



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

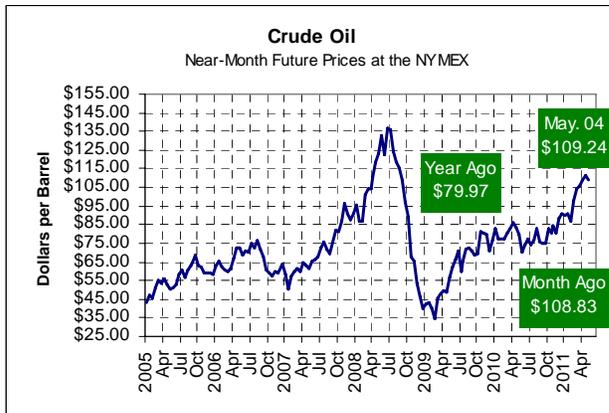
May 10, 2011

Crude Oil

U.S. crude oil prices increased \$0.41 to \$109.24 per barrel in the past month and stand 37 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	05-04-11	04-06-11	change	05-05-10	change
NYMEX	\$109.24	\$108.83	up 0%	\$79.97	up 37%

- At the New York Mercantile Exchange (NYMEX) crude oil futures for June delivery ended \$1.81 per barrel or 1.6 percent lower May 4, to close at \$109.24 per barrel, as U.S. inventories of crude oil surged and on economic concerns regarding higher petroleum prices. Civil unrest continues in the Middle East and in North Africa helping to support higher global crude oil prices.
- Crude oil futures for June delivery on the NYMEX ended lower on May 6 to settle at \$97.18 per barrel, capping the biggest weekly decline in more than 2 years as the death of Osama bin Laden and a strengthening dollar triggered a 5-day rout in commodity prices. Crude oil prices rebounded May 9 to settle at \$102.55 per barrel. Oil has climbed 20 percent in 2011 as unrest in the Middle East and North Africa toppled leaders in Egypt and Tunisia and spread to Libya, Algeria, Bahrain, Iran, Oman, Syria and Yemen. In London, the Brent contract for June delivery on the InterContinental Exchange, the European counterpart to the U.S. NYMEX, settled at \$121.19 per barrel on May 6.



- Compared to this time last year, the U.S. crude oil futures settlement price was \$29.27, or 37 percent, higher.

- Total petroleum products supplied to market over the last four-week period ending May 6 averaged 19.1 million

barrels per day (MMB/D), up 1.4 percent compared to the similar period last year.

- According to the May 4 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories increased 3.4 million barrels (MMB) for the week ending May 6. U.S. crude supplies are now 6 MMB higher than at this time last year.

- Crude imports for the week ending May 6 were 8.9 MMB/D, down 0.4 MMB/D from the prior week. Imports at this time last year averaged nearly 10 MMB/D. Crude oil inventories represent 26.1 days of forward cover up from the 24.2 days compared to this time last year.
- U.S. refinery crude runs were up 23,000 barrels per day with refiners processing about 14.7 MMB/D of crude for the week ended May 6. U.S. refinery capacity was 82.8 percent, up 0.1 percent from the prior week but 6.8 percent lower than the 89.6 percent figure at this time last year.
- Gasoline output increased at 8.9 MMB/D on the week but is down 193,000 barrels per day compared to last year at this time. Distillate output increased at 4.2 MMB/D for the week ending May 6 and stand 43,000 barrels per day higher compared to the production level at this time last year.

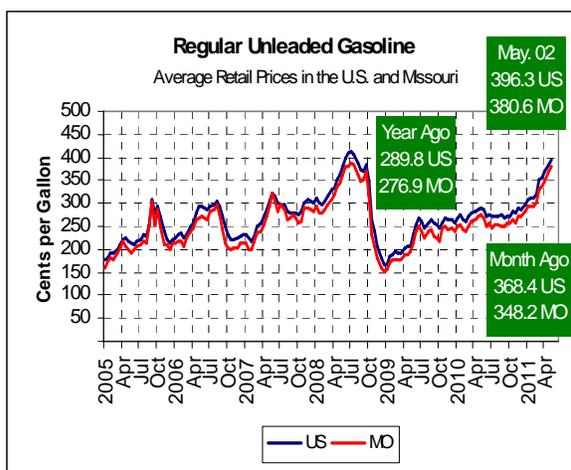
Transportation Fuels

On May 2, Missouri's statewide average retail price for gasoline was \$3.81 per gallon, up 32 cents or 9 percent in the past month and \$1.04 per gallon higher than at this time last year.

