



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

November 27, 2012¹

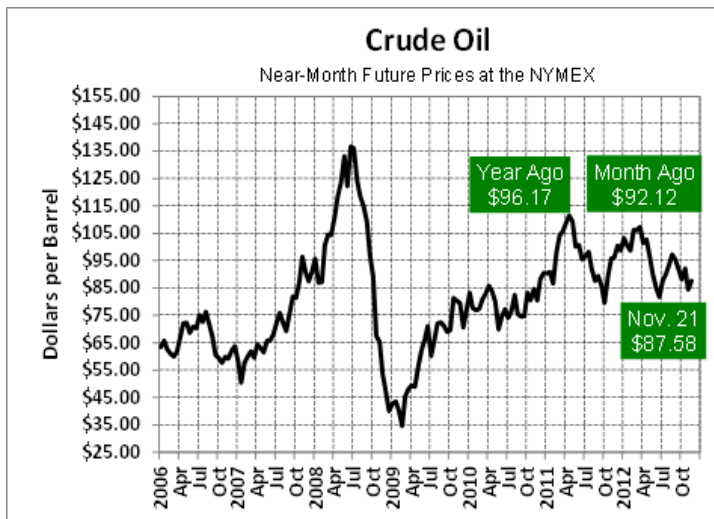
(Data is for the week ending November 16, 2012, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased \$4.54, or 5 percent, to \$87.58 per barrel in the past month and stand 9 percent lower than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	11-21-12	10-18-12	change	11-23-11	change
NYMEX	\$87.58	\$92.12	down 5%	\$96.17	down 9%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for December delivery ended \$0.83 higher November 21 to close at \$87.58 per barrel after an escalation in violence between Israel and the Palestinians of Gaza, raising concerns of a possible oil disruption from the Middle East.



- U.S. oil inventories decreased at 374.5 million barrels (MMB). The decrease in domestic stockpiles was attributed to a combination of static domestic crude oil production, a decrease in crude imports and higher refinery demand.

- At the NYMEX, stocks and commodities continue to be pressured lower as the White

House and Congress negotiate terms to avoid a “fiscal cliff,” more than \$600 billion in mandated tax increases and spending cuts. Global crude oil values are pressured by a forecast by the Organization for Economic Cooperation and Development (OECD) that Europe's economy will contract next year and the United States will see slower growth than previously anticipated. The OECD now forecasts that gross domestic product will decline by 0.1 percent next year in the Eurozone, the 17-nation currency area. It had previously expected growth of 0.9 percent. The OECD also cut its 2012 forecast to -0.4 percent from -0.1 percent. Unemployment in the region is forecast to rise to 11.9 percent in 2013 from 11.1 percent this year.

¹ The Missouri Energy Bulletin release was delayed due to the Thanksgiving holiday and state and federal office closings.

