



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

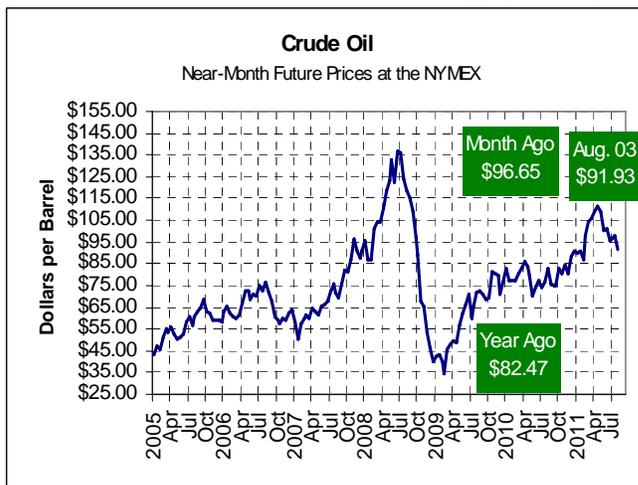
Aug. 5, 2011

Crude Oil

U.S. crude oil prices decreased \$4.72 to \$91.93 per barrel in the past month and stand 11 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	08-03-11	07-06-11	change	08-04-10	change
NYMEX	\$91.93	\$96.65	down 5%	\$82.47	up 11%

- At the New York Mercantile Exchange (NYMEX) crude oil futures for Sept. delivery ended \$1.86, or 2.0 percent, lower August 3 to close at \$91.93 per barrel, falling to a five-week low on concerns that an economic recession may reoccur in both the U.S. and Europe which could curb petroleum demand.
- U.S. crude oil prices faltered after a report showed service industries expanded in July at the slowest pace since Feb.2010. Stocks fell and Treasuries rose on the economic outlook. The decline accelerated after the federal Energy Department said crude supplies climbed, signaling a reduction in petroleum demand. The Institute for Supply Management's index of non-manufacturing businesses,



which covers about 90 percent of the economy, dropped to 52.7 from 53.3 in June. Executives from firms that advise the Treasury Department, including JPMorgan Chase and Goldman Sachs, noted that a cut in the US credit rating isn't imminent. Moody's Investors Service said the US credit rating may be cut. The nation, rated AAA since 1917, was placed on negative outlook, Moody's said in a statement. It warned on July 29th that a 'negative' outlook was more likely as lawmakers reduced the size of spending cuts being negotiated to win approval on a plan to

lift the nation's borrowing limit. US gross domestic product climbed at a 1.3 percent annual rate last quarter after expanding just 0.4 percent in the first quarter, the worst performance since the start of the recovery in June 2009, the Commerce Department said. The specter of a double-dip recession appears to be growing and is impacting consumer confidence.

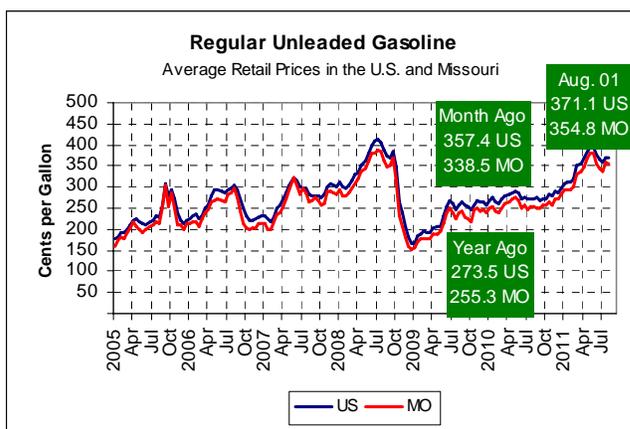
- Compared to this time last year, the U.S. crude oil futures settlement price of \$91.93 is \$9.46, or 11 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending July 29 averaged 18.9 million barrels per day (MMB/D), down 2.0 percent compared to the similar period last year.
- According to the Aug. 3 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories increased 1.0 MMB for the week ending July 29. U.S. crude supplies are now 3.0 MMB lower than at this time last year.
- Crude imports for the week ending July 29 were 9.1 MMB/D, down 0.7 MMB/D from the prior week. Imports at this time last year averaged over 9.6 MMB/D. Crude oil inventories represent 23 days of forward cover compared to 23.1 days at this time last year.
- U.S. refinery crude runs were up 170,000 barrels per day with refiners processing over 15.8 MMB/D of crude for the week ended July 29. U.S. refinery capacity was 89.3 percent, up 1.0 percent from the prior week, but 1.8 percent lower than the 91.1 percent figure at this time last year.
- Gasoline output fell at 9.3 MMB/D on the week on concerns that consumer confidence will result in lower petroleum consumption. Gasoline output is down 111,000 barrels per day compared to last year at this time. Distillate output increased at 4.6 MMB/D for the week ending July 29 and stand 278,000 barrels per day higher compared to the production level at this time last year.

