

## Crude Oil



Increased refinery utilization and greater production of refined products more than offset an increase in crude oil imports as inventories fell by 3.9 million barrels this past week compared to expectations of only a 1.2 to 1.4 million barrel decrease. Crude inventories have declined in 6 of the past 7 weeks, falling by 5.7 percent. Despite the recent declines, inventory levels are still more than adequate. Crude oil stocks exceed year ago levels by 17.3% and they are 8.5% above the five-year average. They are at their highest level for this date since 1991.

After falling by 31 cents last week, spot prices fell another \$3.07/bbl this past week. Increases in gasoline and distillate inventories underscored the weakness in energy demand. This, along with a stronger dollar, helped to push prices lower. Futures prices closed at \$71.87, \$65.52 (48%) lower than a year ago. The spot price was \$67.99, \$68.45 (50%) less than last year.



## Natural Gas



Natural gas inventories grew by 94 BCF this past week, the fourth largest increase ever for this time of year and 11% greater than the five-year average growth. Cumulative injections since the end of the heating season are 22% above the five-year average. Current inventory levels are the highest ever for this time of year. They are 31.2% higher than a year ago and 22.2% above the five-year average. This is despite the gas drilling rig count declining 50% from a year ago.

Prices had risen last week with the general rise in commodity prices because of a weaker dollar and inflation fears. Buyers were also bidding up prices as they took advantage of the low natural gas prices. Prices reversed direction this past week as the dollar gained value, inventories reached new record highs, manufacturing demand remained weak, and there was abnormally low weather demand. The 12-month strip is now at \$5.110 per million BTU, 61% lower than a year ago. The spot price is at \$3.800 per million BTU, 71% lower than a year ago.



# Heating oil



Distillate production rose this past week, and with the lack of heating demand and weak diesel demand, distillate inventories rose by 2.1 million barrels. This exceeded the estimate of 0.8 million. Distillate inventories are 27.8% above year ago levels and are 29.3% above the five-year average.

The 12 month strip is now \$1.911/gal, \$2.00 (51%) lower than a year ago. The spot price is now \$1.690/gal, \$2.12 (56%) below this time last year. Connecticut retail heating oil prices continue to be affected by previous increases in crude prices. After rising by 17 cents two weeks ago they were up another 6.5 cents this past week to \$2.470/gal. This was \$2.30 (48%) below the July 14<sup>th</sup> peak price and 46% (\$2.12) lower than the year before. Prices are also 3% and 4% lower than 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 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
23-Jun-08	4.835	5.290	4.499	4.573	4.999	3.999	4.539	4.679	4.279
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
22-Jun-09	2.653	2.999	2.499	2.422	2.999	1.799	2.473	2.690	2.229
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
23-Jun-08	4.493	4.639	4.350	4.567	4.699	4.440	4.525	4.650	4.370
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
22-Jun-09	2.451	2.499	2.299	2.519	2.649	2.399	2.384	2.449	2.349
	NEW HAVEN								
	AVG	HIGH	LOW						
23-Jun-08	4.510	4.780	4.189						
25-May-09	2.153	2.379	1.909						
8-Jun-09	2.335	2.599	2.000						
22-Jun-09	2.415	2.629	2.159						

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 22, 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 3.6 million barrels in this week's inventory report, 121 percent higher than the normal gain of 1.6 million for this time of year. Inventories have grown by 20.0 million barrels over the past 14 weeks, 35% higher than the five-year average gain of 14.8 million. With this week's above average gains, current storage levels exceed last year's levels by 44.6%. Inventories are now 32.7% above the five-year average. Weak demand, especially in the petrochemical feedstock sector, has been the main driver of the inventory gain. Spot prices fell by 4 cent/gal this past week after falling by 1.5 cents/gal the previous week. They settled at 82.2 cents per gallon yesterday, 55.9% lower than a year ago and 58.5% lower than their peak price of \$1.979/gal this past July. Prices are 46% 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 grow by 1.0 to 1.6 million barrels this past week. Instead, they grew by 3.9 million, the largest weekly gain since mid January. Inventories grew as higher retail prices led to larger refinery margins which in turn led to increased production. Higher retail prices have also put a damper on demand. Inventories levels have improved to 0.1 percent above last year and to only 0.1% below the five-year average. Spot prices and futures prices are 48% below their July 2008 peaks. The spot price is at \$1.778/gal, \$1.53 (46%) less than a year ago. The 12-month strip, at \$1.853/gal, is 46% (\$1.56) less than last year. After peaking at \$4.390/gal on July 9<sup>th</sup>, retail prices have fallen by \$1.57 (36%) to \$2.820/gal. Current retail prices are \$1.55 (36%) lower than a year ago. Since bottoming out on January 2, 2009 at \$1.729/gal, Connecticut retail prices have risen by \$1.09, about 63%. Connecticut retail prices have risen 2 cents in the past week and 10 cents in the past two weeks. Falling wholesale prices are finally