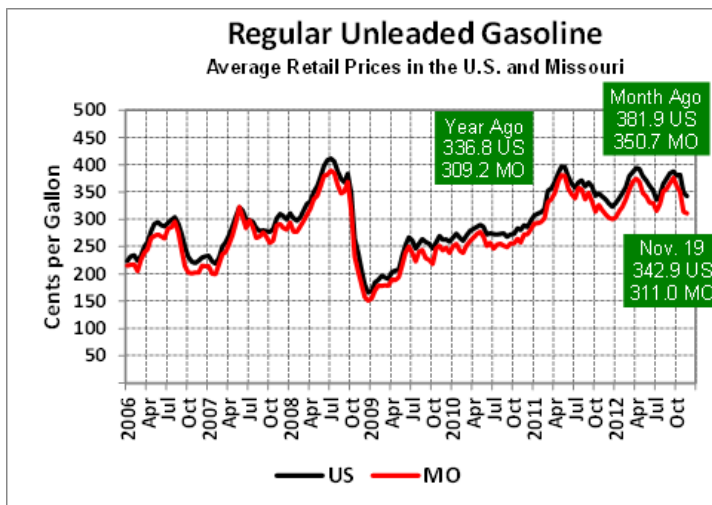
- Compared to this time last year, the U.S. crude oil futures settlement price of \$87.58 is \$8.59, or 9 percent, lower. For calendar year 2012, crude values are 11 percent lower.
- Total petroleum products supplied to market over the last four-week period averaged 18.9 MMB/D, down 1.4 percent compared to the similar period last year. According to the November 21 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories decreased 1.5 MMB at 374.5 MMB. U.S. crude supplies are now 43.7 MMB higher than at this time last year.
- Crude imports fell at 7.8 MMB/D, down 102,000 barrels per day from the prior week. Imports at this time last year averaged 8.3 MMB/D. Crude oil inventories represent 25.4 days of forward cover compared to 22.6 days at this time last year.
- U.S. refinery crude runs increased 224,000 barrels per day with refiners processing 15.2 MMB/D of crude. U.S. refinery capacity use was 87.5 percent, up 1.5 percent from the prior week and up 1.9 percent compared to this time last year.
- Gasoline output increased at 9.0 MMB/D on the week as most U.S. refineries returned to service following seasonal maintenance and operational disruptions due to Super Storm Sandy. Distillate output slightly increased at 4.7 MMB/D and stands 400,000 barrels per day higher compared to the production level at this time last year.

Transportation Fuels

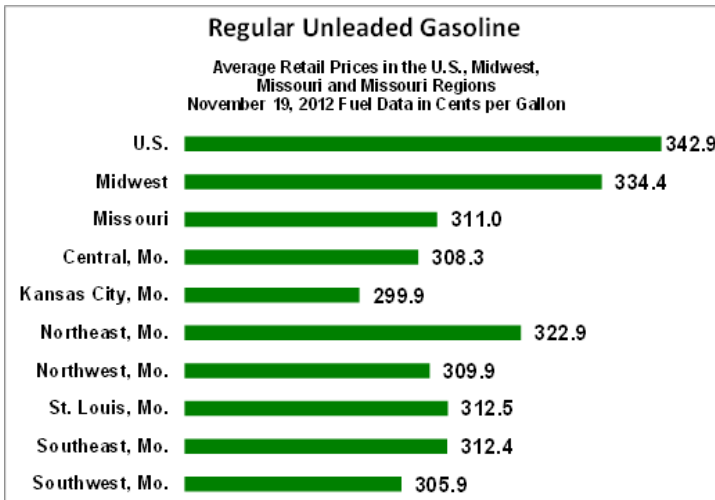
On November 19, Missouri's statewide average retail price for gasoline was about \$3.11 per gallon, down 39.7 cents in the past month and up 1 percent in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	11-19-12	10-15-12	change	11-21-11	change
US	342.9	381.9	down 10%	336.8	up 2%
Missouri	311.0	350.7	down 11%	309.2	up 1%

Diesel Fuel - Retail Prices (cents per gallon)					
	11-19-12	10-15-12	change	11-21-11	change
US	342.9	381.9	down 10%	401.0	down 14%
Missouri	374.8	404.4	down 7%	386.0	down 3%

