Crude Oil

U.S. crude oil prices decreased $4.51 to $98.71 per barrel in the past month and stand 14 percent higher than at this time last year.

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<thead>
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<th>Crude Oil - Near Month Future Prices (dollars per barrel)</th>
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<td>NYMEX</td>
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- At the New York Mercantile Exchange (NYMEX) crude futures for Mar. delivery ended $0.30, or 0.3 percent, higher Feb. 8 to close at $98.71 per barrel, as U.S. stocks of crude increased slightly and as refiners increased fuel production. Futures prices remain relatively strong despite weak consumer demand. Crude prices are now 14 percent higher compared to the same period last year and up 1 percent since the beginning of the year.

- Analysts had expected an increase of nearly 2.5 million barrels (MMB) in crude oil reserves. U.S. inventories grew by just 0.3 MMB for the week ending Feb. 3. Futures have been pressured higher on tensions in the Middle East as civil unrest continued in Syria and on-going Iranian threats to close the Strait of Hormuz that could restrict crude oil shipments from certain areas within the Middle East.

- Crude prices rose early to the day’s high of $100.09 as Greek leaders worked on a rescue plan with creditors. Iran’s foreign minister said that the latest US sanctions against his country’s financial institutions were psychological warfare. President Obama ordered a block on property and interests in property belonging to the Iranian government, its central bank and all Iranian financial institutions.

- Compared to this time last year, the U.S. crude oil futures settlement price of $86.71 is $12.00, or 14 percent, higher.

- Total petroleum products supplied to market over the last four-week period ending Feb. 3 averaged just 18.1 MMB/D, down 4.8 percent compared to the similar period last year. That is the lowest 28-day aggregate since April 25, 1997, a span of about 177 months. The decline is still broad-based with many contributors. On a four-week average basis, gasoline demand is down 6.8 percent from last
According to the Feb. 8 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories increased 0.3 MMB at 339.2 MMB for the week ending Feb. 3. U.S. crude supplies are now 5.8 MMB lower than at this time last year.

Crude imports for the week ending Feb. 3 were 8.4 MMB/D, down by nearly 0.5 MMB from the prior week. Imports at this time last year averaged 8.9 MMB/D. Crude oil inventories represent 23.6 days of forward cover compared to 24.2 days at this time last year.

U.S. refinery crude runs were up 178,000 barrels per day with refiners processing 14.7 MMB/D of crude for the week ending Feb. 3. U.S. refinery capacity use was 82.8 percent, up 1.0 percent from the prior week but down 1.9 percent compared at this time last year.

Gasoline output was unchanged at 8.5 MMB/D on the week as refiners maintained production levels in line with consumer demand. Gasoline output was down 0.41 MMB/D compared to last year at this time. Distillate output decreased at 4.5 MMB/D for the week ending Feb. 3 and stand 0.23 MMB/D higher compared to the production level at this time last year.

Transportation Fuels

On Feb. 6, Missouri’s statewide average retail price for gasoline was $3.23 per gallon, up 19.4 cents or 6 percent in the past month.

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<th>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</th>
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On Feb. 6, Missouri’s average retail price for gasoline was $3.23, an increase of 19.4 cents in the past month. The average price for diesel fuel was up by about 12 cents in the past month. Missouri’s average retail gasoline price is $0.28 or 10 percent higher, while the average diesel fuel price is $0.30, or 9 percent, higher for the comparable period in Feb. 2011.
The U.S. average price for regular gasoline was up by about 18 cents per gallon, or 6 percent compared to last month at $3.48 per gallon. The U.S. average was about $0.35 or 11 percent higher compared to this time last year. In the past week, the U.S. average increased by about 4 cents per gallon.

Gasoline imports decreased to 0.7 MMB/D for the week ending Feb. 3; about 330,000 barrels per day lower compared to the prior week and 322,000 barrels per day higher than last year at this time.

Implied demand for gasoline increased slightly the week ending Feb. 3 at 8.0 MMB/D, up by 21,000 barrels per day from the prior week yet 485,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.0 MMB/D, 547,000 barrels per day lower compared to the same 4-week period last year.

U.S. gasoline supplies increased 1.6 MMB at 231.8 MMB for the week ending Feb. 3. Gasoline inventories represent 28.8 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline inventories are down 9.1 MMB compared to this time last year and trend at the upper end of the five-year average for this time of year.

Distillate stocks increased 1.2 MMB at 146.6 MMB and stand 17.8 MMB lower compared to the same period last year. Distillate demand was down at 3.4 MMB/D for the week ending Feb. 3 and down 246,000 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 down 300,000 barrels per day. On a four-week average, distillate demand was down 51,000 barrels per day compared to the same period last year at 3.67 MMB/D.

On Feb. 6, Missouri’s average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about $3.04 per gallon, 19 cents or 6 percent lower than the average price for conventional motor gasoline.
• On Feb. 6, the average retail price for B20, diesel fuel containing 20 percent biofuel, was $3.68 per gallon, 3.0 cents or about 1 percent, higher than the statewide average retail price for conventional diesel fuel.

• According to EIA’s Feb. 7, 2012 Short Term Energy Outlook, regular-grade motor gasoline retail prices are estimated to average $3.55 per gallon in 2012, compared with $3.53 cents per gallon last year. During the April through September peak driving season, prices are forecast to average about 7 cents per gallon higher than the annual average. EIA noted that recent options and futures price data imply that the market believes that there is about a one-in-four chance that the U.S. average pump price of regular gasoline could exceed $4 in June of this year.

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 Feb. 8, natural gas futures closed at $2.45 per MMBtu, down 65 cents from a month ago and down $1.59 compared to last year at this time.

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• According to EIA’s *Short Term Energy Outlook* released Feb. 7, 2012, Midwest households that heat with natural gas may realize a fall in natural gas expenditures by 13.5 percent to $676 for the heating season based on a reduction in consumption of approximately 10 percent.

**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 Feb. 6, the average Missouri retail price for residential propane was about $2.05 per gallon, down 1.4 cents per gallon from last month and 1 percent higher compared to last year at this time.***

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<th>Propane - Retail Prices (cents per gallon)</th>
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<td>Missouri</td>
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• According to the Division of Energy’s statewide propane price survey conducted Feb. 6, retail residential propane prices were down by over 1 cent from last month and stand 2.3 cents per gallon or 1 percent higher than last year at this time.

• According to the survey, the highest Missouri retail residential price for propane was nearly $2.85 per gallon while the lowest retail price was $1.70 per gallon.

• For the week ending Feb. 3, U.S. inventories of propane decreased 2.3 MMB to end at 46.7 MMB. Propane inventories are now 11.9 MMB higher compared to the same period last year. Implied demand for propane increased 165,000 barrels per day at 1.6 MMB/D for the week ending Feb. 3 and up 65,000 barrels per day compared to the demand level for this time last year.

• For the week ending Feb. 3, Midwest propane inventories decreased over 1.0 MMB. At 19.7 MMB, Midwest inventories are 4.7 MMB or about 31 percent higher than the 15.0 MMB reported at this time last year.

• According to EIA’s *Short Term Energy Outlook* released Feb. 7, 2012, Midwest households that heat with propane may realize a decrease in propane expenditures by 4.8 percent at $1,729 for the heating season based on an increase in price by 5.5 percent to $2.12 per gallon.

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