

Crude Oil



Increased crude imports and cuts in refinery production led to an inventory increase of 2.5 million barrels compared to an expected gain of only 0.7 million. After falling by 23.3 million over the previous 7 weeks, crude oil inventories have grown by 9.3 million in the past three. This is in sharp contrast to the normal decline of 4.1 million for this three week period. Crude oil stocks exceed year ago levels by 18.7% and they are 11.3% above the 5-year average. They are at their highest level for this date since 1993.

After rising by \$8.55/bbl last week, spot prices fell by \$1.89 this week. A stronger dollar, rising inventories, and weak demand led to the decline. Prices were up 62 cents yesterday however as the market reacted to rising economic optimism and ignored poor market fundamentals. The spot price yesterday was \$70.05, \$43.02 (38%) less than last year. Futures prices closed yesterday at \$75.54, \$38.36 (34%) lower than a year ago.



Natural gas



Natural gas inventories grew by 63 BCF this past week, less than the expected gain of 66 BCF. It exceeded the five-year average growth of 42 BCF for this time of year by 50%. Cumulative injections since the end of the heating season are 17% above the five-year average. Current inventory levels are at their highest level ever for this time of year. They are 23.1% higher than a year ago and 19.6% above the five-year average. Inventories have reached these record highs despite a 57 percent cutback in gas drilling rigs.

Both futures prices and spot price fell this past week. Futures were down by 35 cents and spot prices by 26 cents. Prices fell because of record high inventories, weak industrial demand, lower crude prices, and lower cooling demand. The 12-month strip settled at \$5.250 per million BTU, 41% lower than a year ago. The spot price fell to \$3.360 per million BTU, 59% lower than a year ago.

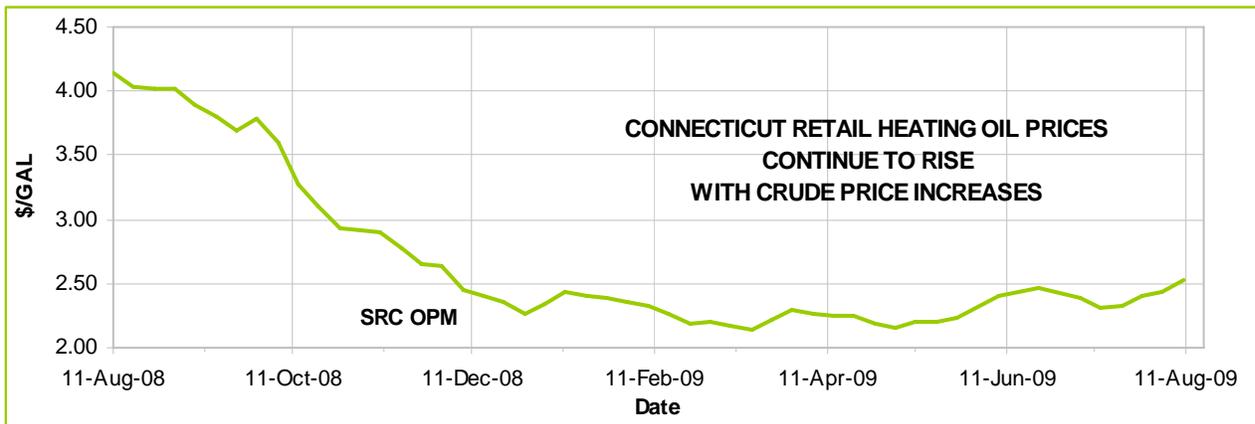


Heating oil



Increases in both imports and production lead to a 0.8 million barrel growth in distillate stocks compared to an anticipated decline of 0.2 million. Inventories have increased in 15 of the past 17 weeks, growing by 16%. Inventories are 23.1% above year ago levels and 25.8% above the five-year average. Futures and spot prices are both following crude oil prices downward. The 12 month strip is now \$2.020/gal, 5.9 cents lower than last week and \$1.16 (36%) lower than a year ago. The spot price fell by 6.6 cents to \$1.868/gal, \$1.17 (39%) below this time last year.