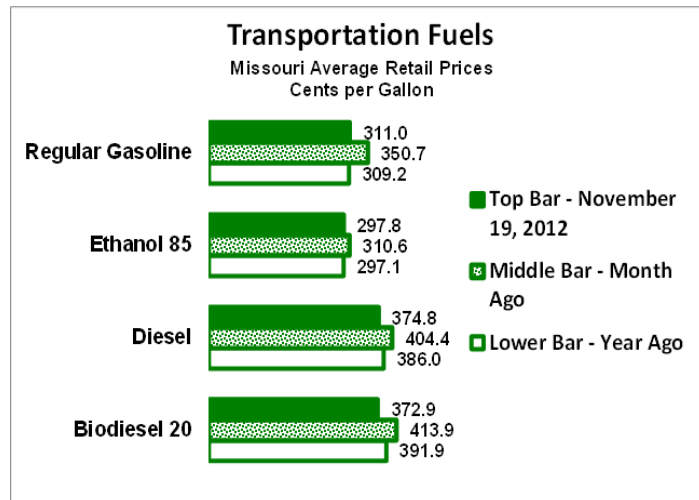


- On November 19, Missouri's average retail price for gasoline was \$3.11 per gallon, a decrease of 39.7 cents in the past month. The average price for diesel fuel was down 29.6 cents per gallon in the past month. Missouri's average retail gasoline price is 1.8 cents, or 1 percent, higher, while the average diesel fuel price is 11.2 cents, or 3 percent, lower for the comparable period in November 2011.

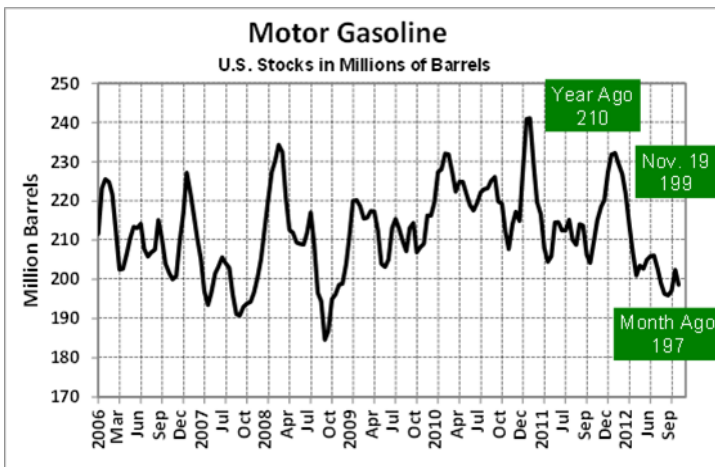


- The U.S. average price for regular gasoline was down by 39.0 cents per gallon, or 10 percent, compared to last month at \$3.43 per gallon. The U.S. average was 6.1 cents, or 2 percent, higher compared to this time last year. In the past week, the U.S. average decreased 2.0 cents per gallon.
- Gasoline imports increased 16,000 barrels per day from the prior week at 0.62 MMB/D, yet 341,000 barrels per day lower than last year at this time.

- Implied demand for gasoline declined at 8.9 MMB/D, down 10,000 barrels per day from the prior week, and about 306,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.7 MMB/D; 137,000 barrels per day or 1.6 percent higher compared to the same 4-week period last year.



- U.S. gasoline supplies decreased 1.5 MMB at 200.4 MMB. Gasoline inventories represent 22.9 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline inventories are down 9.2 MMB compared to this time last year and trend near the bottom of the five-year average for this time of year.



- Distillate stocks decreased at 112.8 MMB and stand 20.1 MMB lower compared to the same period last year. Distillate demand was up at 4.2 MMB/D on the week and up 132,000 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 95,000 barrels per day. On a four-week average, distillate demand was down 389,000 barrels per day compared

to the same period last year at 3.9 MMB/D.

- On November 19, Missouri’s average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.98 per gallon, 13 cents or about 4.4 percent lower than the average price for conventional motor gasoline.
- On November 19, Missouri’s average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.73 per gallon, about 2 cents or less than 1 percent lower than the statewide average retail price for conventional diesel fuel.
- According to EIA’s November 6, 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.

