



# Missouri Department of Natural Resources Division of Energy

## MISSOURI ENERGY BULLETIN

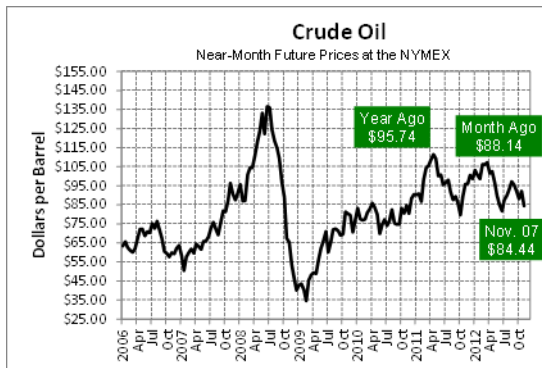
November 9, 2012

### Crude Oil

**U.S. crude oil prices decreased \$3.70, or 4 percent, to \$84.44 per barrel in the past month and stand 12 percent lower than at this time last year.**

Crude Oil - Near Month Future Prices (dollars per barrel)					
	11-07-12	10-03-12	change	11-09-11	change
<b>NYMEX</b>	<b>\$84.44</b>	<b>\$88.14</b>	<b>down 4%</b>	<b>\$95.74</b>	<b>down 12%</b>

- At the New York Mercantile Exchange (NYMEX), crude oil futures for December delivery ended \$4.27 lower November 7 to close at \$84.44 per barrel, after President Obama won re-election and Greece prepared to vote on austerity measures. Crude oil values are now 12 percent lower compared to the same period last year and 15 percent lower since the beginning of the calendar year.



U.S. oil inventories increased at 374.8 million barrels (MMB). The increase in domestic stockpiles was attributed to a combination of higher domestic crude oil production, increased crude imports and lower refinery demand for the week ending November 2.

At the NYMEX open on November 7, stocks and commodities fell. President Obama now faces negotiations with Congress to avoid a “fiscal cliff,” more than \$600 billion in mandated tax increases and spending cuts. Greece’s parliament votes on a package to unlock bailout funds. Unemployment in Greece has increased to 25.4 percent. Oil extended losses after a government report showed that U.S. crude and fuel supplies rose last week.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$84.44 is \$11.30, or 12 percent, lower.
- Total petroleum products supplied to market over the last four-week period ending November 2 averaged 18.8 MMB/D, down 0.7 percent compared to the similar period last year. According to the November 7 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories increased 1.8 MMB at 374.8 MMB for the week ending November 2. U.S. crude supplies are now 36.8 MMB higher than at this time last year.

- Crude imports for the week ending November 2 grew at 8.0 MMB/D, up 89,000 barrels per day from the prior week. Imports at this time last year averaged 8.6 MMB/D. Crude oil inventories represent 25.4 days of forward cover compared to 23.3 days at this time last year.
- U.S. refinery crude runs fell 183,000 barrels per day with refiners processing 14.7 MMB/D of crude for the week ending November 2. U.S. refinery capacity use was 85.4 percent, down 2.3 percent from the prior week and down 0.1 percent compared to this time last year.
- Gasoline output decreased at 8.9 MMB/D on the week as East Coast refineries were closed or running at lower rates due to Super Storm Sandy.
- Distillate output slightly increased at 4.6 MMB/D for the week ending November 2, and stands 294,000 barrels per day higher compared to the production level at this time last year.

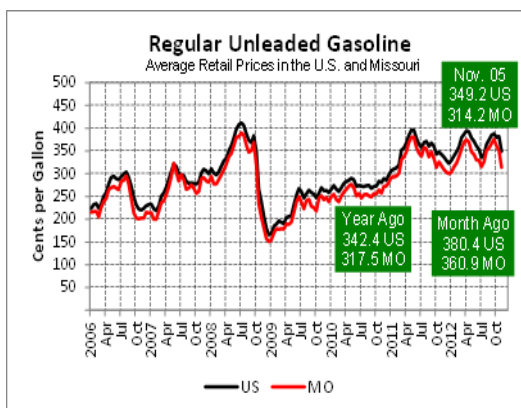
### Transportation Fuels

**On November 5, Missouri's statewide average retail price for gasoline was about \$3.14 per gallon, down 46.7 cents in the past month and down 1 percent in the past year.**

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	11-05-12	10-01-12	change	11-07-11	change
US	349.2	380.4	down 8%	342.4	up 2%
Missouri	314.2	360.9	down 13%	317.5	down 1%