After rising by 2.5 cents last week, the average Connecticut retail heating oil price rose another 8.7 cents this past week as prices reflected previous increases in crude oil prices working through the system. Prices have risen by 32.4 cents over the past 4 weeks. Prices are now at \$2.523/gal. This is \$1.61 (39%) below a year ago. The highest price in this week's survey was \$3.099 and the lowest was \$2.099. 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
11-Aug-08	4.430	4.999	4.099	4.118	4.599	3.449	4.007	4.319	3.659
27-Jul-09	2.606	2.899	2.399	2.375	2.999	2.049	2.433	2.649	2.239
3-Aug-09	2.613	2.999	2.399	2.427	2.999	2.099	2.475	2.649	2.309
10-Aug-09	2.723	3.099	2.490	2.498	2.999	2.099	2.513	2.649	2.379
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
11-Aug-08	3.939	3.999	3.899	4.262	4.499	3.950	3.959	4.099	3.800
27-Jul-09	2.419	2.499	2.299	2.419	2.499	2.350	2.356	2.429	2.209
3-Aug-09	2.455	2.549	2.299	2.439	2.599	2.349	2.376	2.429	2.299
10-Aug-09	2.511	2.599	2.399	2.529	2.649	2.350	2.449	2.499	2.379
	NEW HAVEN								
	AVG	HIGH	LOW						
11-Aug-08	4.032	4.590	3.499						
27-Jul-09	2.324	2.629	2.080						
3-Aug-09	2.334	2.609	2.080						
10-Aug-09	2.447	2.749	2.099						

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 August 10, 2009. Figures reflect per gallon prices without discount.

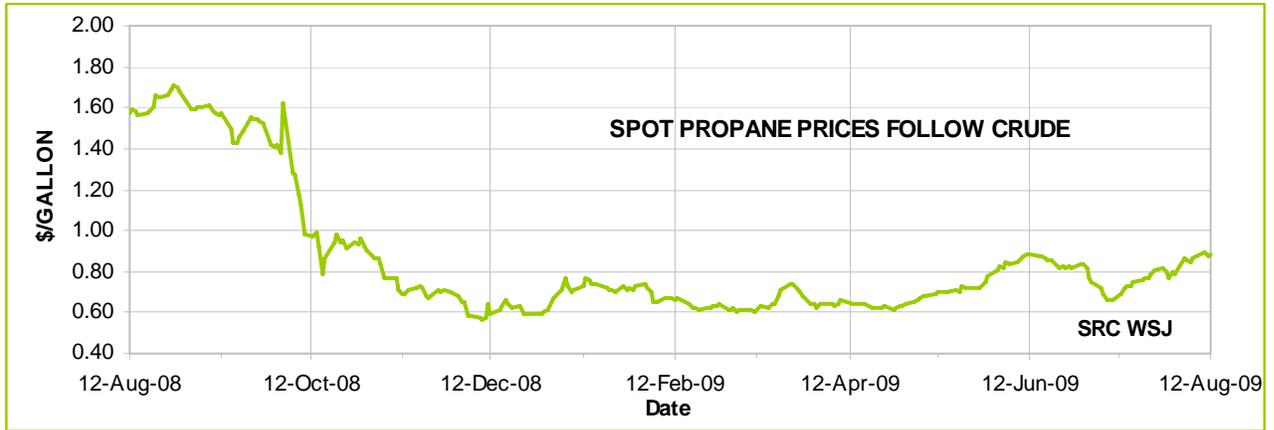
For more information, see www.ct.gov/OPM > Energy Management > Energy Price and Supply Information

Propane



Propane inventories rose by only 0.5 million barrels in this week's inventory report, 66 percent below the normal gain of 1.6 million for this time of year. This is the smallest gain during the past 21 weeks of storage injections. Inventories have grown by 32.4 million barrels over this period, 20% higher than the five-year average gain. Current storage levels exceed last year's levels by 42.1% and are now 25.9% 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 8.5 cents last week, spot prices were up another 3.7 cents per gallon this week. Spot prices settled at 88.8 cents per gallon yesterday, 43.8% lower than a year ago and 55% lower than their peak 2008 price. Prices are 58% above their December 9, 2008 low of 56.3 cents/gal. According to census data, 2% of homes in Connecticut are heated by propane.



Gasoline



With production down and import levels staying flat, gasoline inventories fell by 0.9 million barrels compared to an expected growth of 1.3 million. Despite lower prices compared to last year, the recession continues to reduce automobile traffic. Because of lower demand, over the past 9 weeks, inventories, which normally would fall by 4.7 million barrels during the driving season, have grown by 10.3 million. Inventories levels have improved to 4.0% above last year and they are 3.6% above the five-year average.

The spot price is at \$1.944/gal, 87 cents (31%) less than a year ago. The 12-month strip, at \$2.004/gal, is 30% (87 cents) less than last year. Connecticut retail prices continue to rise. They were up another 5.7 cents/gal this week after increasing by 8.7 cents the week before. They are now at \$2.802/gal, \$1.20 (30%) lower than a year ago. Retail prices are now at March 2007 levels.