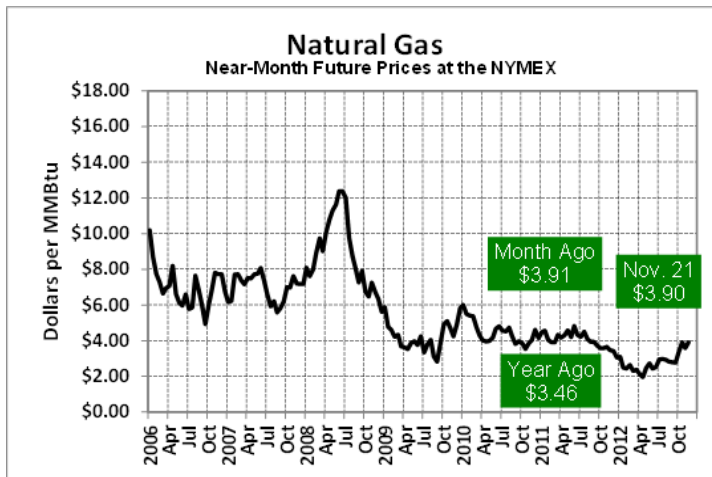
Natural Gas

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 21, natural gas futures closed at \$3.90 per million British thermal units (MMBtu), down 1 cent from a month ago and up 13 percent compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	11-21-12	10-18-12	change	11-23-11	change
NYMEX	\$3.90	\$3.91	down 0%	\$3.46	up 13%

- At the NYMEX, natural gas futures for December delivery ended 7.1 cents higher November 21 to close at \$3.90 per MMBtu. In the past month, natural gas values have decreased 1 cent or less than 1 percent.



- At the NYMEX, the December 2012 futures contract increased by 3.7 percent from \$3.76 per MMBtu on November 14 to \$3.90 per MMBtu on November 21. The 12-Month Strip (average of December 2012 to November 2013 contracts) increased by 3.1 percent over the same period, from \$3.91 per MMBtu on November 14 to \$4.03 per MMBtu on November 21.

- According to EIA, for the week ending November 14, the most current consumption data available, total consumption increased with higher residential/commercial demand, offsetting a decrease in demand from the power and industrial sectors. Domestic natural gas consumption increased by 0.4 percent from the prior week driven by an increase of 2.8 percent in residential/commercial sector consumption. Power sector consumption finished the week down 2.3 percent, while industrial sector consumption dipped modestly (down 0.5 percent). Up week-over-week, residential/commercial sector consumption also exceeded levels for the same week last year (by 14.1 percent).

- Working gas in storage totaled 3,873 billion cubic feet (Bcf), 4.5 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 24 Bcf, or 0.6 percent, higher than last year at this time.
- According to EIA's *Short Term Energy Outlook*, released November 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.

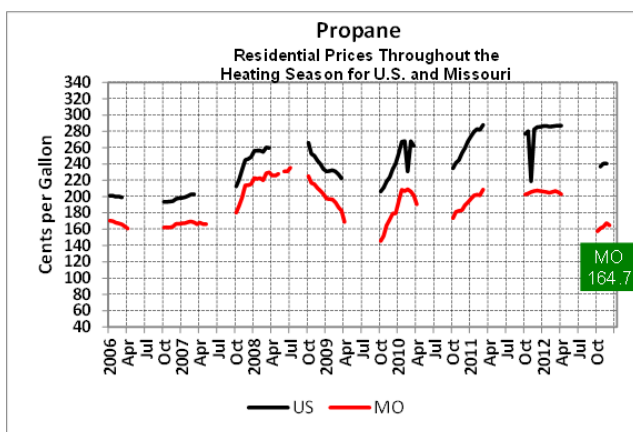
Propane

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 26, the average Missouri retail price for residential propane was about \$1.65 per gallon, up 1.8 cents in the past month, yet down 21 percent compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	11-26-12	11-05-12	change	12-05-11	change
Missouri	164.7	162.9	up 1%	207.4	down 21%

- According to the Division of Energy's statewide propane price survey conducted November 26, the average Missouri retail residential propane price was \$1.65 per gallon, up 1.8 cents or 1 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.



- U.S. inventories of propane decreased 0.5 MMB to end at 72.7 MMB. Propane inventories are now 13.3 MMB, or 22 percent, higher compared to the same period last year. Implied demand for propane increased 33,000 barrels per day at nearly 1.4 MMB/D on the week, and up nearly 0.2 MMB compared to the demand level for this time last year.
- Midwest propane inventories decreased 842,000 barrels. At 26.6 MMB, Midwest inventories are 1.3 MMB, or 5.1 percent, higher than the 25.3 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook*, released November 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; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm