

Crude Oil



Crude oil inventories fell for the 7th consecutive week and for 10 of the past 11. Stocks fell by 1.8 million barrels which was in line with expectations. Despite the recent declines, inventory levels are still higher than normal. Crude oil stocks exceed year ago levels by 15.9% and they are 7.0% above the five-year average. They are at their second highest level for this date since 1993.

After rising by \$1.34 last week, spot prices were up another \$3.09/bbl this past week. Prices reacted to a further decline in crude inventories, a weakening dollar, the strength in equity markets, and economic optimism. Prices ignored the continued weak demand in refined products and the increases in gasoline and distillate stocks. Futures prices closed at \$71.34, \$58.58 (45%) lower than a year ago. The spot price was \$64.55, \$62.67 (49%) less than last year.



Natural gas



Natural gas inventories grew by 66 BCF this past week, equaling the expected gain and exceeding the five-year average growth of 61 BCF by 7%. Cumulative injections since the end of the heating season are 14% above the five-year average. Current inventory levels are at their highest level ever for this time of year. They are 23.8% higher than a year ago and 18.4% above the five-year average. This week's inventory growth is the smallest since mid April and reflects the 57 percent decline in the gas drilling rig count over the past year.

Both futures prices and spot prices rose this past week. Futures rose by 39 cents and spot prices were up by 11 cents. The emergence of cooling demand in some parts of the country, switching from coal to cheap natural gas, and cutbacks in drilling are beginning to reduce the amounts of gas going into storage. The 12-month strip has risen to \$5.149 per million BTU, 50% lower than a year ago. The spot prices rose to \$3.480 per million BTU, 66% lower than a year ago.

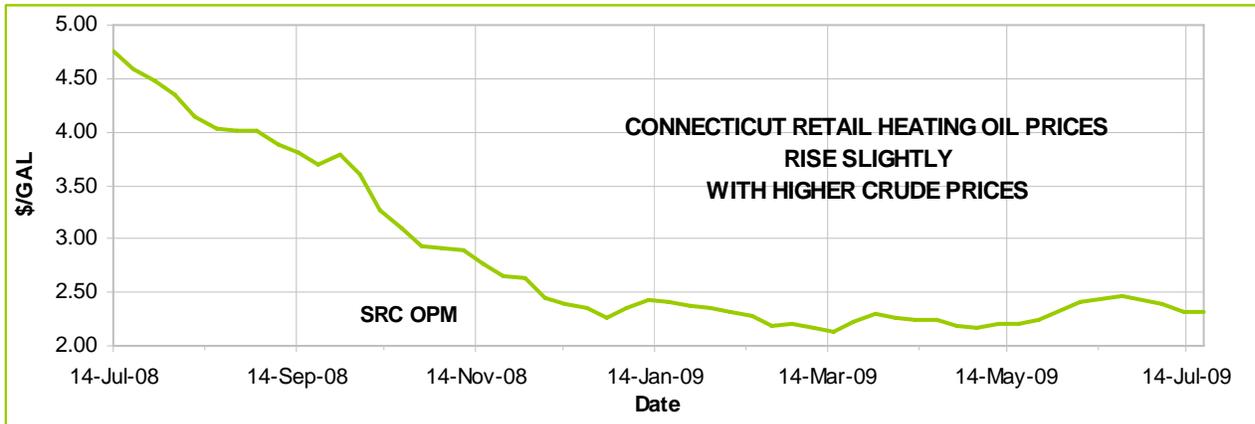


Heating oil



With distillate production increasing last week and demand continuing to be weak, inventories rose by 1.2 million barrels. Distillate inventories are 25.6% above year ago levels and 28.5% above the five-year average.