Transportation Fuels

On Aug. 1, Missouri's statewide average retail price for gasoline was \$3.55 per gallon, up over 16 cents or 5 percent in the past month and \$1.00 per gallon higher than at this time last year.

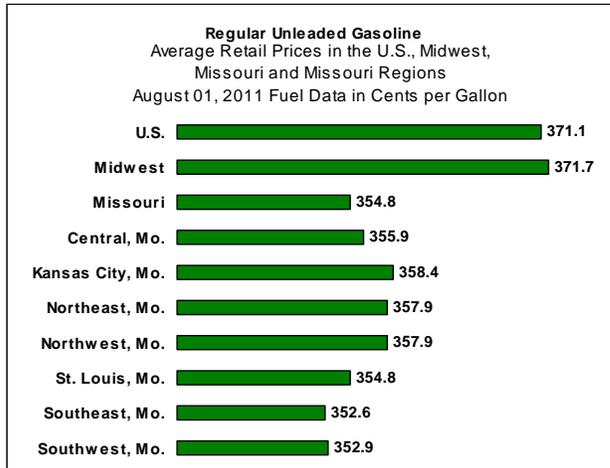
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	<u>08-01-11</u>	<u>07-05-11</u>	<u>change</u>	<u>08-02-10</u>	<u>change</u>
US	371.1	357.4	up 4%	273.5	up 36%
Missouri	354.8	338.5	up 5%	255.3	up 39%

Diesel Fuel - Retail Prices (cents per gallon)					
	<u>08-01-11</u>	<u>07-05-11</u>	<u>change</u>	<u>08-02-10</u>	<u>change</u>
US	393.7	385.0	up 2%	292.8	up 34%
Missouri	382.4	373.1	up 2%	276.8	up 38%



- On Aug. 1, Missouri's average retail price for gasoline was \$3.55, an increase of 16 cents in the past month. The average price for diesel fuel was up by 9 cents in the past month. Missouri's average retail gasoline price is \$1.00 or 39 percent higher, while the average diesel fuel price is \$1.06, or 38 percent, higher for the comparable period in August 2010.

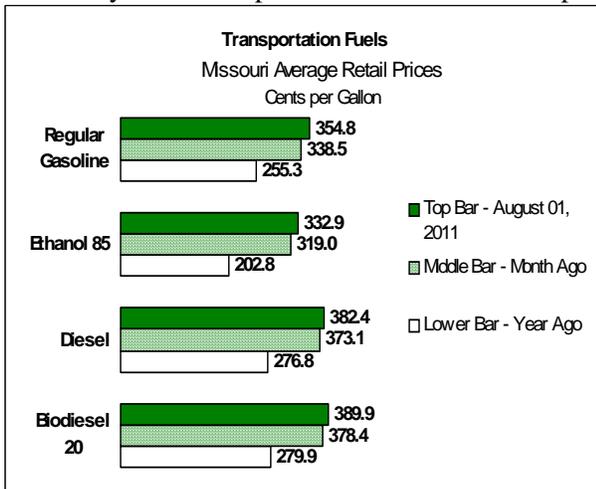
- The U.S. average price for regular



gasoline was up about 14 cents per gallon or about 4 percent compared to last month at \$3.71 per gallon. The U.S. average was about \$0.98 cents or 36 percent higher compared to this time last year. In the past week, the U.S. average increased by just 1 cent per gallon.

- Gasoline imports increased to 0.8 MMB/D for the week ending July 29; nearly 185,000 barrels per day higher compared to the prior week yet 387,000 barrels per day lower than last year at this time.

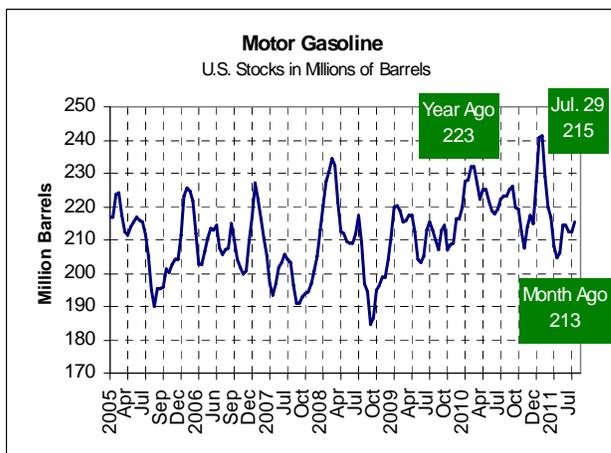
- Implied demand for gasoline increased the week ending July 29 at 9.2 MMB/D, up 216,000 barrels per day from the prior week yet 262,000 barrels per day lower compared to this same period last year. In the past four weeks, U.S. gasoline demand has averaged 9.0 MMB/D, 341,000 barrels per day lower compared to the same 4-week period last year.



