



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

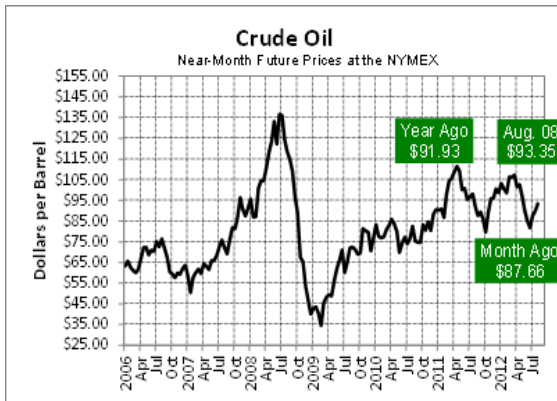
August 10, 2012

Crude Oil

U.S. crude oil prices increased \$5.69, or 6 percent, to \$93.35 per barrel in the past month and stand 2 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	08-08-12	07-03-12	change	08-03-11	change
NYMEX	\$93.35	\$87.66	up 6%	\$91.93	up 2%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for September delivery ended \$0.32, or 0.3 percent, lower August 8 to close at \$93.35 per barrel, after a federal energy report showed domestic fuel demand weakened last week and on investor concern that the Federal Reserve will not enact additional stimulus measures.



Crude prices are up 2 percent compared to the same period last year and down 5.5 percent this calendar year.

- U.S. oil inventories decreased at 369.9 million barrels (MMB). The decrease in stockpiles may be due to lower crude production in the Gulf Coast as Tropical Storm Ernesto moves into the Bay of Campeche, which contains two of Mexico's crude oil production areas.
- Oil prices gained as Dallas Federal Reserve

President Richard Fisher said central banks may not have the capacity to undertake more programs to spur U.S. economic growth. Crude oil supplies at Cushing, Oklahoma, decreased 1.8 percent to 44.3 MMB. Oil inventories there have dropped 7 percent since June. The Federal Reserve refrained from announcing any monetary steps at a meeting last week. German exports fell more than forecast in June and the euro decreased against the dollar.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$93.35 is \$1.42, or 2 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending August 3 averaged 18.9 MMB/D, down 1.9 percent compared to the similar period last year. According to the August 8 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories decreased 3.7 MMB at 369.9 MMB for the week ending August 3. U.S. crude supplies are now 20.1 MMB higher than at this time last year.

- Crude imports for the week ending August 3 were 8.6 MMB/D, up 0.22 MMB/D from the prior week. Imports at this time last year averaged 9.1 MMB/D. Crude oil inventories represent 23.7 days of forward cover compared to 22.5 days at this time last year.
- U.S. refinery crude runs were up 36,000 barrels per day with refiners processing 15.6 MMB/D of crude for the week ending August 3. U.S. refinery capacity use was 92.6 percent, up 0.2 percent from the prior week and up 2.5 percent compared to this time last year.
- Gasoline output was up at 8.9 MMB/D on the week as refiners found greater premiums in motor gasoline production following the explosion and fire at Chevron’s Richmond, California, refinery with a production capacity of 245,000 barrels per day. Gasoline output was down 585,000 barrels per day compared to last year at this time.
- Distillate output increased at 4.7 MMB/D for the week ending August 3, and stands 178,000 barrels per day higher compared to the production level at this time last year.

