



# Missouri Department of Natural Resources Division of Energy

## MISSOURI ENERGY BULLETIN

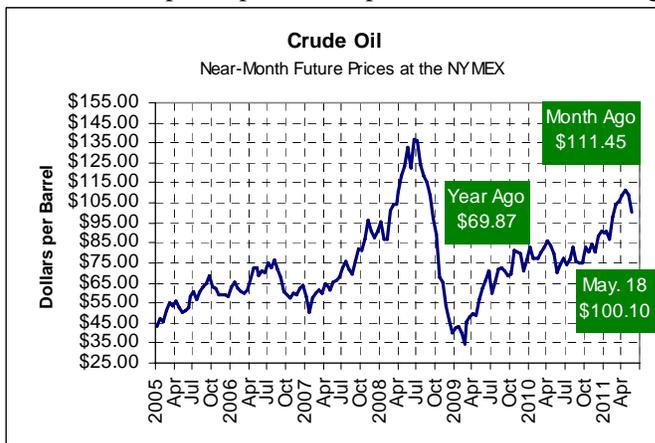
May 20, 2011

### Crude Oil

**U.S. crude oil prices increased \$0.41 to \$100.10 per barrel in the past month and stand 43 percent higher than at this time last year.**

Crude Oil - Near Month Future Prices (dollars per barrel)					
	05-18-11	04-20-11	change	05-19-10	change
<b>NYMEX</b>	<b>\$100.10</b>	<b>\$111.45</b>	<b>down 10%</b>	<b>\$69.87</b>	<b>up 43%</b>

- At the New York Mercantile Exchange (NYMEX) crude oil futures for Jun. delivery ended \$3.19 per barrel or 3.3 percent higher May 18, to close at \$100.10 per barrel. U.S. inventories of crude oil were unchanged as refineries bolstered operating rates and on declining oil imports. Analysts had projected a build in U.S. supplies. Libya's top oil official, Shokri Ghanem, has defected. About 1.3 million barrel per day (bpd) of production has been lost from the OPEC member country.
- According to key oil analysts, U.S. crude oil will lead a rally in commodities as production fails to keep pace with consumption. OPEC will not increase output fast enough to meet demand and the expected result will be a rise in global oil prices by the end of the second quarter. Wildfires in northern Alberta have shut a pipeline that carries crude from oil-sands projects and may halt more than 55,000 bpd output as companies run short of storage space for their production. Fires forced



Plains All American Pipeline to stop cleanup work from an earlier oil spill and shut down its Rainbow pipeline system completely on May 15th. The U.S. imported 1.97 million barrels per day (MMB/D) from Canada in 2010, making it the country's biggest source, according to the Energy Department. In London, the Brent contract for Jun. delivery on the InterContinental Exchange, the European counterpart to the U.S. NYMEX, settled at \$112.30 per barrel on May 18.

- Compared to this time last year, the U.S. crude oil futures settlement price was \$30.23, or 43 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending May 13 averaged 18.7 MMB/D, down 2.9 percent compared to the similar period last year.

- According to the May 18 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories remained unchanged for the week ending May 13. U.S. crude supplies are now 7.6 MMB higher than at this time last year.
- Crude imports for the week ending May 13 were 8.6 MMB/D, down 0.4 MMB/D from the prior week. Imports at this time last year averaged nearly 9.8 MMB/D. Crude oil inventories represent 26.2 days of forward cover up from the 24 days compared to this time last year.
- U.S. refinery crude runs were up 267,000 barrels per day with refiners processing about 14.7 MMB/D of crude for the week ended May 13. U.S. refinery capacity was 83.2 percent, up 1.5 percent from the prior week but 4.7 percent lower than the 87.9 percent figure at this time last year.
- Gasoline output increased at 9.2 MMB/D on the week but is up by only 11,000 barrels per day compared to last year at this time. Distillate output decreased at 4.0 MMB/D for the week ending May 13 and stands 199,000 barrels per day lower compared to the production level at this time last year.

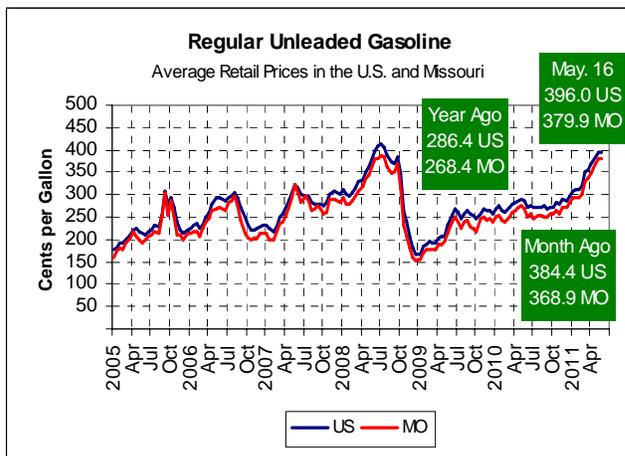
### Transportation Fuels

**On May 16, Missouri's statewide average retail price for gasoline was \$3.80 per gallon, up 11 cents or 3 percent in the past month and \$1.12 per gallon higher than at this time last year.**