- U.S. gasoline supplies increased 1.7 MMB at 212.2 MMB for the week ending July 29. Gasoline inventories represent 23.2 days of supply for the U.S. based on implied demand during the past four-week average. U.S. gasoline inventories are 7.8 MMB lower than at this time last year and now trend at the upper range of the five-year average for this time of year.

- Distillate stocks increased 0.4 MMB at 152.3 MMB and stand 17.4 MMB lower compared to the same period last year. Distillate demand was up at 3.9 MMB/D in the past week and up 534,000 barrels per day compared to the same period last

year. On a four-week average, distillate demand is up 59,000 barrels compared to the same period last year at 3.5 MMB/D. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was up 540,000 barrels per day.



- On August 1, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$3.33 per gallon, 22 cents or about 6 percent lower than the average price for conventional motor gasoline.

- On Aug. 1, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.90 per gallon, 7.5 cents or about 2 percent, higher than the statewide average retail price for conventional diesel fuel.

- According to EIA’s July 12, 2011 *Short Term Energy Outlook* , EIA projects U.S. gasoline prices to average about \$3.71 per gallon during the peak driving season (April through September). EIA expects the May national average price of \$3.91 per gallon will be the peak monthly average price this driving season.

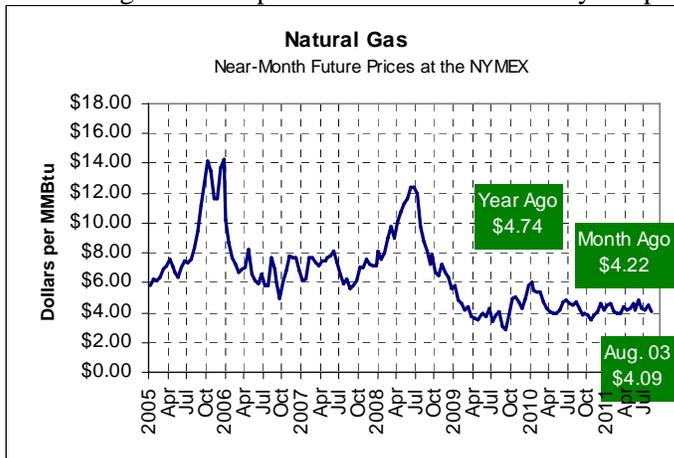
Natural Gas

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 Aug. 3, natural gas futures closed at \$4.09 per MMBtu, down 13 cents from a month ago and down 14 percent compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	08-03-11	07-06-11	change	08-05-10	change
NYMEX	\$4.09	\$4.22	down 3%	\$4.74	down 14%

- Natural gas futures for Sept. delivery decreased \$0.13 in the past month to a final closing price of \$4.09 per MMBtu on Aug. 3.
- At the NYMEX, for the trading week ending July 20, natural gas futures decreased 22.8 cents per MMBtu to \$4.09.
- The price decrease was most likely due to expectations of cooler temperatures with the attendant diminished cooling load. Spurred by the easing heat trend, consumption registered a modest decrease. Domestic gas consumption decreased last week by 1.3 percent over the previous week. The power sector led the decline with a loss of 1.4 percent, mostly reflective of a reduction in cooling load for air conditioning. Likewise, the residential and commercial sectors also posted a loss. However, running counter to the overall consumption downtrend, the industrial sector rose 0.4 percent.



- Working gas in storage as of July 29 totaled 2,758 Bcf, 2.4 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 186 Bcf or 6.3 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 Apr. 2011, residential retail propane prices will be reported only for the first full week of each month through Sept. 2011)

On Aug. 1, the average Missouri retail price for residential propane was about \$2.00 per gallon, down 2.1 cents per gallon from last month and 19 percent higher compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	<u>08-01-11</u>	<u>07-05-11</u>	<u>change</u>	<u>08-02-10</u>	<u>change</u>
Missouri	200.5	202.6	down 1%	168.5	up 19%

- According to the Division of Energy's statewide propane price survey conducted Aug. 1, retail residential propane prices were down 2.1 cents in the past month and stand nearly 32 cents per gallon or 19 percent higher than last year at this time.
- According to the survey conducted Aug. 1, the highest Missouri retail residential price for propane was \$2.50 per gallon while the lowest retail price was \$1.79 per gallon.
- For the week ending July 29, U.S. inventories of propane increased as total stocks were up about 1.1 MMB to end at 49.4 million barrels. Propane inventories are now 5.8 MMB lower compared to the same period last year. Implied demand for propane increased 42,000 barrels for the week ending July 29 and up 79,000 barrels per day compared to the demand level for this time last year.
- For the week ending July 29, Midwest propane inventories increased 0.6 MMB. At 21.8 MMB, Midwest inventories are 2.4 MMB or about 10 percent lower than the 24.2 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