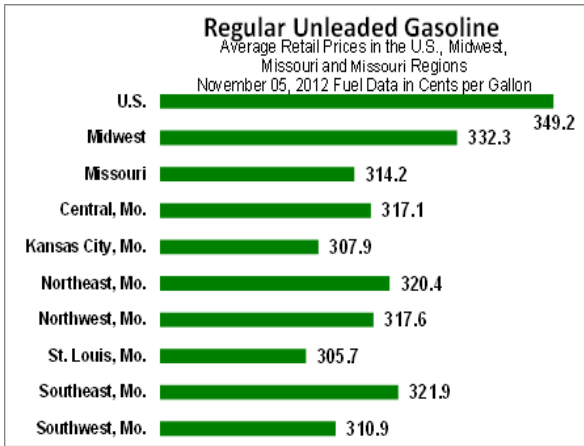
Diesel Fuel - Retail Prices (cents per gallon)					
	11-05-12	10-01-12	change	11-07-11	change
US	401.0	407.9	down 2%	388.7	up 3%
Missouri	384.8	389.2	down 1%	376.7	up 2%

- On November 5, Missouri's average retail price for gasoline was about \$3.14 per gallon, a decrease of 46.7 cents in the past month. The average price for diesel fuel was down 4.4 cents per gallon in the past month. Missouri's average retail gasoline price is 3.3 cents, or 1 percent, lower, while the average diesel fuel price is 8.1 cents, or 2 percent, higher for the comparable period in November 2011.



- The U.S. average price for regular gasoline was down by 31.2 cents per gallon, or 8 percent, compared to last month at \$3.49 per gallon. The U.S. average was 6.8 cents, or 2 percent, higher compared to this time last year. In the past week, the U.S. average decreased 7.6 cents per gallon.
- Gasoline imports decreased at 0.27 MMB/D for the

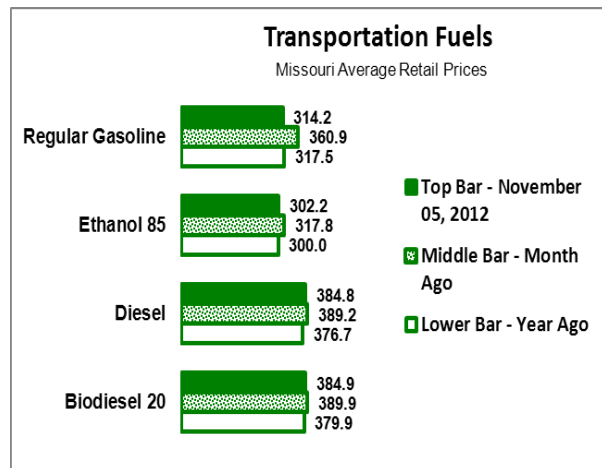
week ending November 2, about 347,000 barrels per day lower compared to the prior week and 615,000 barrels per day lower than last year at this time.



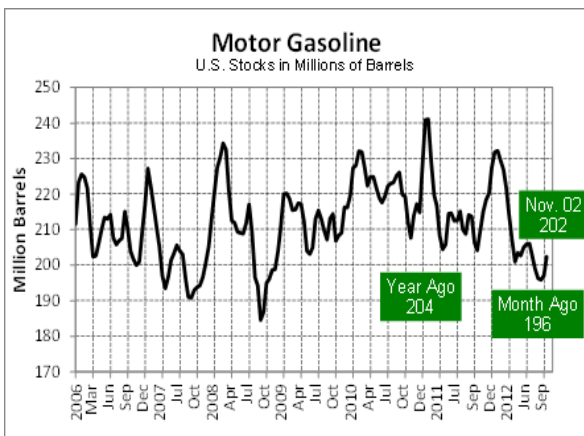
- Implied demand for gasoline declined the week ending November 2 at 8.3 MMB/D, down 537,000 barrels per day from the prior week, and about 692,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.6 MMB/D; 21,000 barrels per day or 0.2 percent higher compared to the same 4-week period last year.
- U.S. gasoline supplies increased 2.9 MMB at 202.4 MMB for the week ending November 2. 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 1.8 MMB compared to this time last year and trend near the middle of the five-year average for this time of year.

- Distillate stocks increased at 118.1 MMB and stand 17.8 MMB lower compared to the same period last year. Distillate demand was up at 3.6 MMB/D for the week ending November 2 and down 232,000 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 46,000 barrels per day. On a four-week average, distillate demand was down 658,000 barrels per day compared to the same period last year at 3.6 MMB/D.



- On November 5, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$3.02 per gallon, 12 cents or about 4.0 percent lower than the average price for conventional motor gasoline.



- On November 5, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.85 per gallon, approximately the same price as the statewide average retail price for conventional diesel fuel.
- According to EIA's October 10, 2012, *Short Term Energy Outlook*, the U.S. regular-grade motor gasoline retail price will average \$3.56 per gallon during the fourth quarter of 2012.

