



# Missouri Department of Natural Resources Division of Energy

## MISSOURI ENERGY BULLETIN

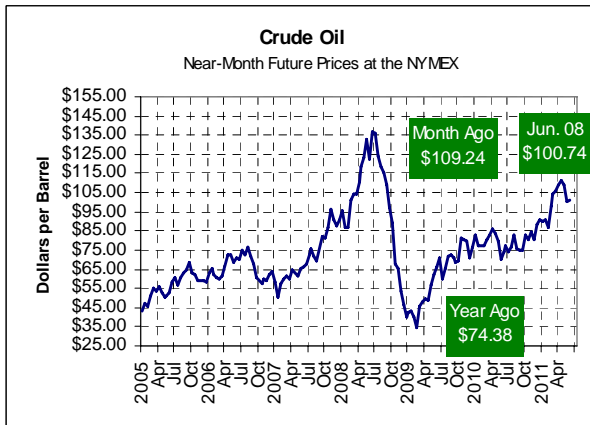
June 13, 2011

### Crude Oil

U.S. crude oil prices decreased \$8.50 to \$100.74 per barrel in the past month yet stand 35 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	06-08-11	05-04-11	change	06-09-10	change
NYMEX	\$100.74	\$109.24	down 8%	\$74.38	up 35%

- At the New York Mercantile Exchange (NYMEX) crude oil futures for June delivery ended \$1.65 per barrel higher June 8, to close at \$100.74 per barrel, as U.S. inventories of crude oil unexpectedly fell after OPEC failed to reach an agreement on production targets for the first time in 20 years at its meeting in Vienna and following an Energy Department report that showed a larger-than-forecast drop in oil supplies.
- According to key oil analysts, Saudi Arabian Oil Minister Ali Al-Naimi said his country is ready to supply whatever the market needs. 'It was one of the worst meetings we've ever had,' al-Naimi told reporters following the June 8 meeting in Vienna. 'We were unable to reach an agreement.' Saudi Arabia, together with Kuwait, Qatar and the United Arab Emirates, were ready to supply more oil to the market. The four nations proposed a 1.5 million barrel per day (MMB/D) increase from the current 28.8 MMB/D. Libya, Angola, Ecuador, Algeria, Iran and Venezuela were opposed to an increase, Naimi said. Global oil demand will climb to 89.18 MB/D during the 3rd quarter, the Energy Department said. JP Morgan reiterated its forecast that oil will reach \$130 per barrel this year. OPEC's failure to reach a decision on targets shows Iran has increased its stature within the cartel. The 11 members with quotas, all except Iraq, produced 26.22 MMB/D last month, 1.375 million above their target. Oil in New York has traded



between \$95.02 and \$104.60 since May 9th. The lack of an OPEC agreement overshadowed an Energy Department report that oil supplies fell more than expected.

- Crude oil futures for July delivery on the NYMEX ended \$2.64, or 2.6 percent, lower Friday, June 10, to settle at \$99.29 per barrel, the most in a month after Saudi Arabia said it will raise oil production to 10 MMB/D next month, and on concern the global economic recovery is slowing.

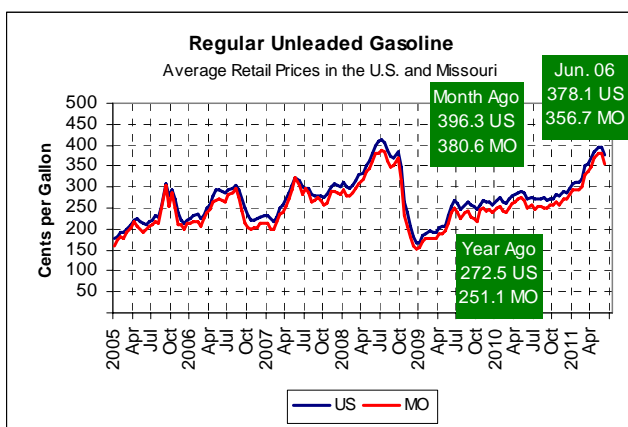
- Compared to this time last year, the U.S. crude oil futures settlement price was \$26.36, or 35 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending June 3 averaged 18.9 MMB/D, down 3.9 percent compared to the similar period last year.
- According to the June 8 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories fell 4.8 MMB for the week ending June 3. U.S. crude supplies are now 7.5 MMB higher than at this time last year.
- Crude imports for the week ending June 3 were 8.6 MMB/D, down nearly 1 MMB/D from the prior week. Imports at this time last year averaged nearly 9.5 MMB/D. Crude oil inventories represent 25 days of forward cover up from the 23.9 days compared to this time last year.
- U.S. refinery crude runs were up 225,000 barrels per day with refiners processing about 15.4 MMB/D of crude for the week ended June 3. U.S. refinery capacity was 87.2 percent, up 1.3 percent from the prior week but 1.9 percent lower than the 89.1 percent figure at this time last year.
- Gasoline output decreased at 9.2 MMB/D on the week but is up by only 156,000 barrels per day compared to last year at this time. Distillate output increased at 4.4 MMB/D for the week ending June 3 and stand 55,000 barrels per day higher compared to the production level at this time last year.

