



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

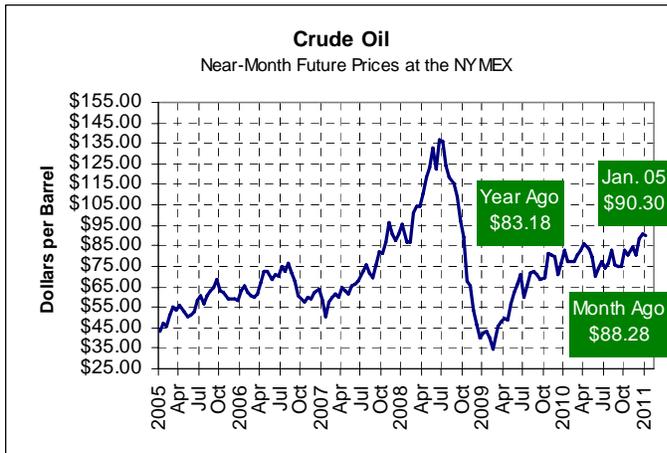
Jan. 7, 2011

Crude Oil

Crude oil prices increased \$2.02 per barrel or 2 percent in the past month and stand 9 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	01-05-11	12-08-10	change	01-06-10	change
NYMEX	\$90.30	\$88.28	up 2%	\$83.18	up 9%

- At the New York Mercantile Exchange (NYMEX) crude oil futures for Feb. delivery ended \$0.92 or 1 percent per barrel higher Jan. 5, to close at \$90.30 per barrel, in response to consecutive weekly declines in U.S. inventories of crude oil and on signs of an improving U.S. and European economy.



- The weekly fuels report released Jan. 5 by the Energy Information Administration (EIA) showed that oil supplies decreased the week ending Dec. 31. Coupled with a Jan. 6 report that showed U.S. companies boosted payrolls by 297,000 in Dec., the most since records began in 2001, helped to support higher crude prices.

Crude oil futures climbed after the Institute for Supply Management's non-factory index, which covers about 90 percent of the economy, advanced. The Standard & Poor's 500 Index advanced 0.5 percent to 1,276.37. Europe's services and manufacturing industries expanded more than initially estimated in Dec., led by the fastest growth in more than four years in Germany.

- Compared to this time last year, this crude oil futures settlement price was \$7.12 (9 percent) higher.
- Total petroleum products supplied to market over the last four-week period ending Dec. 31 averaged 20 million barrels per day (MMB/D), up 4.4 percent compared to the similar period last year.
- According to the EIA report, U.S. oil inventories decreased 4.2 MMB for the week ending Dec. 31. U.S. crude supplies are now 7.9 MMB higher than at this time last year.

- Crude imports for the week ending Dec. 31 were 8.4 MMB/D, down about 369,000 barrels per day from the prior week. Imports at this time last year averaged 8.3 MMB/D. Crude oil inventories represent 22.4 days of forward cover compared to 23.7 days at this time last year.
- U.S. refinery crude runs increased with refiners processing about 15.5 MMB/D of crude for the week ended Dec. 31. U.S. refinery capacity was 88 percent, up 0.2 percent from the prior week and 8.1 percent higher than the 79.9 percent figure at this time last year. U.S. refining capacity has improved as the margin between the price of crude oil and petroleum products continues to increase.
- Gasoline output decreased at 8.8 MMB/D on the week and is down about 208,000 barrels per day compared to last year at this time. Distillate output decreased at 4.6 MMB/D last week but stands 816,000 barrels per day higher compared to the production level at this time last year.