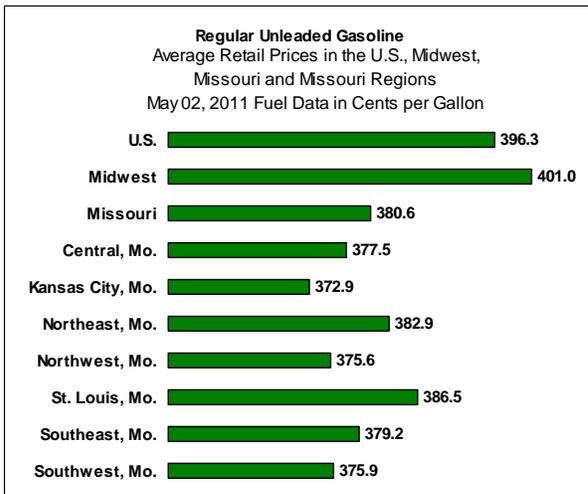
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	05-02-11	04-04-11	change	05-03-10	change
US	396.3	368.4	up 8%	289.8	up 37%
Missouri	380.6	348.2	up 9%	276.9	up 37%

Diesel Fuel - Retail Prices (cents per gallon)					
	05-02-11	04-04-11	change	05-03-10	change
US	412.4	397.6	up 4%	312.2	up 32%
Missouri	395.7	379.7	up 4%	297.9	up 33%

- On May 2, Missouri's average retail price for gasoline was \$3.81, an increase of 33 cents in the past month. The average price for diesel fuel was up by 16 cents in the past month. Missouri's average retail gasoline price is \$1.04 or 37 percent higher, while the average diesel fuel price is nearly \$0.98, or 33 percent, higher for the comparable period in May 2010.



- The U.S. average price for regular gasoline was up 28 cents per gallon or about 9 percent compared to last month at \$3.96 per gallon. The U.S. average was about \$1.07 cents or 37 percent higher compared to this time last year. In the past week, the U.S. average was up by 8 cents per gallon.
- Gasoline imports increased to 1.1 MMB/D for the week ending May 6, nearly 55,000 barrels per day higher compared to the prior week and about 44,000 barrels per day lower than last year at this time.
- Implied demand for gasoline decreased the week ending May 6 at 8.9 MMB/D, down 205,000 barrels per day from the prior week and down 339,000 barrels per day compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged 9.1 MMB/D, 178,000 barrels per day lower compared to the same 4-week period last year.

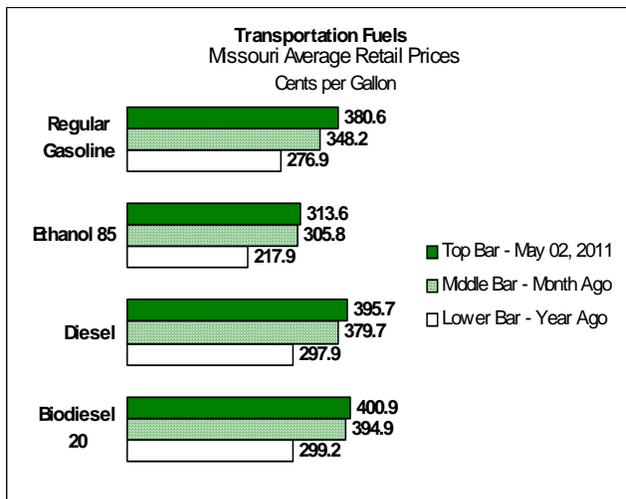


- U.S. gasoline supplies decreased 1 MMB at 204.5 MMB for the week ending May 6. Gasoline inventories represent 22.5 days of supply for the United States based on implied demand during the past 4-week average. U.S. gasoline inventories are 20.4 MMB lower than at this time last year and trend at the lower range of the five-year average for this time of year.

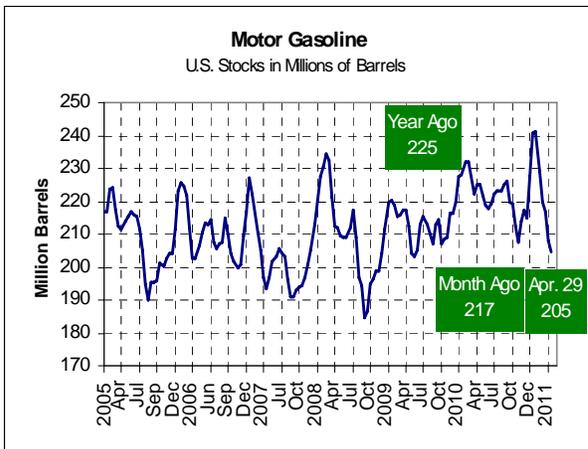
- Distillate stocks decreased at 145 MMB and stand 7.3 MMB lower compared to the same period last year. Distillate demand was up at 3.9 MMB/D in the past week but down 2,000 barrels per day compared to the same period last year. On a four-week average, distillate

demand is up 0.25 MMB/D compared to the same period last year at 3.9 MMB/D. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was up 156,000 barrels per day at 3.9 MMB/D for the week ending May 6.

