

Crude Oil



A decrease in crude oil imports and flat refinery utilization rates lead to a larger than expected decline in crude inventories this past week. Stocks fell by 2.9 million barrels compared to expectations of only a 1.4 million decline. Crude inventories have declined in 8 of the past 9 weeks, falling by 7.5 percent. Despite the recent declines, inventory levels are still more than adequate. Crude oil stocks exceed year ago levels by 17.8% and they are 7.5% above the five-year average. They are at their second highest level for this date since 1994.

After rising by \$1.30 last week, spot prices fell by \$9.17/bbl this past week. Although crude inventories fell, increases in gasoline and distillate inventories underscored the weakness in energy demand. Also, the dollar strengthened, economic indicators weakened, and the energy demand outlook darkened. Futures prices closed at \$64.52, \$73.52 (53%) lower than a year ago. The spot price was \$60.12, \$75.91 (56%) less than last year.



Natural gas



Natural gas inventories grew by 75 BCF this past week, less than the expected 85 BCF gain and 16% less than the five-year average growth. Cumulative injections since the end of the heating season are 15.5% above the five-year average. Current inventory levels are at their highest level ever for this time of year. They are 27.4% higher than a year ago and 19.3% above the five-year average. This is despite the gas drilling rig count declining by 55% from a year ago.

Prices declined by more than 40 cents per million BTU last week as the dollar gained in value, inventories reached new record highs, manufacturing demand remained weak, and there was abnormally low weather demand. The 12-month strip fell to \$4.850 per million BTU, 61% lower than a year ago. The spot price declined to \$3.200 per million BTU, 74% lower than a year ago.

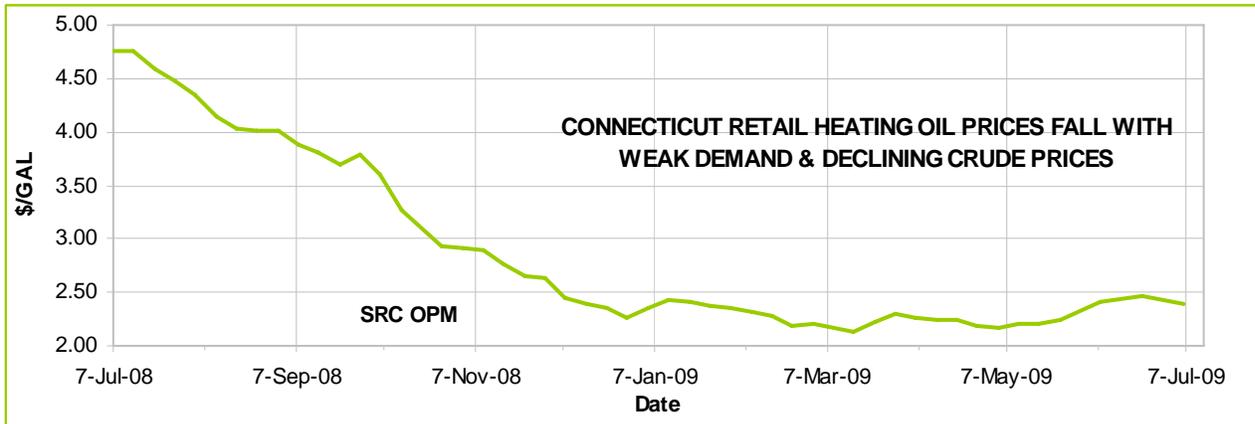


Heating oil



Although distillate production fell this past week, inventories rose by 3.7 million barrels because of the lack of heating demand and weak diesel demand. The inventory increase was more than twice the estimated gain of 1.8 million. Distillate inventories are 29.9% above year ago levels and 31.1% above the five-year average.

The 12 month strip is now \$1.71/gal, \$2.22 (56%) lower than a year ago. The spot price is now \$1.47/gal, \$2.32 (61%) below this time last year. Connecticut retail heating oil prices are finally reacting to previous declines in crude oil prices. After rising by 27 cents over the previous 5 weeks, prices have fallen 8 cents in the past 2 weeks to \$2.39/gal. This is \$2.38 (50%) below the peak price of a year ago. Prices are also 8% and 6% lower than in 2007 and 2006. The highest price in this week's survey was \$2.999 and the lowest was \$1.749. 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
7-Jul-08	4.958	5.499	4.699	4.733	5.199	4.399	4.857	5.259	4.569
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
6-Jul-09	2.561	2.999	2.299	2.360	2.999	1.749	2.341	2.599	2.059
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
7-Jul-08	4.649	4.759	4.450	4.762	4.899	4.600	4.639	4.799	4.500
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
6-Jul-09	2.403	2.549	2.269	2.401	2.599	2.159	2.364	2.419	2.270
	NEW HAVEN								
	AVG	HIGH	LOW						
7-Jul-08	4.699	4.899	4.260						
8-Jun-09	2.335	2.599	2.000						
22-Jun-09	2.415	2.629	2.159						
6-Jul-09	2.309	2.499	1.999						

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 6, 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 1.3 million barrels in this week's inventory report, 41 percent lower than the normal gain of 2.3 million for this time of year. Inventories have grown by 25.0 million barrels over the past 16 weeks, 32% higher than the five-year average gain of 19.0 million. Current storage levels exceed last year's levels by 42.3% 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 fell by 16 cent/gal this past week after no change the previous week. They settled at 66 cents per gallon yesterday, 65% lower than a year ago and 67% lower than their peak price last July. Prices are 17% 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 0.9 million barrels this past week. Instead, they grew by 1.9 million. Increased production and weak demand were the main drivers. Inventories levels have improved to 0.7% above last year and to 1.5% above the five-year average.

Spot prices and futures prices are more than 50% below their July 2008 peaks. The spot price is at \$1.602/gal, \$1.59 (50%) less than a year ago. The 12-month strip, at \$1.656/gal, is 51% (\$1.75) less than last year. Retail prices have fallen by \$1.62 (36.9%) to \$2.768/gal since peaking a year ago. Since bottoming out on January 2, 2009 at \$1.729/gal, Connecticut retail prices have risen by \$1.04, about 60%. Connecticut retail prices have fallen 3 cents in the past week and 5 cents in the past two weeks as declines in wholesale prices are finally reaching the Connecticut retail market.