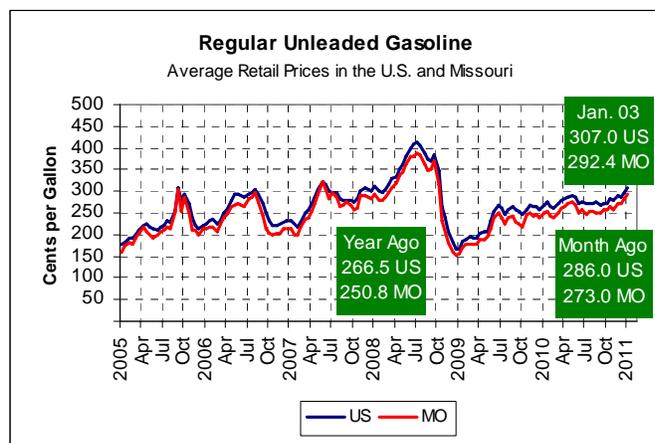
Transportation Fuels

On Jan. 3, Missouri's statewide average retail price for gasoline was \$2.92 per gallon, up 19.4 cents or 7 percent in the past month and nearly \$0.42 per gallon higher than at this time last year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	<u>01-03-11</u>	<u>12-06-10</u>	<u>change</u>	<u>01-04-10</u>	<u>change</u>
US	307.0	286.0	up 7%	266.5	up 15%
Missouri	292.4	273.0	up 7%	250.8	up 17%

Diesel Fuel - Retail Prices (cents per gallon)					
	<u>01-03-11</u>	<u>12-06-10</u>	<u>change</u>	<u>01-04-10</u>	<u>change</u>
US	333.1	319.7	up 4%	279.7	up 19%
Missouri	315.3	293.2	up 8%	267.3	up 18%

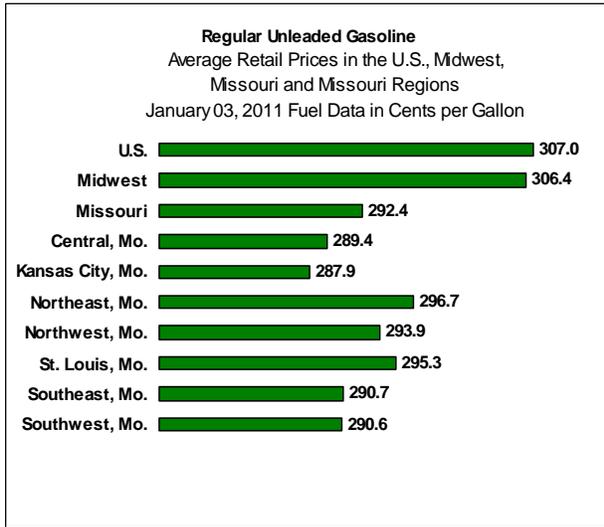
- On Jan. 3, Missouri's average retail price for gasoline was \$2.92, an increase of over 19 cents in the past month. The average price for diesel fuel was up by about 22 cents in the past month. Missouri's average retail gasoline price is about \$0.42 or 17 percent higher, while the average diesel fuel price is about \$0.48, or 18 percent, higher for the comparable period in Jan. 2010.



- The U.S. average price for regular gasoline was up 21 cents per gallon or about 7 percent compared to last month at \$3.07 per gallon. The U.S. average was about 41 cents or 17 percent higher compared to last year. In the past week, the U.S. average was up about 2 cents per gallon.

- Gasoline imports decreased to 0.5 MMB/D last week, nearly 262,000 barrels per day lower compared to this time last week and about 271,000 barrels per day lower than last year at this time.

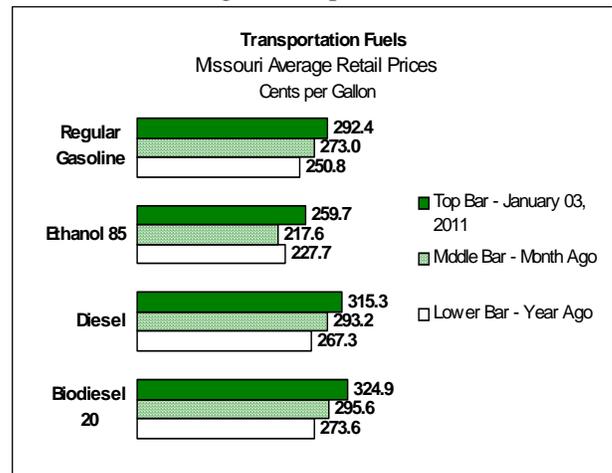
- Implied demand for gasoline decreased the week ending Dec. 31 at 8.8 MMB/D, down 546,000 barrels per day from the prior week but up 112,000 barrels per day compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged 9.2 MMB/D or 248,000 barrels per day higher compared to the same 4-week period last year.



