crude inventory levels, and high refined product levels continue to dampen price increases. Futures prices closed at \$74.35, \$60.97 (45%) lower than a year ago. The spot price was \$71.06, \$62.90 (47%) less than last year.



## Natural gas



Natural gas inventories grew by 114 BCF this past week, the second largest increase ever for this time of year and 44% greater than the five-year average growth. Cumulative injections since the end of the heating season are 23% above the five-year average. Current inventory levels are the highest ever for this time of year. Inventories are 32.2% higher than a year ago and 22.7% above the five-year average. This is despite the gas drilling rig count being 50% lower than a year ago.

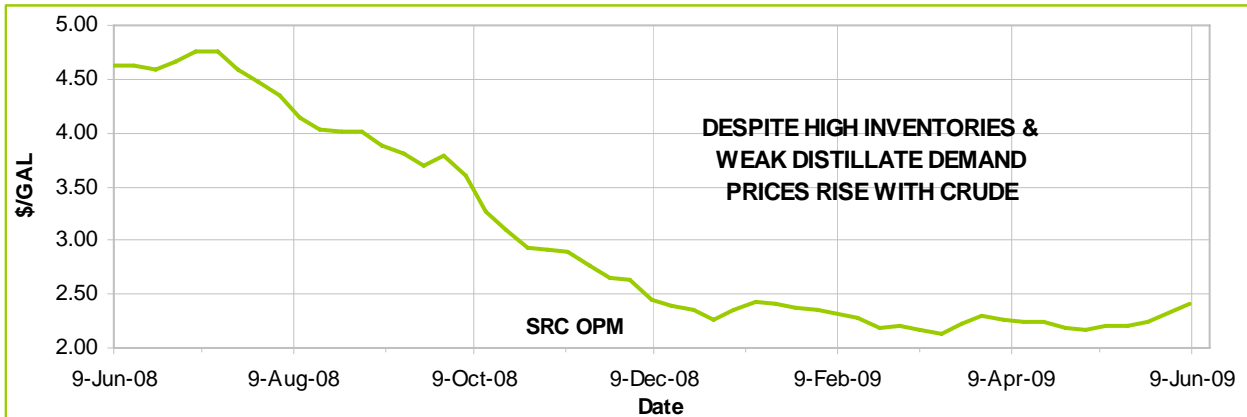
Prices reached record highs in July of 2008. Futures prices have since fallen by 58% and spot prices are down by 70%. Futures prices rose by 35 cents this past week while the spot price was up by 45 cents. The price increases reflect the general rise in commodity prices from a weaker dollar and inflation fears. Buyers are also bidding up prices as they take advantage of low natural gas prices. The 12-month strip is now at \$5.578 per million BTU, 57% lower than a year ago. The spot price is at \$4.010, 69% lower than a year ago.



# Heating oil



The decline in distillate production was more than offset by the lack of heating demand and weak diesel demand as distillate inventories rose by 0.3 million barrels this past week. They had been expected to grow by 0.8 million. Distillate inventories are 29.1% above year ago levels and are 28.7% above the five-year average. After setting record highs on July 3<sup>rd</sup>, prices have fallen by 50%. The 12 month strip is now \$2.010/gal, \$1.90 (49%) lower than a year ago. The spot price is now \$1.816/gal, \$1.98 (52%) below this time last year. Connecticut retail heating oil prices rose sharply last 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 the year before. Prices are also 5% and 7% lower than in 2007 and 2006. The highest price in last 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 0.8 million barrels in this week's inventory report, 45 percent less than the normal gain of 1.48 million for this time of year. Inventories have grown by 16.4 million barrels over the past 13 weeks, 25% higher than the five-year average gain of 13.2 million. Despite the lower than normal gain this past week, current storage levels exceed last year's levels by 39.0%. Inventories are now 29.3% 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 86.2 cents per gallon yesterday, 52.7% lower than a year ago and 56.4% lower than their peak price of \$1.979/gal this past July. Spot prices fell by 1.5 cent/gal this past week after rising by 6 cents/gal the previous week. Prices are 56% above their December 9, 2008 low of 53 cents/gal. According to census data, 2% of homes in Connecticut are heated by propane.



# Gasoline



Gasoline inventories were expected to fall slightly by 0.1 million barrels this past week. Instead, increases in production and a growth in imports pushed them up by 3.4 million. Inventories levels have improved to only 1.9 percent below last year and 2.0% below the five-year average. Higher refiner margins have encouraged the recent production increases.

Spot prices and futures prices are more than 40% below their July 2008 peaks. The spot price is at \$1.979/gal, \$1.31 (40%) less than a year ago. The 12-month strip, at \$1.963/gal, is 42% (\$1.39) less than last year. After peaking at \$4.390/gal on July 9<sup>th</sup>, retail prices have fallen by \$1.59 (36%) to \$2.804/gal. Current retail prices are \$1.58 (36%) lower than a year ago. Since bottoming out on January 2, 2009 at \$1.729/gal, Connecticut retail prices have risen by \$1.08, about 62%. Connecticut retail prices have risen 8 cents in the past week and 15 cents in the past two weeks.