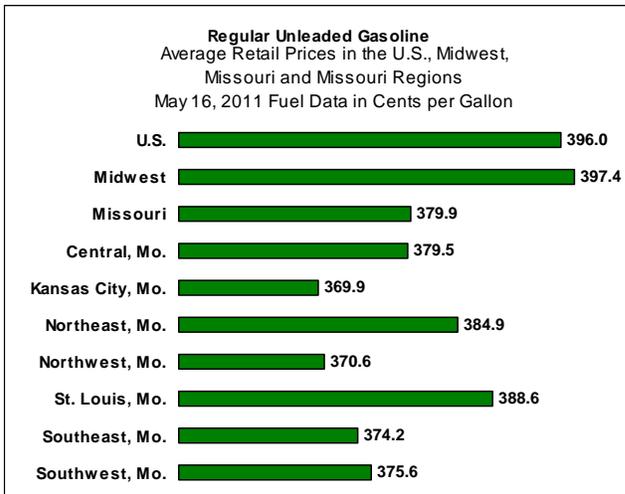
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	05-16-11	04-18-11	change	05-17-10	change
US	396.0	384.4	up 3%	286.4	up 38%
Missouri	379.9	368.9	up 3%	268.4	up 42%

Diesel Fuel - Retail Prices (cents per gallon)					
	05-16-11	04-18-11	change	05-17-10	change
US	406.1	410.5	down 1%	309.4	up 31%
Missouri	388.5	395.3	down 2%	294.4	up 32%

- On May 16, Missouri's average retail price for gasoline was \$3.80, an increase of 11 cents in the past month. The average price for diesel fuel was down by 7 cents in the past month. Missouri's average retail gasoline price is \$1.12 or 42 percent higher, while the average diesel fuel price is \$0.94, or 32 percent, higher for the comparable period in May 2010.



- The U.S. average price for regular gasoline was up 12 cents per gallon or about 3 percent compared to last month at \$3.96 per gallon. The U.S. average was about \$1.10 cents or 38 percent higher compared to this time last year. In the past week, the U.S. average was down by less than 1 cent per gallon.
- Gasoline imports decreased to 0.8 MMB/D for the week ending May 13,



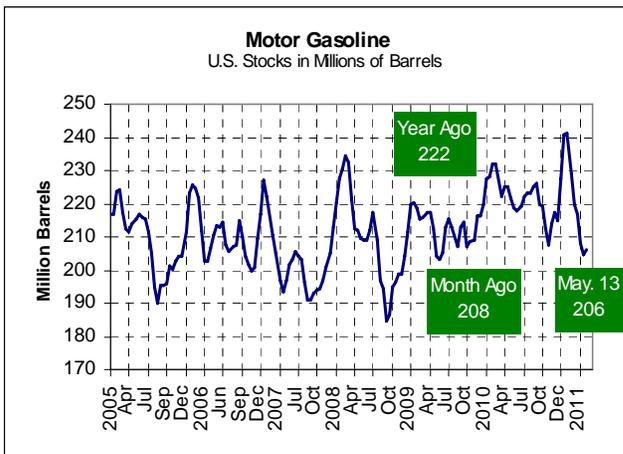
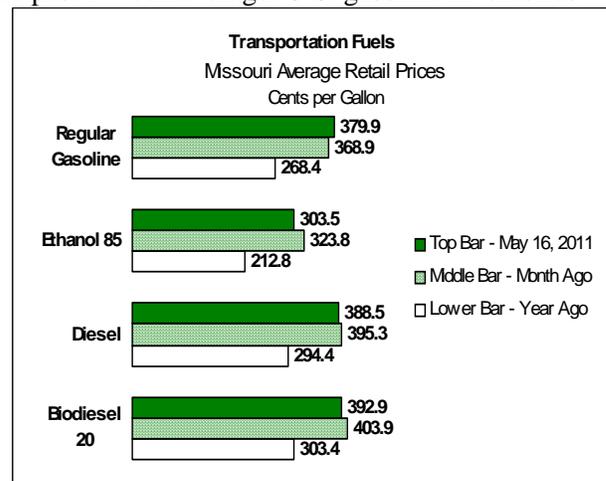
nearly 350,000 barrels per day lower compared to the prior week yet 26,000 barrels per day higher than last year at this time.

- Implied demand for gasoline increased the week ending May 13 at 9.0 MMB/D, up 222,000 barrels per day from the prior week and down 44,000 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, 210,000 barrels per day lower compared to the same 4-week period last year.

at 205.9 MMB for the week ending May 13. Gasoline inventories represent 22.9 days of supply for the United States based on implied demand during the past 4-week average. U.S. gasoline inventories are 15.9 MMB lower than at this time last year and trend at the lower range of the five-year average for this time of year.