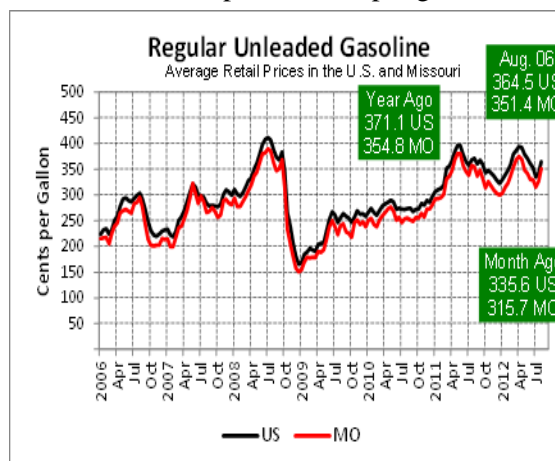
Transportation Fuels

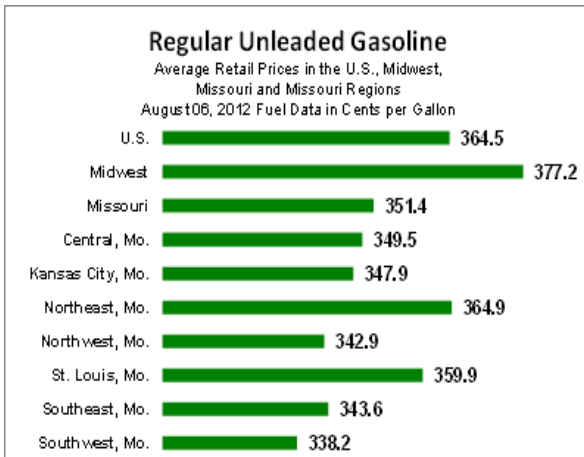
On August 6, Missouri’s statewide average retail price for gasoline was \$3.51 per gallon, up 35.7 cents or 11 percent in the past month.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>08-06-12</u>	<u>07-02-12</u>	<u>change</u>	<u>08-01-11</u>	<u>change</u>
US	364.5	335.6	up 9%	371.1	down 2%
Missouri	351.4	315.7	up 11%	354.8	down 1%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>08-06-12</u>	<u>07-02-12</u>	<u>change</u>	<u>08-01-11</u>	<u>change</u>
US	385.0	364.8	up 6%	393.7	down 2%
Missouri	368.6	340.2	up 8%	382.4	down 4%

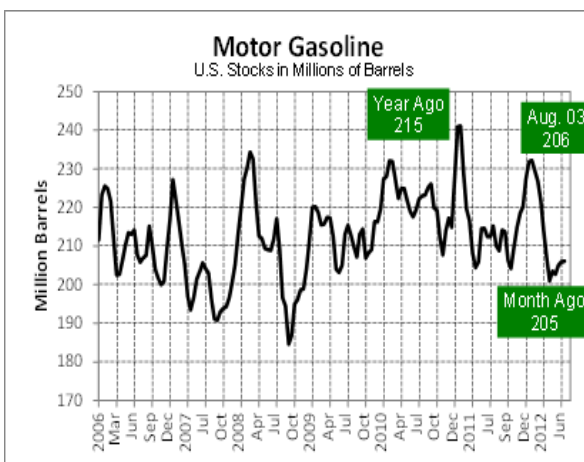
- On August 6, Missouri’s average retail price for gasoline was about \$3.51 per gallon, an increase of 35.7 cents in the past month. The average price for diesel fuel was up 28.4 cents per gallon in the past month. Missouri’s average retail gasoline price is 3.4 cents, or 1.0 percent, lower, while the average diesel fuel price is 13.8 cents, or 4.0 percent, lower for the comparable period in August 2011.
- The U.S. average price for regular gasoline was up by 28.9 cents per gallon, or 9.0 percent, compared to last month at \$3.65 per gallon. The U.S. average was 6.6 cents, or 2 percent, lower compared to this time last year. In the past week, the U.S. average increased 13.7 cents per gallon.





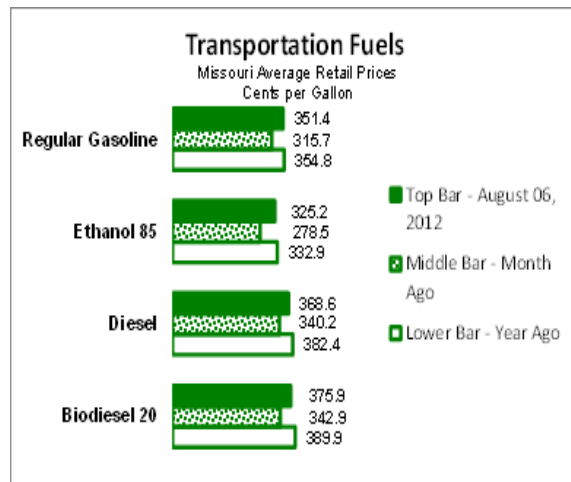
averaged about 8.7 MMB/D, 385,000 barrels per day or 4.0 percent lower compared to the same 4-week period last year.

- U.S. gasoline supplies decreased 1.8 MMB at 206.1 MMB for the week ending August 3. Gasoline inventories represent 23.6 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline inventories are down 7.5 MMB compared to this time last year and trend at the bottom of the five-year average for this time of year.
- Distillate stocks decreased at 123.5 MMB and stand 28.0 MMB lower compared to the same period last year. Distillate demand was up at 3.8 MMB/D for the week ending August 3 and down 156,000 barrels per day compared to the same period last year. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was up about 44,000 barrels per day. On a four-week average, distillate demand was down 105,000 barrels per day compared to the same period last year at 3.6 MMB/D.