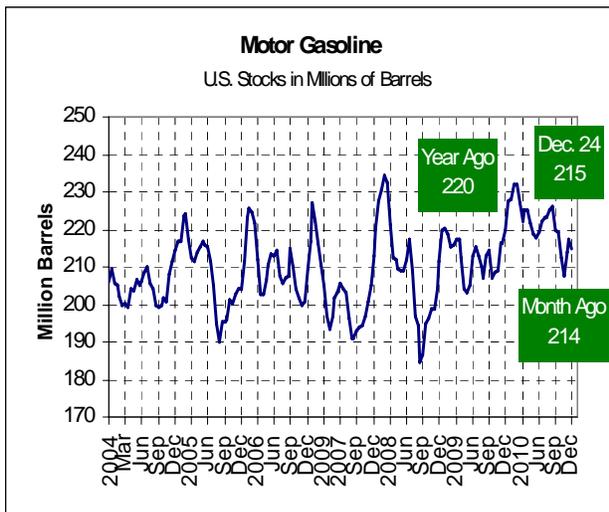
- U.S. gasoline supplies increased 3.3 MMB at 218 MMB for the week ending Dec. 31. Gasoline inventories represent 23.7 days of supply for the United States based on implied demand during the past 4-week average. U.S. gasoline inventories are 1.6 MMB lower than at this time last year and trend within the upper range of the five-year average for this time of year.

period last year. Distillate demand was about 5.7 percent higher at 3.7 MMB/D compared to 3.5 MMB/D at this time last year. On a four-week average, distillate demand is up about 4 percent compared to the same period last year. On the week, distillate demand, which includes diesel fuel and home heating oil, was down by 6 percent at 3.7 MMB/D for the week ending Dec. 31.

- Distillate stocks increased to 162 MMB and stand 3.1 MMB higher compared to the same



- On Jan. 3, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.60 per gallon, 32 cents or about 11 percent lower than the average price for conventional motor gasoline.



- On Jan. 3, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.25 per gallon, 10 cents or about 3 percent, higher than the statewide average retail price for conventional diesel fuel.

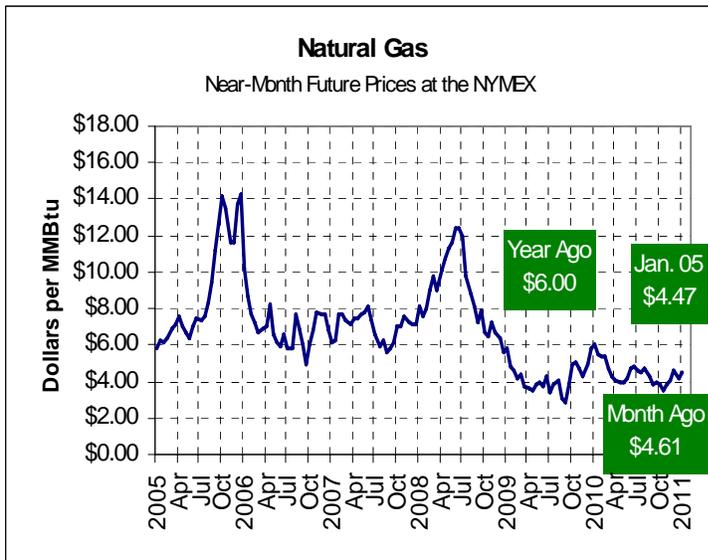
Natural Gas

Approximately 58 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Jan. 5, natural gas futures closed at \$4.47 per MMBtu, down 14 cents from a month ago and 26 percent lower compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	01-05-11	12-08-10	change	01-06-10	change
NYMEX	\$4.47	\$4.61	down 3%	\$6.00	down 26%

- Natural gas futures for Feb. delivery decreased \$0.14 in the past month to a final closing price of \$4.47 per MMBtu on Jan. 5.
- At the NYMEX, for the trading week ending Jan. 5, natural gas futures increased 18.6 cents per



MMBtu to \$4.47. The increase in gas prices corresponded with an overall rebound in natural gas consumption and easing of production. Estimated domestic consumption, which included the New Year holiday, increased by 7.5 percent over the previous week. An increase in residential and commercial use of 20.7 percent was the primary factor driving the gain. Consumption in the power sector fell by 7.9 percent, while the industrial sector registered a 1.9 percent increase. Despite the increase, natural gas consumption still remains about 14.6 percent below corresponding year-ago levels.

