



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

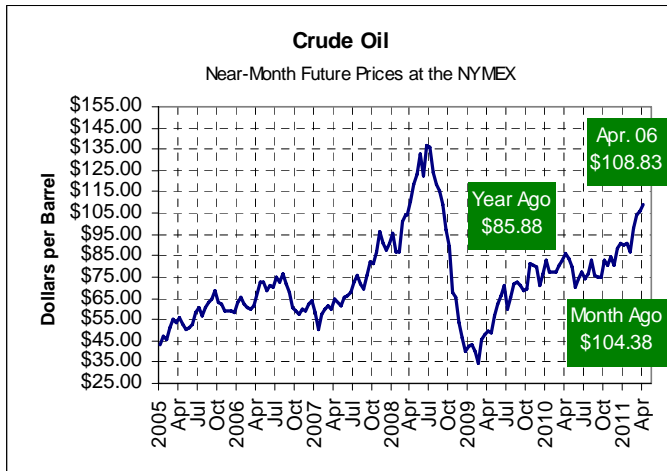
April 7, 2011

Crude Oil

U.S. crude oil prices increased \$4.45 to \$108.83 per barrel in the past month and stand 27 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	04-06-11	03-09-11	change	04-07-10	change
NYMEX	\$108.83	\$104.38	up 4%	\$85.88	up 27%

- At the New York Mercantile Exchange (NYMEX) crude oil futures for May delivery ended \$0.49 per barrel higher Apr. 6, to close at \$108.83 per barrel, as the violence in Libya escalates and NATO air sorties grew to 198 on Wed. compared to 155 on Tuesday. Crude oil prices continue to advance this year as civil unrest spread from Tunisia to Egypt, Libya, Yemen, Bahrain and Syria. Elections in Nigeria this month may lead to decreased output from Africa's top crude-producing country. The potential for significant Middle East and North African oil export disruption and a fear of an oil shortage is pressuring global oil prices higher.
- U.S. crude oil futures for May delivery on the NYMEX ended \$1.47, or 1.4%, higher on Apr. 7 to settle at \$110.30 per barrel, a 30-month high, and headed for a 3rd straight week of gains as a fire burned at Libya's Sarir oil field. NATO command noted forces loyal to Qaddafi caused the fire at the Sarir oil field.



Elections in Nigeria this month may lead to decreased output from Africa's top crude-producing country. Nigerian output may decline after the presidential election takes place on April 16th, curbing supplies of the light, low-sulfur grades that have already been curtailed because of fighting in Libya.

- Compared to this time last year, this crude oil futures settlement price was \$22.95, or 27 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending Apr. 1 averaged 19.1 million barrels per day (MMB/D), up 0.1 percent compared to the similar period last year.

- According to the Apr. 6 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories increased 2 million barrels (MMB) for the week ending Apr. 1. U.S. crude supplies are now 1.5 MMB higher than at this time last year.
- Crude imports for the week ending Apr. 1 were 8.9 MMB/D, down 0.2 MMB/D from the prior week. Imports at this time last year averaged 9.6 MMB/D. Crude oil inventories represent 25.0 days of forward cover down slightly from the 25.1 days compared to this time last year.
- U.S. refinery crude runs were up 0.47 MMB/D with refiners processing about 14.8 MMB/D of crude for the week ended Apr. 1. U.S. refinery capacity was 84.4 percent, up 0.3 percent from the prior week and 0.1 percent lower than the 84.5 percent figure at this time last year.
- Gasoline output increased at 8.9 MMB/D on the week but is down 200,000 barrels per day compared to last year at this time. Distillate output increased slightly at 4.3 MMB/D for the week ending April 1 and stand 0.3 MMB/D higher compared to the production level at this time last year.

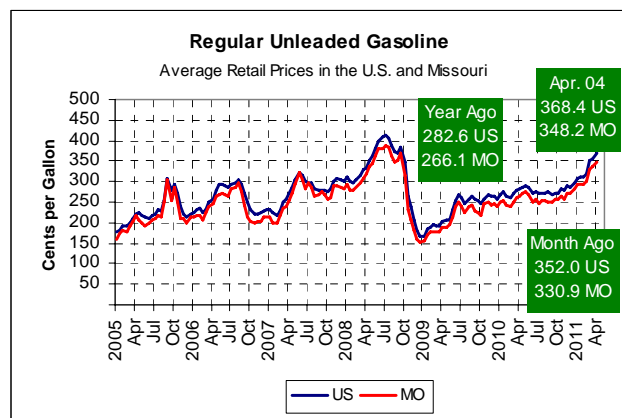
Transportation Fuels

On Apr. 4, Missouri's statewide average retail price for gasoline was \$3.48 per gallon, up 17 cents or 5 percent in the past month and \$0.82 per gallon higher than at this time last year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	04-04-11	03-07-11	change	04-05-10	change
US	368.4	352.0	up 5%	282.6	up 30%
Missouri	348.2	330.9	up 5%	266.1	up 31%

