

Crude Oil



After falling by 6.4% over the previous 7 weeks, crude oil inventories grew sharply this past week. They increased by 5.2 million barrels, five times higher than the most optimistic forecasts and in sharp contrast to the normal decline of 1.2 million for this time of year. Increases in crude imports and lower usage of crude for refined products led to the higher than expected stock growth. Crude oil stocks exceed year ago levels by 17.8% and they are 9.0% above the five-year average. They are at their second highest level for this date since 1993.

After rising by \$3.09 last week, spot prices fell by \$1.16/bbl this past week. Prices had risen by \$8.72 over a 9 session period because of declining inventories, a weakening dollar, strength in equity markets, and economic optimism. Over the past two days this has reversed itself and prices fell by \$4.92. The spot price yesterday was \$63.39, \$58.79 (48%) less than last year. Futures prices closed yesterday at \$69.65, \$53.95 (44%) lower than a year ago.



Natural gas



Natural gas inventories grew by 71 BCF this past week, in line with the expected gain of 70 to 74 and exceeding the five-year average growth of 51 BCF by 39%. Cumulative injections since the end of the heating season are 15% above the five-year average. Current inventory levels are at their highest level ever for this time of year. They are 23.3% higher than a year ago and 18.8% above the five-year average. Inventories have reached these record highs despite a 57 percent decline in gas drilling rigs from last year.

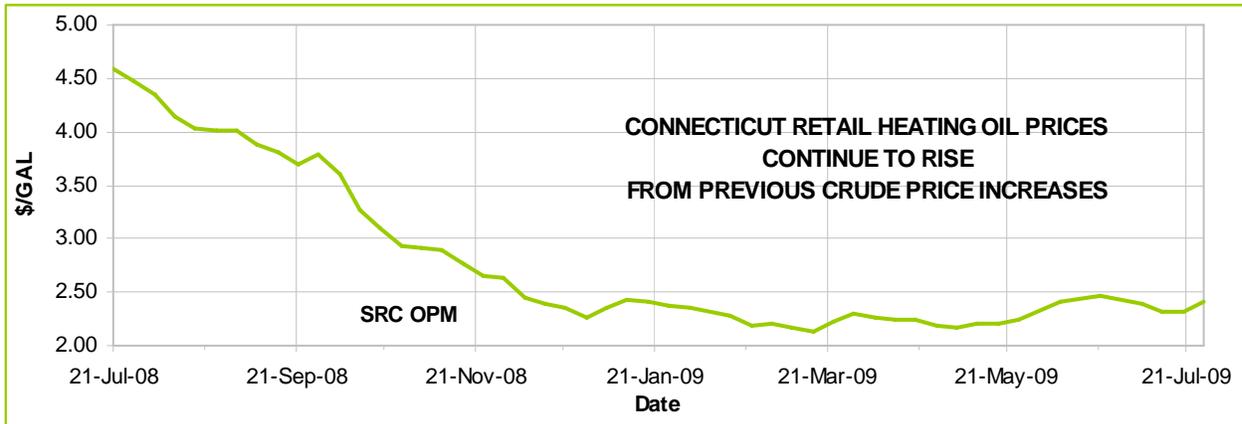
Both futures prices and spot price fell this past week. Futures fell by 25 cents and spot prices by 7 cents. Expectations for continues weak demand, the weak economy, low crude prices, and record high inventories bore more heavily on futures prices. Spot prices were somewhat supported by moderate amounts of cooling demand. The 12-month strip fell to \$4.901 per million BTU, 49% lower than a year ago. The spot price sank to \$3.410 per million BTU, 63% lower than a year ago.