### Transportation Fuels

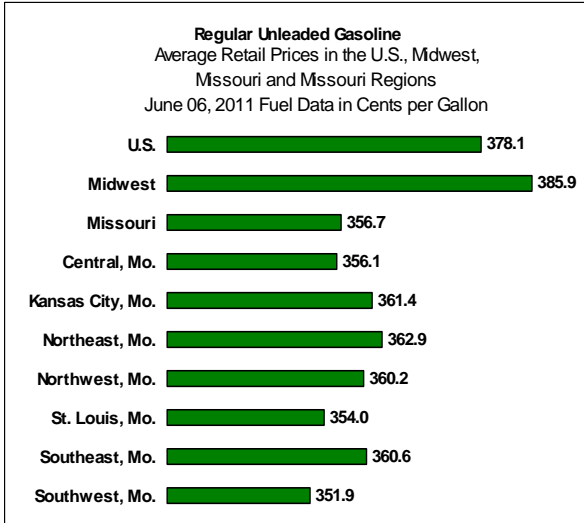
**On June 6, Missouri's statewide average retail price for gasoline was \$3.57 per gallon, down 24 cents or 6 percent in the past month and \$1.06 per gallon higher than at this time last year.**

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	06-06-11	05-02-11	change	06-07-10	change
US	378.1	396.3	down 5%	272.5	up 39%
Missouri	356.7	380.6	down 6%	251.1	up 42%

Diesel Fuel - Retail Prices (cents per gallon)					
	06-06-11	05-02-11	change	06-07-10	change
US	394.0	412.4	down 4%	294.6	up 34%
Missouri	380.3	395.7	down 4%	282.0	up 35%



- On June 6, Missouri's average retail price for gasoline was \$3.57, a decrease of 24 cents in the past month. The average price for diesel fuel was down by 15 cents in the past month. Missouri's average retail gasoline price is \$1.06 or 42 percent higher, while the average diesel fuel price is \$0.98, or 35 percent, higher for the comparable period in June 2010.
- The U.S. average price for regular gasoline was down 18 cents per gallon or

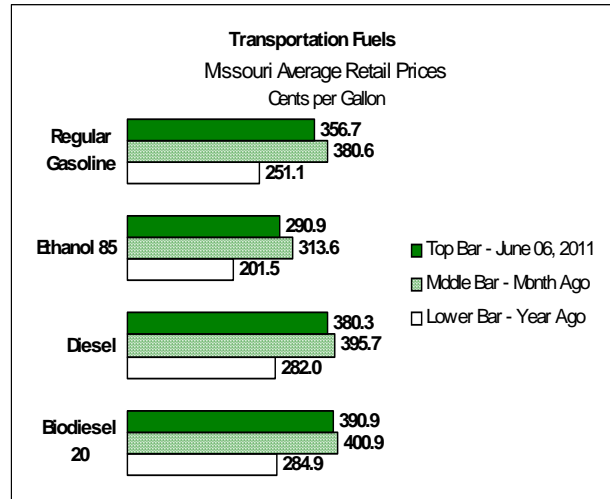


about 5 percent compared to last month at \$3.78 per gallon. The U.S. average was about \$1.06 cents or 39 percent higher compared to this time last year. In the past week, the U.S. average was down by about 1 cent per gallon.

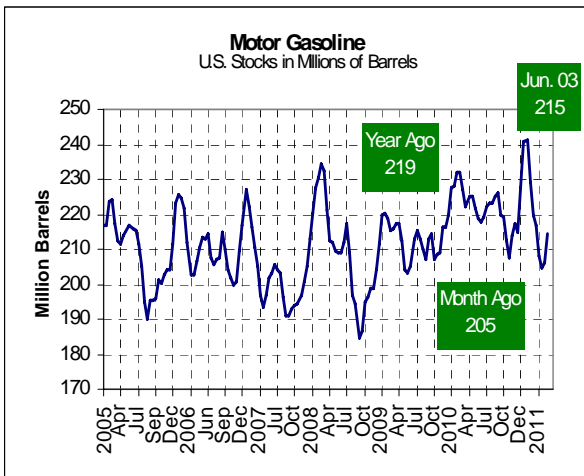
- Gasoline imports decreased to 1.1 MMB/D for the week ending June 3, nearly 81,000 barrels per day lower compared to the prior week yet 370,000 barrels per day higher than last year at this time.
- Implied demand for gasoline decreased the week ending June 3 at 9.2 MMB/D, down 268,000 barrels per day from the prior week and down 31,000 barrels per day compared to

this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged 9.2 MMB/D, 27,000 barrels per day higher compared to the same 4-week period last year.

