



# Missouri Department of Natural Resources Division of Energy

## MISSOURI ENERGY BULLETIN

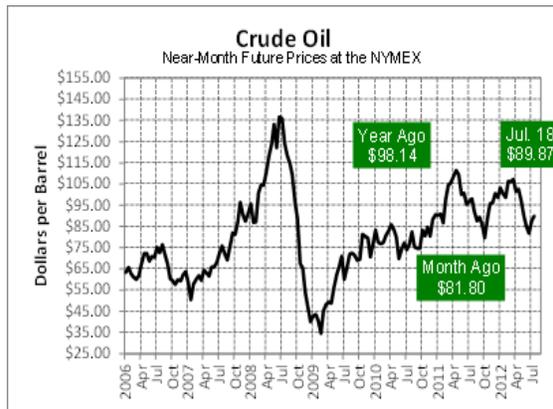
July 20, 2012

### Crude Oil

U.S. crude oil prices increased \$8.07, or 10 percent, to \$89.87 per barrel in the past month and stand 8 percent lower than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	07-18-12	06-20-12	change	07-20-11	change
NYMEX	\$89.87	\$81.80	up 10%	\$98.14	down 8%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for August delivery ended \$0.65, or 0.7 percent, higher July 18 to close at \$89.87 per barrel, advancing for a 6th straight day and exceeding \$90 per barrel in intra-day trading for the first time since May as housing starts



increased more than forecast and gasoline inventories fell. Crude prices are down 8 percent compared to the same period last year and down 9.1 percent this calendar year.

- U.S. oil inventories decreased slightly at 377.4 million barrels (MMB). The decrease in stockpiles may be due to lower net crude imports over the past 4 weeks ending July 13.
- U.S. oil prices increased after the Commerce Department reported housing construction reached a 760,000 annual pace in June. Oil

moved up with equities after housing starts advanced 6.9 percent last month, the fastest since October 2008. Oil prices moved higher on growing tensions between Israel and Iran following an airport suicide bombing in Bulgaria killing five Israeli tourists.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$89.87 is \$8.27, or 8 percent, lower.
- Total petroleum products supplied to market over the last four-week period ending July 13 averaged 18.9 MMB/D, up 0.4 percent compared to the similar period last year. According to the July 18 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories decreased 0.8 MMB at 377.4 MMB for the week ending July 13. U.S. crude supplies are now 25.7 MMB higher than at this time last year.

- Crude imports for the week ending July 13 were 8.9 MMB/D, up 0.309 MMB/D from the prior week. Imports at this time last year averaged 9.3 MMB/D. Crude oil inventories represent 24.1 days of forward cover compared to 22.9 days at this time last year.
- U.S. refinery crude runs were down 127,000 barrels per day with refiners processing 15.8 MMB/D of crude for the week ending July 13. U.S. refinery capacity use was 92.0 percent, down 0.7 percent from the prior week and up 1.7 percent compared to this time last year.
- Gasoline output was down 461,000 on the week at 8.7 MMB/D and down 617,000 barrels per day compared to last year at this time. Distillate output increased at 4.8 MMB/D for the week ending July 13, and stands 187,000 barrels per day higher compared to the production level at this time last year.

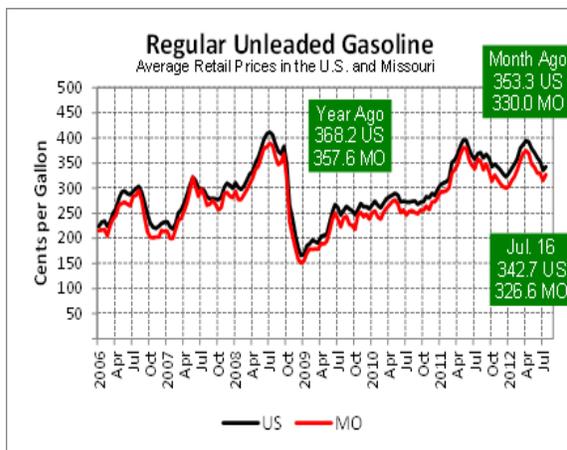
### Transportation Fuels

**On July 16, Missouri's statewide average retail price for gasoline was about \$3.27 per gallon, down 3.4 cents or 1 percent in the past month.**