Heating oil



Despite little change in imports or production, distillate stocks grew by 2.1 million barrels, twice the expected increase, as demand continues to be weak. Distillate inventories are 24.9% above year ago levels and 28.4% above the five-year average. Futures and spot prices are both following crude oil prices downward. The 12 month strip is now \$1.824/gal, 4 cents lower than last week and \$1.74 (49%) lower than a year ago. The spot price fell by 5 cents to \$1.651/gal, \$1.80 (52%) below this time last year. After rising by one cent last week, the average Connecticut retail heating oil price rose another 9 cents this past week as prices reflected previous increases in crude. Prices are now at \$2.411/gal. This is \$2.07 (46%) below a year ago. Prices are also 8% and 5% 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 \$2.049. 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
28-Jul-08	4.819	5.499	4.499	4.447	4.999	3.899	4.502	4.799	4.310
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
27-Jul-09	2.606	2.899	2.399	2.375	2.999	2.049	2.433	2.649	2.239
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
28-Jul-08	4.309	4.599	4.100	4.495	4.699	4.180	4.345	4.499	4.199
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
27-Jul-09	2.419	2.499	2.299	2.419	2.499	2.350	2.356	2.429	2.209
	NEW HAVEN								
	AVG	HIGH	LOW						
28-Jul-08	4.389	4.799	3.680						
13-Jul-09	2.239	2.490	1.829						
20-Jul-09	2.246	2.499	1.939						
27-Jul-09	2.324	2.629	2.080						

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 27, 2009. Figures reflect per gallon prices without discount.

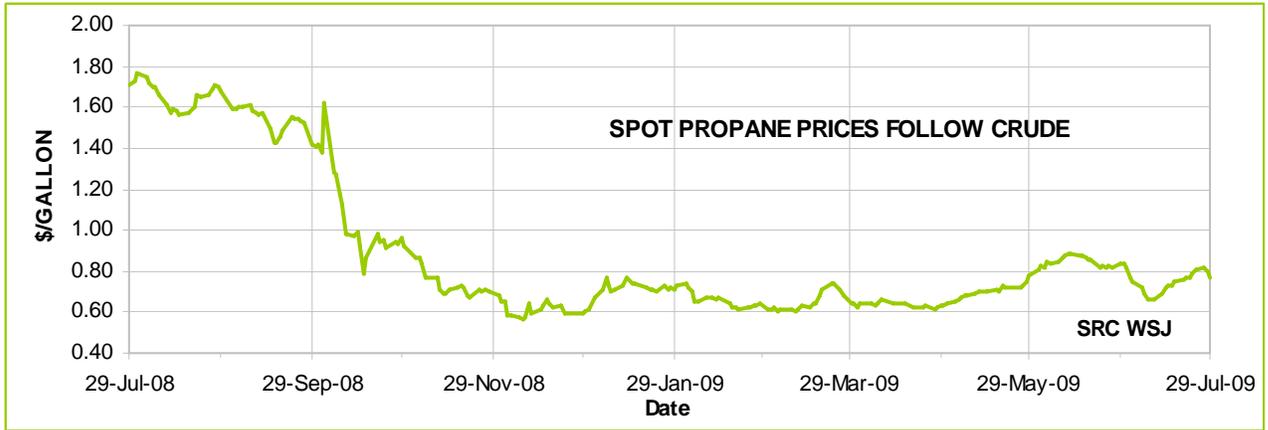
For more information, see www.ct.gov/OPM > Energy Management > Energy Price and Supply Information

Propane



Propane inventories rose by 1.9 million barrels in this week's inventory report, 23 percent higher than the normal gain of 1.6 million for this time of year. Inventories have grown by 31.3 million barrels over the past 18 weeks, 32% higher than the five-year average gain of 23.6 million. Current storage levels exceed last year's levels by 49.6% and are now 31.7% above the five-year average. Weak demand, especially in the petrochemical feedstock sector, has been the main driver of the inventory gain.

After rising by 3 cents/gal last week spot prices were flat this week. Spot prices settled at 76.6 cents per gallon yesterday, 55.3% 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



With flat imports and lower production, gasoline inventories fell by 2.3 million barrels, twice the expected decline of 1.1 million and 70% more than the five-year-average weekly fall. Despite lower prices compared to last year, the recession continues to reduce automobile traffic. Inventories levels are now 0.5% below last year but are 1.9% above the five-year average.

Both spot prices and futures prices are almost 50% below their July 2008 peaks. The spot price is at \$1.765/gal, \$1.15 (40%) less than a year ago. The 12-month strip, at \$1.823/gal, is 40% (\$1.24) less than last year. Connecticut retail prices reversed their month long decline and rose by 2.3 cents/gal this past week. They are now at \$2.658/gal, \$1.56 (36.9%) lower than a year ago.