Diesel Fuel - Retail Prices (cents per gallon)					
	04-04-11	03-07-11	change	04-05-10	change
US	397.6	387.1	up 3%	301.5	up 32%
Missouri	379.7	371.0	up 2%	283.1	up 34%

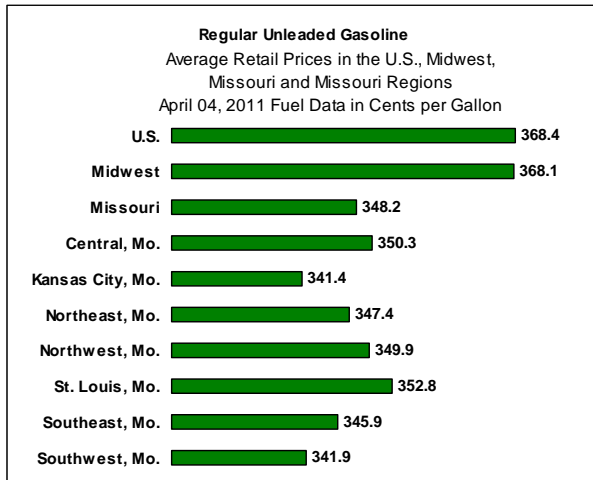
- On Apr. 4, Missouri's average retail price for gasoline was \$3.48, an increase of 17 cents in the past month. The average price for diesel fuel was up by nearly 9 cents in the past month. Missouri's average retail gasoline price is \$0.82 or 31 percent higher, while the average diesel fuel price is nearly \$0.97, or 34 percent, higher for the comparable period in Apr. 2010.



- The U.S. average price for regular gasoline was up 16 cents per gallon or about 5 percent compared to last month at \$3.68 per gallon. The U.S. average was about 86 cents or 30 percent higher compared to this time last year. In the past week, the U.S. average was up by 9 cents per gallon.

- Gasoline imports increased to 1.1 MMB/D for the week ending Apr. 1, nearly 194,000 barrels per day higher compared to the prior week and

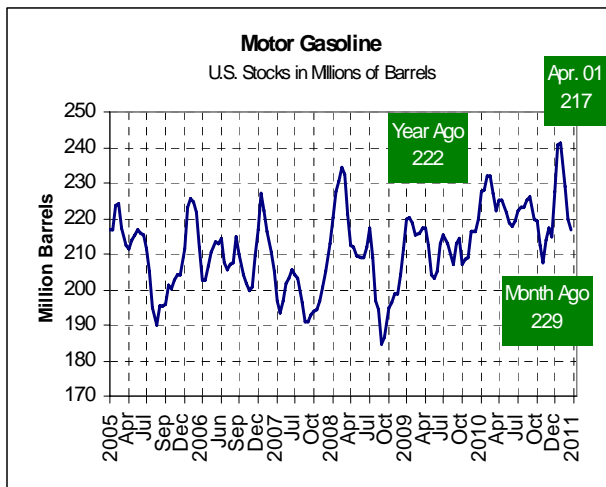
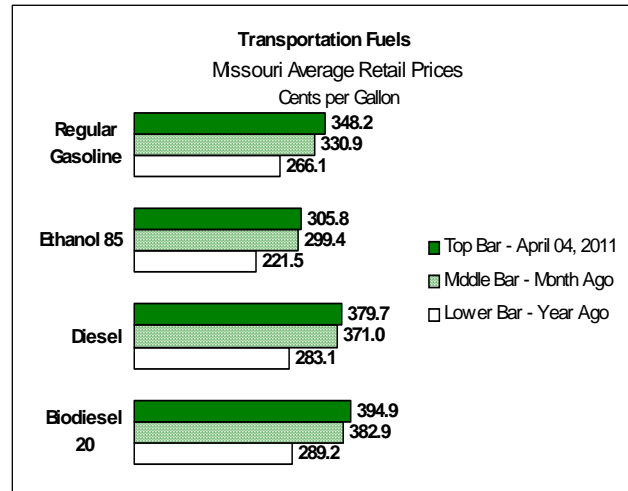
about 322,000 barrels per day higher than last year at this time.



- Implied demand for gasoline decreased the week ending Apr. 1 at 8.7 MMB/D, down 13,000 barrels per day from the prior week and down 223,000 barrels per day compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged 8.9 MMB/D, 112,000 barrels per day lower compared to the same 4-week period last year.
- U.S. gasoline supplies decreased 0.4 MMB at 217 MMB for the week ending Apr. 1. Gasoline inventories represent 24.3 days of supply for the United States based on implied demand during the past 4-week average. U.S. gasoline inventories are 5.7 MMB lower than at this time

last year and trend at the upper range of the five-year average for this time of year.

- Distillate stocks increased slightly at 154 MMB and stand 7.8 MMB higher compared to the same period last year. Distillate demand was up at 3.7 MMB/D and unchanged compared to the same period last year. On a four-week average, distillate demand is nearly unchanged compared to the same period last year at 3.7 MMB/D. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was up 35,000 barrels per day 3.7 MMB/D for the week ending Apr. 1.
- On Apr. 1, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$3.06 per gallon, 42 cents or about 14 percent lower than the average price for conventional motor gasoline.