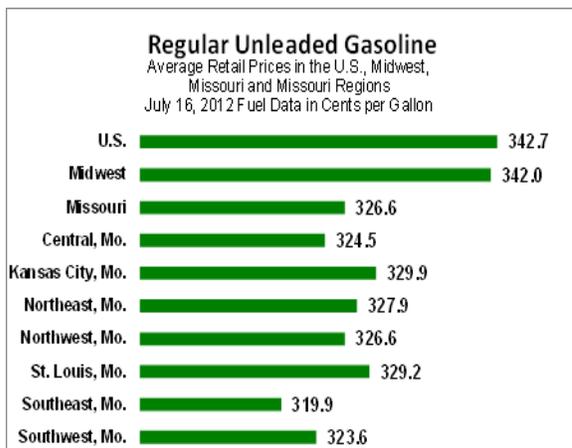
<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>07-16-12</u>	<u>06-18-12</u>	<u>change</u>	<u>07-18-11</u>	<u>change</u>
US	342.7	353.3	down 3%	368.2	down 7%
Missouri	326.6	330.0	down 1%	357.6	down 9%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>07-16-12</u>	<u>06-18-12</u>	<u>change</u>	<u>07-18-11</u>	<u>change</u>
US	342.7	353.3	down 3%	392.3	down 13%
Missouri	349.8	347.3	up 1%	382.0	down 8%

- On July 16, Missouri's average retail price for gasoline was about \$3.27, a decrease of 3.4 cents in the past month. The average price for diesel fuel was up by 2.5 cents in the past month. Missouri's average retail gasoline price is nearly \$0.31, or 9.0 percent, lower, while the average diesel fuel price is nearly \$0.32, or 8.0 percent, lower for the comparable period in July 2011.



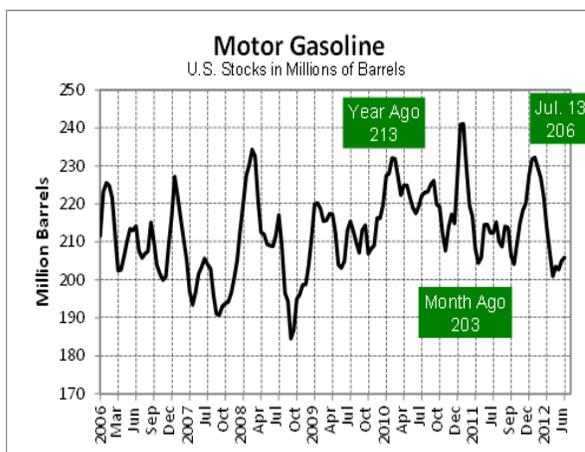
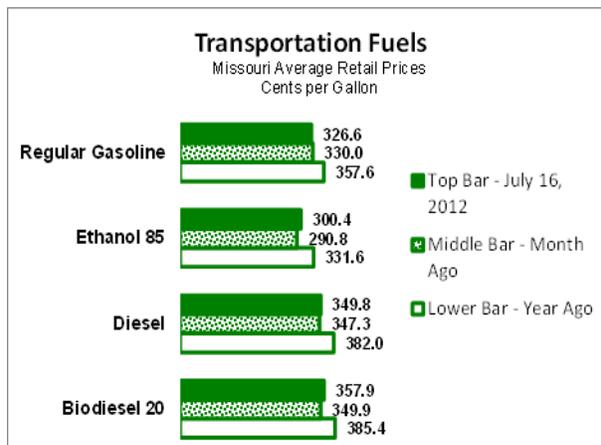
- At about \$3.43 per gallon, the U.S. average price for regular gasoline was down by 10.6 cents per gallon, or 3 percent, compared to last month. This U.S. average was about \$0.26, or 7 percent, lower compared to this time last year. In the past week, the U.S. average increased 1.5 cents per gallon.
- Gasoline imports decreased to 0.64 MMB/D for the week ending July 13; about 283,000 barrels per day lower compared to the prior week and 244,000 barrels per day lower than last year at this time.
- Implied demand for gasoline decreased the week ending July 13 at 8.6 MMB/D, down 289,000 barrels per day from the prior week and 400,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.8 MMB/D, 306,000 barrels per day or 3.5 percent lower compared to the same 4-week period last year.



- U.S. gasoline supplies decreased 0.8 MMB at 205.9 MMB for the week ending July 13. Gasoline inventories represent 23.4 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline inventories are down 6.5 MMB compared to this time last year and trend at the bottom of the five-year average for this time of year.
- Distillate stocks increased at 123.5 MMB and stand 24.9 MMB lower compared to the same period last year. Distillate demand was up at 3.4 MMB/D for the week ending July 13 and up 36,000 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 122,000 barrels per day. On a four-week average, distillate demand was up 67,000 barrels per day compared to the same period last year at 3.6 MMB/D.