- On May 2, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$3.14 per gallon, 67 cents or about 18 percent lower than the average price for conventional motor gasoline.
- On May 2, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$4.01 per gallon, 5 cents or about 1 percent, higher than the statewide average retail price for conventional diesel fuel.



- According to EIA's May 10, 2011 *Short Term Energy Outlook*, EIA projects U.S. gasoline prices to



average about \$3.81 per gallon during the peak driving season (April through September). The forecast U.S. monthly average regular gasoline price during the summer peaks in June at \$3.88 per gallon. Prices of futures and options contracts for wholesale gasoline over the 5 days ending May 5 suggest a 41 percent probability that the national monthly average retail price for regular gasoline could exceed \$4.00 per gallon during July 2011.

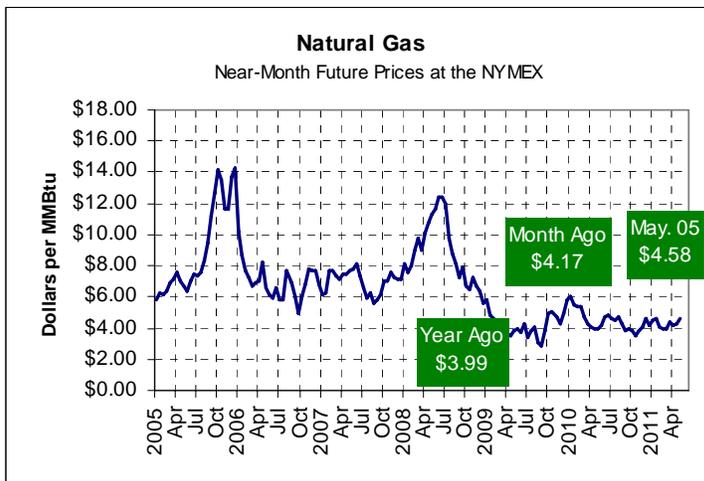
Natural Gas

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 May 5, natural gas futures closed at \$4.58 per MMBtu, up 41 cents from a month ago and 15 percent higher compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	05-05-11	04-06-11	change	05-05-10	change
NYMEX	\$4.58	\$4.17	up 10%	\$3.99	up 15%

- Natural gas futures for June delivery increased \$0.41 in the past month to a final closing price of \$4.58 per MMBtu on May 5.
- At the NYMEX, for the trading week ending May 5, natural gas futures increased 17 cents per MMBtu to \$4.58. The price of the June contract reached as high as \$4.70 during the report week,



which was the highest closing price for a near-month contract since January 2011.

- Natural gas prices moved higher for the week ending May 6 as demand remained elevated relative to previous years and the refill of storage inventories was slower than in previous years. Compared with the same time period last year, U.S. natural gas consumption increased about 10.3 percent. Combined consumption in the residential and commercial sectors

was close to 54 percent higher than last year. Lingering heating-related demand, as well as increasing demand from electric power generators to meet air-conditioning needs resulted in a strengthening in prices from late winter.

- Working gas in storage as of May 6 totaled 1,757 Bcf, 1 percent below the 5-year average inventory level for the week according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 226 Bcf or 11.4 percent lower than last year at this time.

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.

(Note: Beginning April 2011, residential retail propane prices will be reported only for the first full week of each month through September 2011)

On May 2, the average Missouri retail price for residential propane was about \$2.03 per gallon, down by less than 1 cent from last month yet 10 percent higher compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	<u>05-02-11</u>	<u>04-04-11</u>	<u>change</u>	<u>05-03-10</u>	<u>change</u>
Missouri	202.9	203.5	down 0%	184.4	up 10%

- According to the Division of Energy's statewide propane price survey conducted May 2, retail residential propane prices were 0.6 cents per gallon lower in the past month and stand nearly 19 cents per gallon or 10 percent higher than last year at this time.
- According to the survey conducted May 2, the highest Missouri retail residential price for propane was \$2.50 per gallon while the lowest retail price was \$1.85 per gallon.
- For the week ending May 6, U.S. inventories of propane increased as total stocks were up about 1.3 MMB to end at 27.8 million barrels. Propane inventories are now 8.4 million barrels lower compared to the same period last year. Implied demand for propane decreased 175,000 at 0.8 MMB/D for the week ending May 6 and about 59,000 barrels per day lower compared to the demand level for this time last year.
- For the week ending May 2, Midwest propane inventories increased 0.8 MMB. At 11 MMB, Midwest inventories are 4.2 MMB or about 28 percent lower than the 15.2 MMB reported at this time last year.

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