- U.S. gasoline supplies increased 2.2 MMB at 214.5 MMB for the week ending June 3. Gasoline inventories represent 23.4 days of supply for the United States based on implied demand during the past 4-week average. U.S. gasoline inventories are 4.5 MMB lower than at this time last year and trend at the mid-range of the five-year average for this time of year.
- Distillate stocks increased at 0.8 MMB and stand 13.9 MMB lower compared to the same period last year. Distillate demand was down at 3.8 MMB/D in the past week and down 100,000 barrels per day compared to the same period last year. On a four-week average, distillate demand is down 0.19 MMB/D compared to the same period last year at 3.8 MMB/D. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was down 44,000 barrels per day



at 3.8 MMB/D for the week ending June 3.



- On June 6, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.91 per gallon, 66 cents or about 18 percent lower than the average price for conventional motor gasoline.
- On June 6, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.91 per gallon, 11 cents or about 3 percent, higher than the statewide average retail price for conventional diesel fuel.

- According to EIA’s June 7, 2011 *Short Term Energy Outlook* , EIA projects U.S. gasoline prices to average about \$3.75 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.

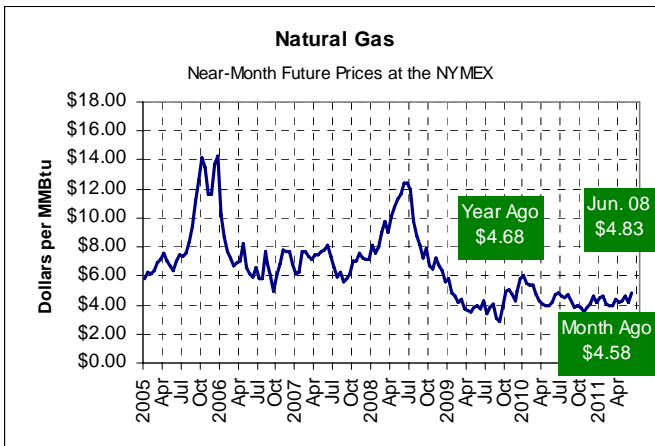
### Natural Gas

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 June 8, natural gas futures closed at \$4.83 per MMBtu, down 25 cents from a month ago and 3 percent higher compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	06-08-11	05-05-11	change	06-09-10	change
<b>NYMEX</b>	<b>\$4.83</b>	<b>\$4.58</b>	<b>up 5%</b>	<b>\$4.68</b>	<b>up 3%</b>

- Natural gas futures for July delivery increased \$0.25 in the past month to a final closing price of \$4.83 per MMBtu on June 8.
- At the NYMEX, for the trading week ending June 8, natural gas futures increased about 5 cents per MMBtu to \$4.83.



- While most price increases across the country were somewhat moderate, a heat wave in the Northeast led to substantial jumps in prices as consumers used natural gas via electric generation for cooling. The heat in the Northeast led to a marked increase in Canadian pipeline imports to the area. While Canadian imports to the Midwest and West fell on the week, pipeline imports to the Northeast rose 17.6 percent from the previous week. Natural Gas power burn for the total

Lower 48 States rose 7 percent week over week, driven by gains in the Northeast, Midwest, and Southeast. West power burn remains relatively low, as the Bonneville Power Administration has put into place a curtailment policy for the Pacific Northwest on thermal and wind generation, in response to large amounts of hydro resulting from runoff from the largest snowpack in years.

- Working gas in storage as of June 3 totaled 2,187 Bcf, 2.6 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 255 Bcf or 10.4 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 April 2011, residential retail propane prices will be reported only for the first full week of each month through September 2011)*

**On June 6, the average Missouri retail price for residential propane was about \$2.03 per gallon, relatively unchanged from last month and 16 percent higher compared to last year at this time.**

<b>Propane - Retail Prices (cents per gallon)</b>					
	<u>06-06-11</u>	<u>05-02-11</u>	<u>change</u>	<u>06-07-10</u>	<u>change</u>
<b>Missouri</b>	<b>203.1</b>	<b>202.9</b>	<b>up 0%</b>	<b>175.8</b>	<b>up 16%</b>

- According to the Division of Energy's statewide propane price survey conducted June 6, retail residential propane prices were relatively unchanged in the past month and stand nearly 27 cents per gallon or 16 percent higher than last year at this time.
- According to the survey conducted June 6, the highest Missouri retail residential price for propane was \$2.50 per gallon while the lowest retail price was \$1.85 per gallon.
- For the week ending June 3, U.S. inventories of propane increased as total stocks were up about 1.8 MMB to end at 34.6 million barrels. Propane inventories are now 8 million barrels lower compared to the same period last year. Implied demand for propane decreased 23,000 at 0.8 MMB/D for the week ending June 3 and about 101,000 barrels per day lower compared to the demand level for this time last year.
- For the week ending June 3, Midwest propane inventories increased 0.2 MMB. At 14.9 MMB, Midwest inventories are 3 MMB or about 17 percent lower than the 17.9 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)