Heating oil prices are mirroring the recent rise in crude prices. The 12 month strip is now \$1.865/gal, 13 cents above last week but \$1.91 (51%) lower than a year ago. The spot price rose by 14 cents to \$1.696/gal, \$1.95 (54%) below this time last year. The average Connecticut retail heating oil price was up by one cent this past week. Prices are now at \$2.320/gal. This is \$2.277 (50%) below a year ago. Prices are also 10% and 9% lower than at this same time period in 2007 and 2006. The highest price in this week's survey was \$2.999 and the lowest was \$1.799. Prices continue to be at their lowest levels since before Katrina. According to census data, 52.4% 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
21-Jul-08	4.879	5.499	4.599	4.573	5.199	3.999	4.537	4.999	4.219
22-Jun-09	2.653	2.999	2.499	2.422	2.999	1.799	2.473	2.690	2.229
13-Jul-09	2.456	2.899	2.199	2.286	2.999	1.799	2.287	2.510	2.009
20-Jul-09	2.500	2.899	2.249	2.298	2.999	1.799	2.321	2.510	2.129
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
21-Jul-08	4.487	4.659	4.300	4.573	4.799	4.270	4.503	4.599	4.390
22-Jun-09	2.451	2.499	2.299	2.519	2.649	2.399	2.384	2.449	2.349
13-Jul-09	2.309	2.499	2.099	2.339	2.499	2.150	2.281	2.399	2.150
20-Jul-09	2.307	2.499	2.099	2.359	2.499	2.150	2.229	2.349	2.149
	NEW HAVEN								
	AVG	HIGH	LOW						
21-Jul-08	4.518	4.800	3.900						
22-Jun-09	2.415	2.629	2.159						
13-Jul-09	2.239	2.490	1.829						
20-Jul-09	2.246	2.499	1.939						

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 July 20, 2009. Figures reflect per gallon prices without discount.

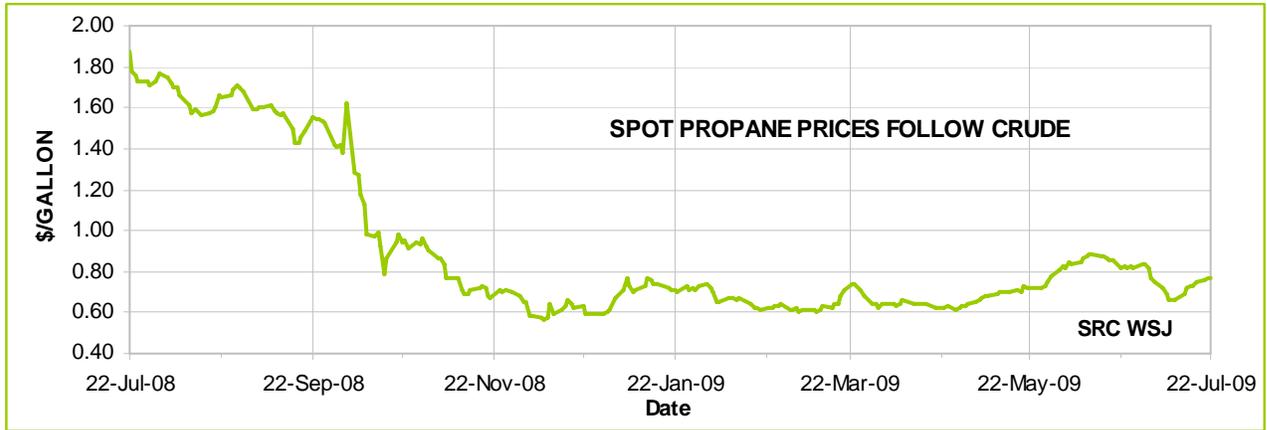
For more information, see www.ct.gov/OPM > Energy Management > Energy Price and Supply Information

Propane



Propane inventories rose by 2.0 million barrels in this week's inventory report, 51 percent higher than the normal gain of 1.3 million for this time of year. Inventories have grown by 29.3 million barrels over the past 18 weeks, 33% higher than the five-year average gain of 22.1 million. Current storage levels exceed last year's levels by 46.8% and are now 31.5% above the five-year average. Weak demand, especially in the petrochemical feedstock sector, has been the main driver of the inventory gain.

Spot prices rose by 3 cent/gal this past week after rising by 7 cents the previous week. The spot prices settled at 76.4 cents per gallon yesterday, 59.2% lower than a year ago and 61% lower than their peak 2008 price. Prices are 36% above their December 9, 2008 low of 53 cents/gal. According to census data, 2% of homes in Connecticut are heated by propane.



Gasoline



Both gasoline production and imports rose this past week, helping inventories to grow by 0.8 million barrels, slightly above the five-year average weekly growth. Despite lower prices compared to last year, the recession continues to reduce automobile traffic. Inventories levels are now 0.6% below last year but 2.3% above the five-year average.

Spot prices and futures prices are both almost 50% below their July 2008 peaks. The spot price is at \$1.797/gal, \$1.20 (40%) less than a year ago. The 12-month strip, at \$1.821/gal, is 43% (\$1.39) less than last year. Connecticut retail prices continue to fall. After dropping by 7.8 cents last week, they declined by an additional 5.5 cents this week. They are now at \$2.635/gal, \$1.70 (39.2%) lower than a year ago.