\$3.76 per gallon, 7 cents or about 2.0 percent higher than the statewide average retail price for conventional diesel fuel.

- Gasoline imports decreased to 0.46 MMB/D for the week ending August 3, the lowest gasoline import level for an August week since 2000; about 181,000 barrels per day lower compared to the prior week and 176,000 barrels per day lower than last year at this time.
- Implied demand for gasoline increased the week ending August 3 at 8.8 MMB/D, up 19,000 barrels per day from the prior week, but about 405,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has



- On August 6, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$3.25 per gallon, 26 cents or about 8 percent lower than the average price for conventional motor gasoline.
- On August 6, the average retail price for B20, diesel fuel containing 20 percent biofuel, was

- According to EIA’s August 7, 2012, *Short Term Energy Outlook*, the U.S. regular-grade motor gasoline retail price is estimated to average \$3.53 per gallon in 2012, unchanged from last year. During the April through September peak driving season, prices are forecast to average about \$3.61 per gallon.

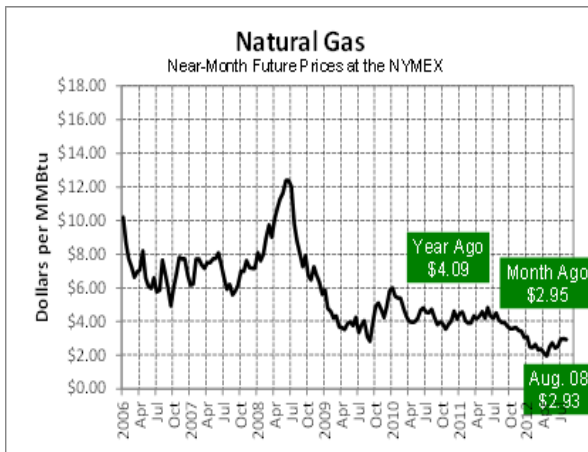
Natural Gas

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 August 8, natural gas futures closed at \$2.93 per million British thermal units (MMBtu), down 2 cents from a month ago and down \$1.16 compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>08-08-12</u>	<u>07-05-12</u>	<u>change</u>	<u>08-03-11</u>	<u>change</u>
NYMEX	\$2.93	\$2.95	down 1%	\$4.09	down 28%

- Natural gas futures for September delivery decreased \$0.02 in the past month to a final closing price of \$2.93 per MMBtu on August 8.
- The NYMEX September 2012 futures contract fell by 7.5 percent from \$3.17 per MMBtu August 1 to \$2.93 per MMBtu August 8. The settlement price dropped week-on-week after rising consistently throughout June and July. It fell to a low of \$2.88 per MMBtu last August 3 and gained slightly thereafter.



- According to EIA, total consumption for the report week showed an overall increase, driven by an uptick in natural gas consumed for power generation. EIA estimates natural gas consumption in the residential/commercial sectors fell by 1.5 percent, but was more than offset by an increase in consumption in the power and industrial sectors, which grew by 1.0 and 1.5 percent, respectively.

Working gas in storage as of August 3 totaled 3,241 billion cubic feet (Bcf), 13.5 percent above the five-year average inventory level for the week according to EIA’s *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 465 Bcf, or 16.8 percent, higher 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: From April through September, residential retail propane prices are reported only for the first full week of each month.)

On August 6, the average Missouri retail price for residential propane was about \$1.54 per gallon, down 9.4 cents in the past month.

Propane - Retail Prices (cents per gallon)					
	<u>08-06-12</u>	<u>07-02-12</u>	<u>change</u>	<u>08-01-11</u>	<u>change</u>
Missouri	154.1	163.5	down 6%	200.5	down 23%

- According to the Division of Energy's statewide propane price survey conducted August 6, Missouri retail residential propane prices were down 9.4 cents, or 6.0 percent, in the past month.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$1.93 per gallon, while the lowest retail price was about \$1.16 per gallon.
- For the week ending August 3, U.S. inventories of propane increased 0.59 MMB to end at 68.1 MMB. Propane inventories are now 18.5 MMB, or 37 percent, higher compared to the same period last year. Implied demand for propane increased 130,000 barrels per day at 1.18 MMB/D for the week ending August 3, and up 235,000 barrels per day compared to the demand level for this time last year.
- For the week ending August 3, Midwest propane inventories decreased 0.2 MMB. At 26.9 MMB, Midwest inventories are 5.3 MMB, or 24.5 percent, higher than the 21.6 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