- Working gas in storage as of Dec. 31 totaled 3,097 Bcf, 6.5 percent above the 5-year average inventory level for the week according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 48 Bcf or 1.5 percent lower than last year at this time.
- According to the EIA's *Short Term and Winter Fuels Outlook* released Dec. 7, EIA expects Midwest households heating primarily with natural gas to spend an average of \$2, or 0.2 percent, more this winter. The increase in natural gas expenditures reflects a 2.2-percent increase in prices and a 2-percent decrease in consumption. Heating expenditures are projected at \$803 for the winter heating period.

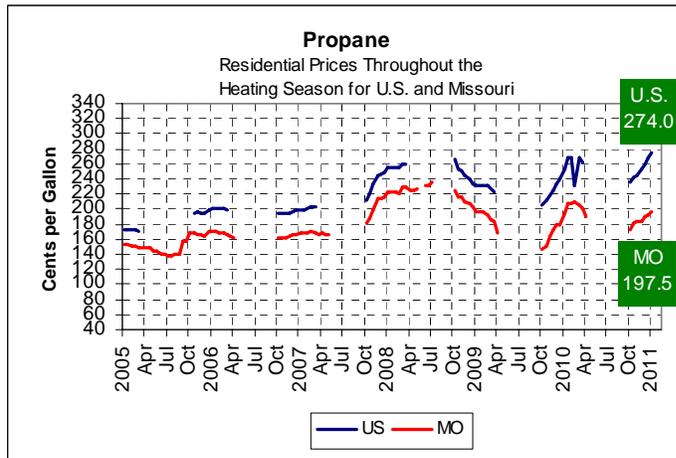
Propane

Approximately 13 percent (293,603) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

On Jan. 3, the average Missouri retail price for residential propane was about \$1.98 per gallon, up 8 cents from last month and 1 percent higher compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	01-03-11	12-06-10	change	01-04-10	change
Missouri	197.5	189.4	up 4%	194.7	up 1%

- According to the Division of Energy's statewide propane price survey conducted Jan. 3, retail residential propane prices increased about 8 cents since in the past month and stand about 3 cents per gallon or 1 percent higher than last year at this time.



The average U.S. residential propane price increased in the past month, rising nearly \$0.14 per gallon to reach \$2.74 per gallon. This was an increase of \$0.21 per gallon compared to the \$2.53 per gallon average from the same period last year.

- U.S. inventories of propane fell last week as total stocks were down about 2.7 million barrels to end at 53 million barrels. Propane inventories are now 3.1 million barrels higher compared to the same period last year. Implied demand

for propane increased at 1.5 MMB/D for the week ending Dec. 31 and is 138,000 barrels per day below the demand level for this time last year.

- According to the survey, the highest Missouri retail residential price for propane was \$2.55 per gallon while the lowest retail price was \$1.69 per gallon.
- For the week ending Dec. 31, Midwest inventories decreased 1.7 MMB. At 21.4 MMB, Midwest inventories are 2 MMB or about 7 percent higher than the 19.4 MMB reported at this time last year.
- According to the EIA's *Short Term and Winter Fuels Outlook* released Dec. 7, EIA expects Midwest households heating primarily with propane to spend an average of \$193, or 11 percent, more this winter. The increase in propane gas expenditures reflects a 13.9 percent increase in prices and a 2.5 percent decrease in consumption. Heating expenditures are projected at \$1,941 for the winter heating period.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources' Division of Energy. The Division of Energy collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the division's Web address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Division of Energy, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm