

## Crude Oil



Crude oil inventories fell for the sixth consecutive week and for nine of the past 10. Stocks fell by 2.8 million barrels compared to expectations of only a 2.1 million decline. Despite the recent declines, inventory levels are still more than adequate. Crude oil stocks exceed year ago levels by 16.2% and they are 7.2% above the five-year average. They are at their second highest level for this date since 1993.

After falling by \$9.17 last week, spot prices rose by \$1.34/bbl this past week. Prices reacted to the decline in crude inventories, a weakening dollar, a rally in world equity markets, and strong Chinese economic growth. Prices ignored the continued weak demand in refined products and the increases in gasoline and distillate stocks. Futures prices closed at \$66.26, \$74.14 (53%) lower than a year ago. The spot price was \$61.46, \$77.19 (56%) less than last year.



## Natural gas



Natural gas inventories grew by 90 BCF this past week, slightly less than the expected 92 BCF gain and slightly more than the five-year average growth of 89 BCF. Cumulative injections since the end of the heating season are 14.3% above the five-year average. Current inventory levels are at their highest level ever for this time of year. They are 25.6% higher than a year ago and 18.6% above the five-year average. This is despite the gas drilling rig count declining by 56% from a year ago.

Futures prices and spot prices diverged this past week. Futures fell by 10 cents as record high inventories and expectations of continued weak demand drove prices downward. On the other hand, spot prices reacted to increases in air conditioning demand and rose by 17 cents. The 12-month strip is now at \$4.755 per million BTU, 59% lower than a year ago. The spot price rose to \$3.370 per million BTU, but it is 71% lower than a year ago.

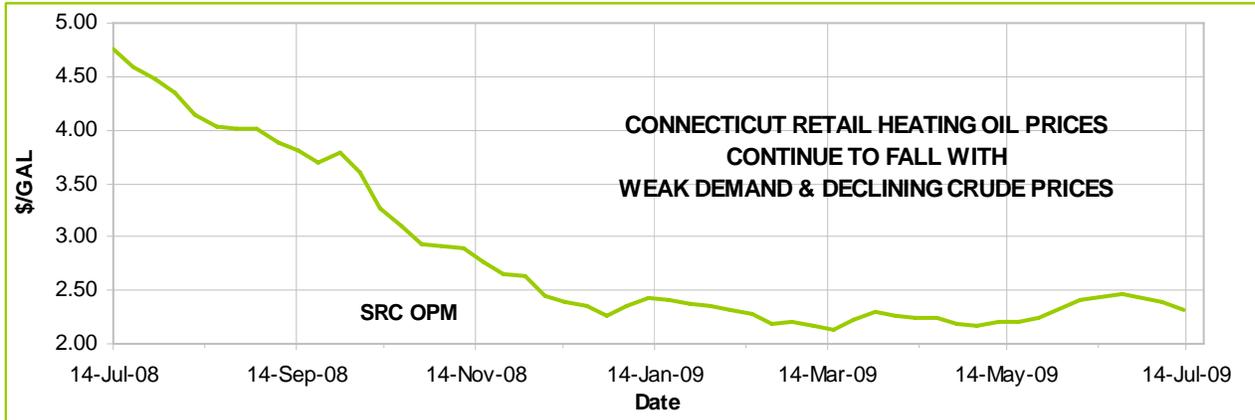


# Heating oil



With distillate production relatively flat compared to the previous week, inventories rose by only 0.55 million barrels, only about one-fourth the estimated gain of 2.0 million. Distillate inventories are still a robust 27.2% above year ago levels and 29.3% above the five-year average.

The 12 month strip is now \$1.737/gal, \$2.27 (57%) lower than a year ago. The spot price is now \$1.554/gal, \$2.33 (60%) below this time last year. Connecticut retail heating oil prices continue to react to previous declines in crude oil prices. After rising by 27 cents from mid May to mid June, prices fell 8 cents in the following 2 weeks and an additional 8 cents this past week. Prices are now at \$2.309/gal. This is \$2.458 (52%) below a year ago. Prices are also 12% and 9% 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% 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
14-Jul-08	4.976	5.499	4.699	4.742	5.199	4.299	4.791	4.999	4.579
8-Jun-09	2.626	2.899	2.390	2.354	2.599	1.899	2.395	2.520	2.259
6-Jul-09	2.561	2.999	2.299	2.360	2.999	1.749	2.341	2.599	2.059
13-Jul-09	2.456	2.899	2.199	2.286	2.999	1.799	2.287	2.510	2.009
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
14-Jul-08	4.679	4.790	4.490	4.758	4.899	4.640	4.667	4.849	4.500
8-Jun-09	2.425	2.599	2.299	2.409	2.449	2.350	2.316	2.399	2.249
6-Jul-09	2.403	2.549	2.269	2.401	2.599	2.159	2.364	2.419	2.270
13-Jul-09	2.309	2.499	2.099	2.339	2.499	2.150	2.281	2.399	2.150
	NEW HAVEN								
	AVG	HIGH	LOW						
14-Jul-08	4.702	5.000	4.230						
8-Jun-09	2.335	2.599	2.000						
6-Jul-09	2.309	2.499	1.999						
13-Jul-09	2.239	2.490	1.829						

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 13, 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 2.3 million barrels in this week's inventory report, 31.4 percent higher than the normal gain of 1.8 million for this time of year. Inventories have grown by 27.3 million barrels over the past 17 weeks, 32% higher than the five-year average gain of 20.7 million. Current storage levels exceed last year's levels by 43.6% 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 rose by 7.4 cent/gal this past week after falling by 15.7 cents the previous week. The spot prices settled at 73.4 cents per gallon yesterday, 62.8% lower than a year ago and 63% lower than their peak 2008 price. Prices are 30% above their December 9, 2008 low of 53 cents/gal. According to census data, 2% of homes in Connecticut are heated by propane.



# Gasoline



Although both gasoline production and imports fell this past week, inventories grew by 1.4 million barrels, much higher than the expected gain of between 0.75 and 0.88 million barrels. Despite lower prices compared to last year, the recession continues to reduce automobile traffic. Inventories levels are now 0.3% above last year and 2.2% above the five-year average.

Spot prices and futures prices are more than 50% below their July 2008 peaks. The spot price is at \$1.665/gal, \$1.57 (48%) less than a year ago. The 12-month strip, at \$1.711/gal, is 50% (\$1.75) less than last year. Connecticut retail prices continue to fall. After dropping by 3 cents last week, they declined by an additional 8 cents this week. They are now at \$2.690/gal, \$1.68 (38.5%) lower than a year ago.