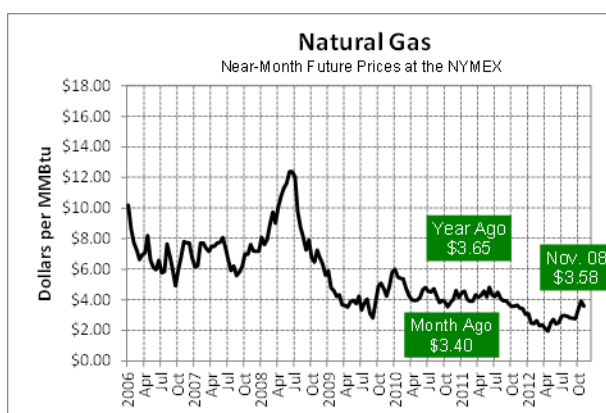
## Natural Gas

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 November 8, natural gas futures closed at \$3.58 per million British thermal units (MMBtu), up \$0.18 from a month ago and down 2 percent compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>11-07-12</u>	<u>10-03-12</u>	<u>change</u>	<u>11-09-11</u>	<u>change</u>
<b>NYMEX</b>	<b>\$3.58</b>	<b>\$3.40</b>	<b>up 5%</b>	<b>\$3.65</b>	<b>down 2%</b>

- At the NYMEX, natural gas futures for December delivery ended 3.9 cents lower November 7 to close at \$3.58 per MMBtu. In the past month, natural gas values have increased \$0.18 or 5 percent.



- At the NYMEX, the December 2012 futures contract decreased by 3.1 percent from \$3.69 per MMBtu on October 31 to \$3.58 per MMBtu on November 7. The 12-Month Strip (average of December 2012 to November 2013 contracts) decreased by 2.4 percent over the same period, from \$3.85 per MMBtu on October 31 to \$3.76 per MMBtu on November 7.

- According to EIA, average domestic natural gas consumption rose by 7.5 percent from last week's daily average. The increase

resulted principally from a 22.8 percent week-on-week increase in average residential/commercial consumption. EIA also estimated a slight increase for industrial consumption. Together, these increases far exceeded the 3.7 percent drop in power sector consumption from last week's daily average.

- Working gas in storage as of November 2 totaled 3,929 billion cubic feet (Bcf), 6.6 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 109 Bcf, or 2.9 percent, higher than last year at this time.
- According to EIA's *Short Term Energy Outlook* released Nov. 6, 2012, Midwest households that heat with natural gas may realize an increase in expenditures by 20.9 percent to \$744 for the 2012/13 heating season based on an increase in consumption of approximately 17.6 percent.

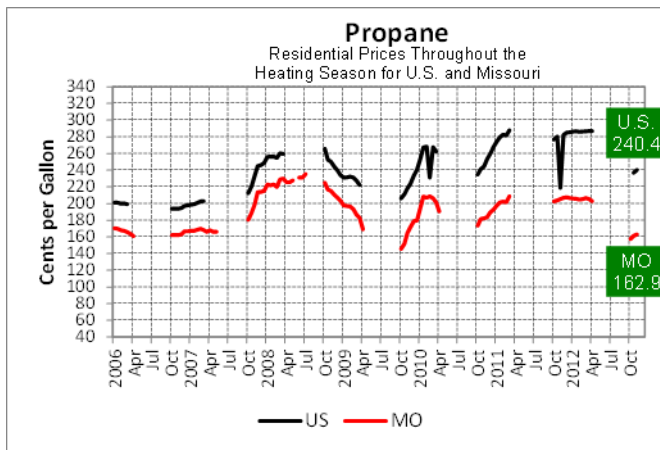
## Propane

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 November 5, the average Missouri retail price for residential propane was about \$1.63 per gallon, up 5.4 cents in the past month, yet down 21 percent compared to last year at this time.**

Propane - Retail Prices (cents per gallon)					
	<u>11-05-12</u>	<u>10-01-12</u>	<u>change</u>	<u>11-07-11</u>	<u>change</u>
Missouri	162.9	157.5	up 3%	205.5	down 21%

- According to the Division of Energy's statewide propane price survey conducted November 5, the average Missouri retail residential propane price was \$1.63 per gallon, up 5.4 cents or 3 percent in the past month.



- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.00 per gallon, while the lowest retail price was about \$1.40 per gallon.
- For the week ending November 2, U.S. inventories of propane decreased 1.3 MMB to end at 73.6 MMB. Propane inventories are now 13.4 MMB, or 22 percent, higher compared to the same period last year. Implied demand for propane increased 57,000 barrels per day at nearly 1.4 MMB/D for the week

ending November 2, and up 0.2 MMB compared to the demand level for this time last year.

- For the week ending November 2, Midwest propane inventories increased 39,000 barrels. At 27.5 MMB, Midwest inventories are 2.1 MMB, or 8.3 percent, higher than the 25.4 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook* released Nov. 6, 2012, Midwest households that heat with propane may realize a decrease in expenditures by 0.3 percent to \$1,534 for the heating season based on an increase in consumption of 17.4 percent.

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)