

Crude Oil



Decreased crude imports and an increase in crude oil inputs to refineries led to an inventory loss of 8.4 million barrels compared to an expected gain of 1.0 million. This was the largest weekly crude inventory decline since May of 2008. Crude oil stocks still exceed year ago levels by 12.8% and they are 8.3% above the 5-year average, but these margins are much smaller than a week ago. The current inventory is at its highest level for this date since 1998. After falling by \$1.89/bbl last week, spot prices rose by \$2.46 this week. The largest inventory decline in 11 years drove yesterday's spot price up by \$3.32. Although there was hope that the decline was the result of increased demand from a reviving economy, the real cause might just be lower imports. Imports were probably down because of unrest in Nigeria, tankers waiting out storms, and shipments being diverted to higher priced markets in Europe rather than to the U.S. The spot price yesterday was \$72.51, \$41.85 (37%) less than last year. Futures prices closed yesterday at \$76.83, \$38.64 (34%) lower than a year ago.



Natural gas



Natural gas inventories grew by 52 BCF this past week. This was 8.3% less than the five-year average growth of 57 BCF for this time of year. Cumulative injections since the end of the heating season are 16% above the five-year average. At 3,204 BCF, current inventory levels are at their highest level ever for this time of year. They are 21.3% higher than a year ago and 19.0% 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 again this past week. Futures were down by 25 cents and spot prices by 34 cents. Prices fell because of record high inventories, weak industrial demand, and low cooling demand. The 12-month strip settled at \$5.005 per million BTU, 42% lower than a year ago. Futures prices are at December 2003 levels. The spot price fell to \$3.020 per million BTU, 61% lower than a year ago. This is the lowest spot price since August of 2002.

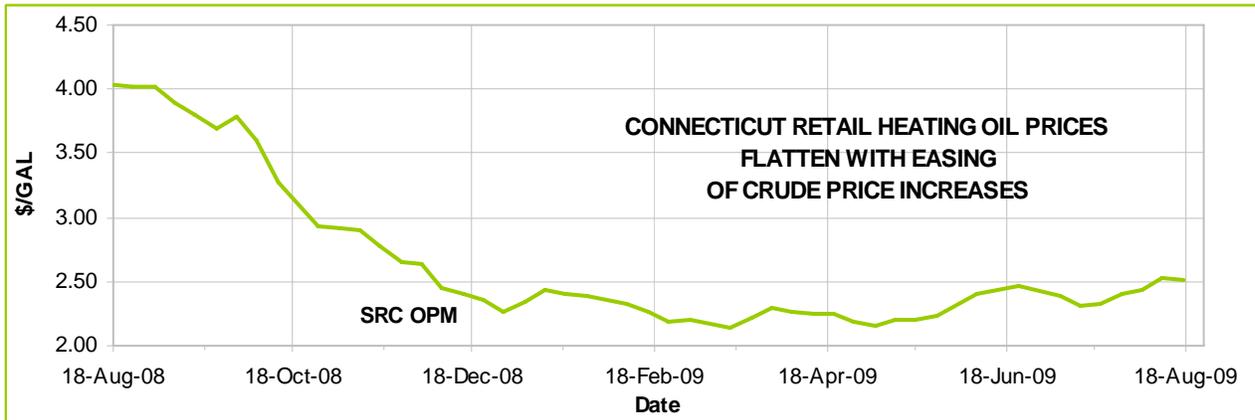


Heating oil



Although distillate imports rose this past week, production declined, and distillate product supplied was up slightly. The net result was an inventory decline of 0.65 million barrels compared to an anticipated gain of 0.4 million. Inventories have increased by 22 million barrels in the past 18 weeks, an increase of 15.7%. Inventories are 22.4% above year ago levels and 24.2% above the five-year average. After falling the week before, both futures and spot prices rose this past week as they followed the upward path of crude oil. The 12 month strip is now \$2.036/gal, \$1.17 (36%) lower than a year ago. The spot price is at \$1.898/gal, \$1.21 (39%) below this time last year.