- On Apr. 1, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.95 per gallon, 15 cents or about 4 percent, higher than the statewide average retail price for conventional diesel fuel.
- According to EIA Mar.8, 2011, *Short Term Energy Outlook*, EIA projects U.S. gasoline prices to average about \$3.70 per gallon during the peak driving season (Apr. through Sept.) with considerable regional and local variation. There is also significant uncertainty surrounding the forecast, with the current market prices of futures and options contracts for gasoline

suggesting a 25-percent probability that the national monthly average retail price for regular gasoline could exceed \$4.00 per gallon during summer 2011.

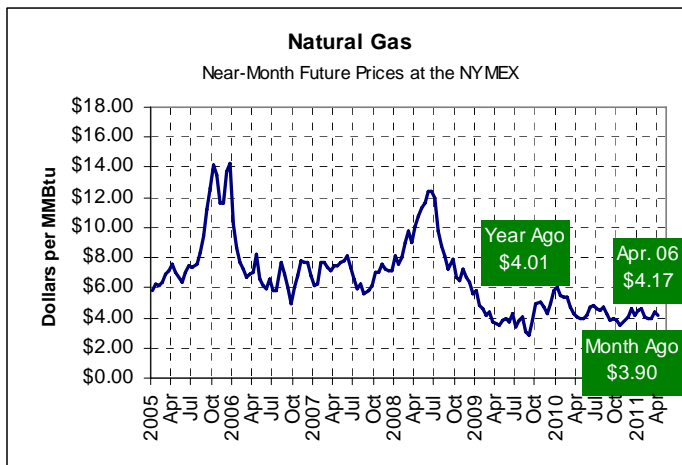
Natural Gas

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 Apr. 6, natural gas futures closed at \$4.17 per MMBtu, up 27 cents from a month ago and 4 percent higher compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	04-06-11	03-09-11	change	04-07-10	change
NYMEX	\$4.17	\$3.90	up 7%	\$4.01	up 4%

- Natural gas futures for May delivery increased \$0.27 in the past month to a final closing price of \$4.17 per MMBtu on Apr. 6.
- At the NYMEX, for the trading week ending Apr. 6, natural gas futures declined 21 cents per MMBtu to \$4.17. Natural gas prices decreased at most market locations throughout the U.S.
- U.S. natural gas consumption dropped by 16 percent week the week ending March 25, with the bulk of the decline coming from the residential and commercial sectors. U.S. exports to Mexico have increased since the March earthquake and tsunami in Japan. The earthquake and tsunami damaged Japan's nuclear generation capacity, creating a need for more natural gas for power generation. LNG cargoes going to Sempra's Costa Azul LNG import terminal on the coast of Baja California, Mexico, have been diverted to Japan. As a result, the United States has boosted its pipeline exports to Mexico.



Working gas in storage as of Apr. 1 totaled 1,579 Bcf, 0.6 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 86 Bcf or 5.2 percent lower than last year at this time.

- According to the EIA's *Short Term and Winter Fuels Outlook* released Mar. 8, EIA expects Midwest households heating primarily with natural gas to spend an average of \$2, or 0.2 percent, less this winter. The decrease in natural gas expenditures reflects a 0.9-percent decrease in prices and a 0.7-percent increase 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.

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

On April 4, the average Missouri retail price for residential propane was about \$2.04 per gallon, down 5 cents from last month yet 7 percent higher compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	<u>04-04-11</u>	<u>03-07-11</u>	<u>change</u>	<u>04-05-10</u>	<u>change</u>
Missouri	203.5	208.6	down 2%	190.6	up 7%

- According to the Division of Energy's statewide propane price survey conducted Apr. 4, retail residential propane prices were 5.1 cents per gallon lower in the past month and stand over 13 cents per gallon or 7 percent higher than last year at this time.
- U.S. inventories of propane fell last week as total stocks were down about 1.1 million barrels to end at 26 million barrels. Propane inventories are now 2.3 million barrels lower compared to the same period last year. Implied demand for propane was unchanged at 1.2 MMB/D for the week ending Apr. 1 and about 0.17 MMB/D higher compared to the demand level for this time last year.
- According to the survey, the highest Missouri retail residential price for propane was \$2.50 per gallon while the lowest retail price was \$1.77 per gallon.
- For the week ending Apr. 1, Midwest propane inventories decreased nearly 1 MMB. At 9.5 MMB, Midwest inventories are 1.1 MMB or about 10 percent lower than the 10.6 MMB reported at this time last year.
- According to the EIA's *Short Term and Winter Fuels Outlook* released Mar. 8, EIA expects Midwest households heating primarily with propane to spend an average of \$207, or 12 percent, more this winter. The increase in propane gas expenditures reflects a 11.7 percent increase in price and a 0.1 percent increase in consumption. Heating expenditures are projected at \$1,997 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