- On July 16, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$3.00 per gallon, 27 cents or about 9 percent lower than the average price for conventional motor gasoline.
- On July 16, the average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.58 per gallon, 8.1 cents or 2.3 percent higher than the statewide average retail price for conventional diesel fuel.
- According to EIA's July 10, 2012, *Short Term Energy Outlook*, the U.S. regular-grade motor gasoline retail price is estimated to average \$3.49 per gallon in 2012, compared with \$3.53 per gallon last year. During the April through September peak driving season, prices are forecast to average about \$3.56 per gallon.



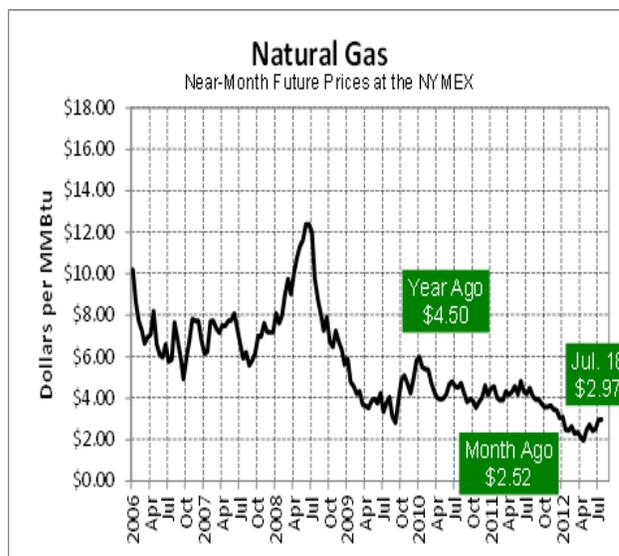
## Natural Gas

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 July 18, natural gas futures closed at \$2.97 per million British thermal units (MMBtu), up 45 cents from a month ago and down \$1.53 compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>07-18-12</u>	<u>06-20-12</u>	<u>change</u>	<u>07-20-11</u>	<u>change</u>
NYMEX	\$2.97	\$2.52	up 18%	\$4.50	down 34%

- Natural gas futures for August delivery increased \$0.45 in the past month to a final closing price of \$2.97 per MMBtu on July 18.



- At the NYMEX, the August 2012 contract ended the week higher, increasing from \$2.85 per MMBtu on July 11 to \$2.97 per MMBtu on July 18, an overall increase of 4.2 percent during the trade week.
- According to EIA, domestic natural gas consumption declined by 1.6 percent from last week, driven by a decrease of 2.7 percent in power sector consumption. Industrial and residential/commercial sector consumption ended the week relatively unchanged down 0.4 percent and up 0.2 percent, respectively. For the power sector, consumption exceeded levels for the same week last year by 15.7 percent.
- Working gas in storage as of July 13 totaled 3,163 billion cubic feet (Bcf), 17.5 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 509 Bcf, or 19.2 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 July 2, the average Missouri retail price for residential propane was about \$1.64 per gallon, down 12.9 cents in the past month.**

<b>Propane - Retail Prices (cents per gallon)</b>					
	<u>07-02-12</u>	<u>06-04-12</u>	<u>change</u>	<u>07-05-11</u>	<u>change</u>
<b>Missouri</b>	<b>163.5</b>	<b>176.4</b>	<b>down 7%</b>	<b>202.6</b>	<b>down 19%</b>

- According to the Division of Energy's statewide propane price survey conducted July 2, Missouri retail residential propane prices were down 12.9 cents, or 7.0 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 \$1.11 per gallon.
- For the week ending July 13, U.S. inventories of propane increased 1.6 MMB to end at 64.7 MMB. Propane inventories are now 18.1 MMB or 39 percent higher compared to the same period last year. Implied demand for propane decreased 14,000 barrels per day at 1.06 MMB/D for the week ending July 13, and increased 337,000 barrels per day compared to the demand level for this time last year.
- For the week ending July 13, Midwest propane inventories increased 0.39 MMB. At 26.4 MMB, Midwest inventories are 6.1 MMB, or 30 percent, higher than the 20.3 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](mailto:energy@dnr.mo.gov); Web Address: [www.dnr.mo.gov/energy/transportation/fb.htm](http://www.dnr.mo.gov/energy/transportation/fb.htm)