After rising by 21.5 cents over the previous 4 weeks, the average Connecticut retail heating oil price fell by 0.3 cents this past week as prices reflected the previous easing of crude oil price increases. Prices are now at \$2.520/gal. This is \$1.51 (37.4%) below a year ago. The highest price in this week's survey was \$2.999 and the lowest was \$1.999. 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
18-Aug-08	4.285	4.999	3.999	4.027	4.490	3.399	3.939	4.199	3.649
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
17-Aug-09	2.727	2.999	2.490	2.470	2.999	1.999	2.523	2.740	2.309
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
18-Aug-08	3.943	4.299	3.700	4.114	4.399	3.720	3.857	3.999	3.700
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
17-Aug-09	2.501	2.659	2.399	2.539	2.649	2.350	2.456	2.579	2.309
	NEW HAVEN								
	AVG	HIGH	LOW						
18-Aug-08	3.935	4.399	3.262						
3-Aug-09	2.334	2.609	2.080						
10-Aug-09	2.447	2.749	2.099						
17-Aug-09	2.451	2.689	2.199						

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 17, 2009. Figures reflect per gallon prices without discount.

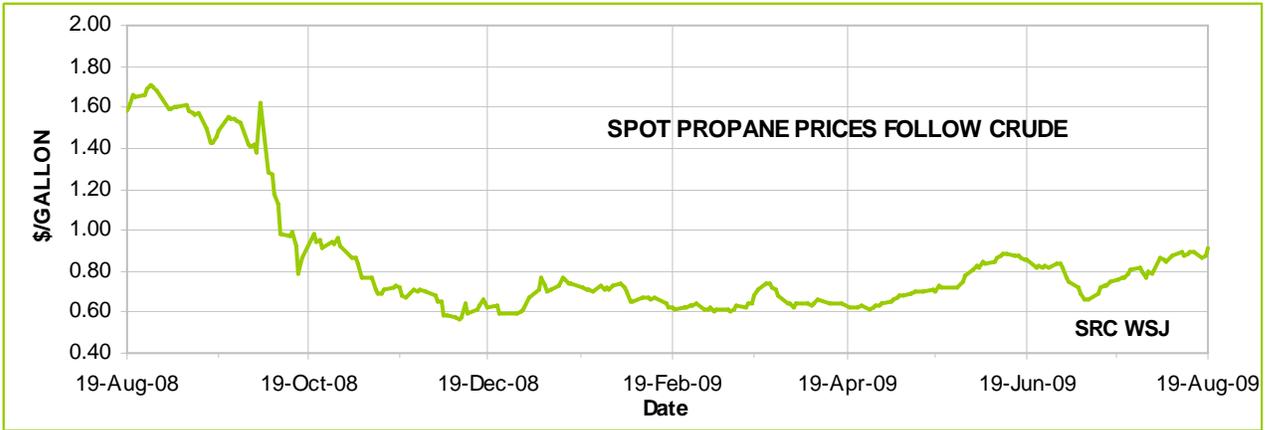
For more information, see www.ct.gov/OPM > Energy Management > Energy Price and Supply Information

Propane



Propane inventories rose by only 0.3 million barrels in this week's inventory report, 80 percent below the normal gain of 1.6 million for this time of year. This is the smallest gain during the past 22 weeks of storage injections. Inventories have grown by 32.7 million barrels over this period, 15% higher than the five-year average gain. Current storage levels exceed last year's levels by 38.1% and are now 22.9% 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 3.7 cents last week, spot prices were up another 2.4 cents per gallon this week. Spot prices settled at 91.1 cents per gallon yesterday, 42.6% lower than a year ago and 54% lower than their peak 2008 price. Prices are 62% 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



Although gasoline production was up this past week, import levels fell and gasoline inventories declined by 2.2 million barrels compared to an expected drop of between 1.0 and 1.4 million. Inventories levels have improved to 6.2% above last year and 4.4% above the five-year average. In the past 10 weeks inventories have grown by 4.0% compared to a normal decline of 3.9% for the time period. Although gasoline prices are lower than a year ago, the recession has seriously eroded automobile usage.

Yesterday's spot price was at \$1.950/gal, 94 cents (33%) less than a year ago. The 12-month strip, at \$2.013/gal, was 30% (88 cents) less than last year. Connecticut retail prices continue to rise. They were up another 0.6 cents/gal this week after increasing by 5.7 cents the week before. While they have gone up by \$1.08 (62%) since the beginning of the year, at \$2.808/gal, they are \$1.08 (28%) lower than a year ago. Retail prices are now at April 2007 levels.