- Distillate stocks decreased at 143 MMB and stand 9.7 MMB lower compared to the same period last year. Distillate demand was down at 3.6 MMB/D in the past week and down 466,000 barrels per day compared to the same period last year. On a four-week average, distillate demand is down 0.11 MMB/D 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 down 149,000 barrels per day at 3.6 MMB/D for the week ending May 13.

- U.S. gasoline supplies increased 0.1 MMB



- On May 16, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$3.04 per gallon, 76 cents or about 20 percent lower than the average price for conventional motor gasoline.
- On May 16, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.93 per gallon, 4 cents or about 1 percent, higher than the statewide average retail price for conventional diesel fuel.

- According to EIA's May 10, 2011 *Short Term Energy Outlook*, EIA projects U.S. gasoline prices to average about \$3.81 per gallon during the peak driving season (April through Sept.). The forecast

U.S. monthly average regular gasoline price during the summer, peaks in Jun. at \$3.88 per gallon.

Prices of futures and options contracts for wholesale gasoline over the 5 days ending May 5 suggest a 41 percent probability that the national monthly average retail price for regular gasoline could exceed \$4.00 per gallon during Jul. 2011.

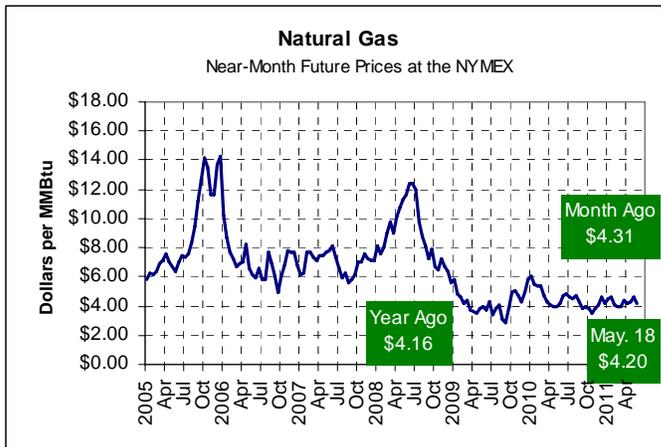
### Natural Gas

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 May 18, natural gas futures closed at \$4.20 per MMBtu, down 11 cents from a month ago and 1 percent higher compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	05-18-11	04-21-11	change	05-19-10	change
NYMEX	\$4.20	\$4.31	down 3%	\$4.16	up 1%

- Natural gas futures for Jun. delivery decreased \$0.11 in the past month to a final closing price of \$4.20 per MMBtu on May 18.
- At the NYMEX, for the trading week ending May 18, natural gas futures increased 1.7 cents per MMBtu to \$4.20.



- Natural gas prices moved higher for the week ending May 18 likely over concerns of possible production curtailments arising from lower Mississippi River area flooding. Aside from the flooding concern, overall moderating natural gas consumption due to light weather load (both heating and cooling), was likely the chief catalyst contributing to price softness during the week. Domestic gas consumption decreased during the week by 0.8 percent from last week. The residential and commercial sectors

had the only gain in consumption, but with only a slight increase in weather load. This increase was largely offset by a 7.7 percent drop in the power sector combined with a 0.7 percent decrease in the industrial sector.

- Working gas in storage as of May 13 totaled 1,919 Bcf, 1.8 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 235 Bcf or 10.9 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 May 2, the average Missouri retail price for residential propane was about \$2.03 per gallon, down by less than 1 cent from last month yet 10 percent higher compared to last year at this time.**

<b>Propane - Retail Prices (cents per gallon)</b>					
	<u>05-02-11</u>	<u>04-04-11</u>	<u>change</u>	<u>05-03-10</u>	<u>change</u>
<b>Missouri</b>	<b>202.9</b>	<b>203.5</b>	<b>down 0%</b>	<b>184.4</b>	<b>up 10%</b>

- According to the Division of Energy's statewide propane price survey conducted May 2, retail residential propane prices were 0.6 cents per gallon lower in the past month and stand nearly 19 cents per gallon or 10 percent higher than last year at this time.
- According to the survey conducted May 2, 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 May 13, U.S. inventories of propane increased as total stocks were up about 1.7 MMB to end at 30.5 million barrels. Propane inventories are now 9 million barrels lower compared to the same period last year. Implied demand for propane decreased 166,000 at 0.76 MMB/D for the week ending May 13 and about 387,000 barrels per day lower compared to the demand level for this time last year.
- For the week ending May 13, Midwest propane inventories increased 0.9 MMB. At 13.3 MMB, Midwest inventories are 3.8 MMB or about 22 percent lower than the 17.1 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)