



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

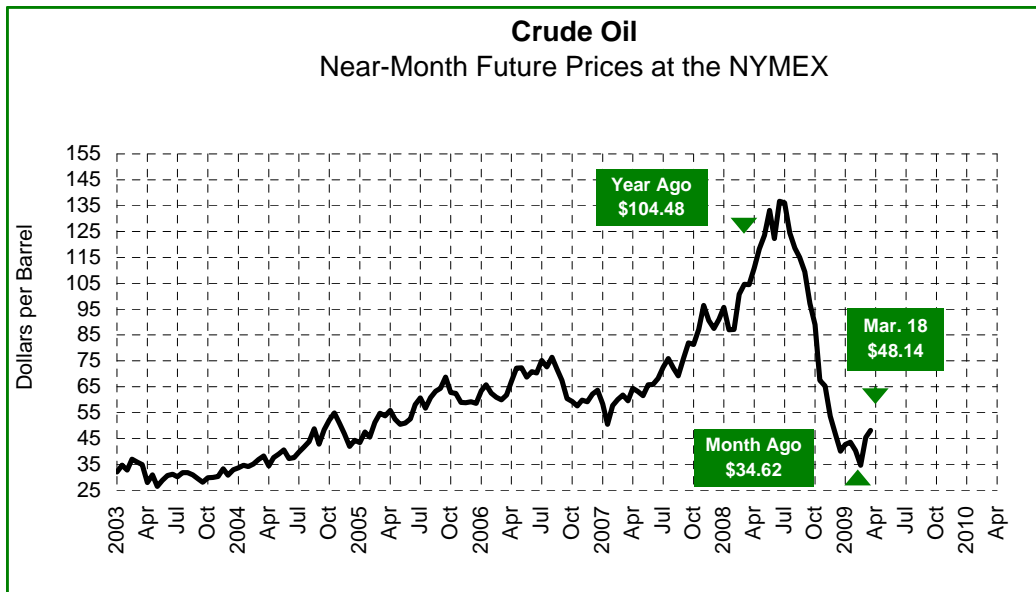
March 19, 2009

Crude Oil

Crude oil futures for April delivery on the NYMEX ended \$1.02 lower on March 18 to settle at \$48.14 per barrel in response to growth in domestic oil supplies and refined products.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>03-18-09</u>	<u>02-18-09</u>	<u>change</u>	<u>03-19-08</u>	<u>change</u>
NYMEX	\$48.14	\$34.62	up 39%	\$104.48	down 54%

- Crude oil prices increased by 39 percent in the past month, but remain 54 percent lower than at this time last year. Domestic crude supplies improved 1.9 million barrels (MMB) for the week ending March 13 due to increased imports and lower refinery demand, according to the weekly petroleum report issued by the Energy Information Administration (EIA).
- OPEC's March 15 decision to maintain target production at 24.845 million barrels per day (MMB/D) helped to keep prices in check. Members with output quotas, all except Iraq, are expected to pump 22.41 MMB/D for the month ending April 4, well below the self-imposed quota. OPEC pumped 23.18 MMB/D for the month ending March 7 indicating greater production discipline by members.



- Stocks held at Cushing, Oklahoma, the point of supply reference for NYMEX future values, increased 368,000 barrels to 33.9 million barrels (MMB) last week.
- Domestic fuel demand during the past four weeks averaged 19.1 MMB/D, down 3.2 percent from the same period last year, the EIA report showed. With the federal government pushing dollars into the market and the associated reduction in the value of the dollar, the currency used within the global crude market, may pressure global crude prices higher in the coming weeks. Commodities, including

oil and gasoline, have increased in value in the past 8 consecutive days of trade.

- U.S. refiners consumed on average 14.47 MMB/D of crude oil last week with total utilization capacity of 82.1 percent. U.S. refinery capacity is down 1.7 percent compared to this time last year when refineries were operating at 83.8 percent.
- Gasoline output increased slightly to 8.8 MMB/D on the week and slightly higher compared to last year at this time. Distillate output fell at 4.09 MMB/D last week, and slightly higher compared to the production level at this time last year.
- Crude imports for the week ending March 13, improved 59 thousand barrels to 9.18 MMB/D. Imports at this time last year averaged 9.46 MMB/D. Crude oil inventories represent 25 days of forward cover.

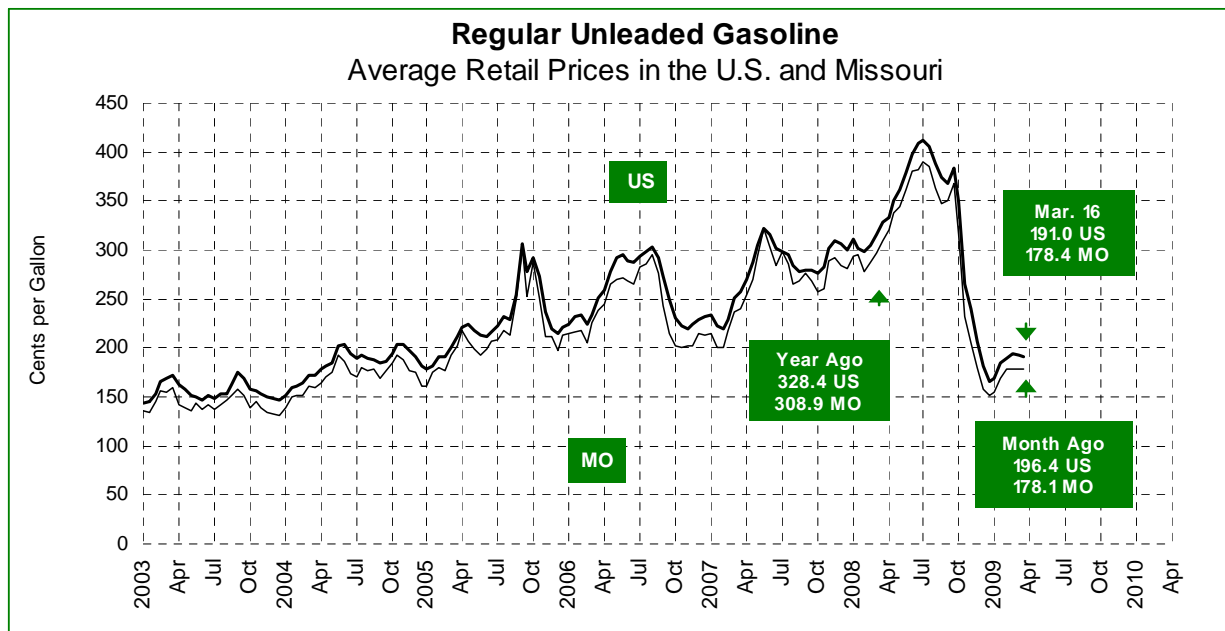
Transportation Fuels

On March 16, Missouri's statewide average retail price for gasoline was \$1.78 per gallon, relatively unchanged in the past month but \$1.30 lower than at this time last year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	03-16-09	02-16-09	change	03-17-08	change
US	191.0	196.4	down 3%	328.4	down 42%
Missouri	178.4	178.1	unchanged	308.9	down 42%

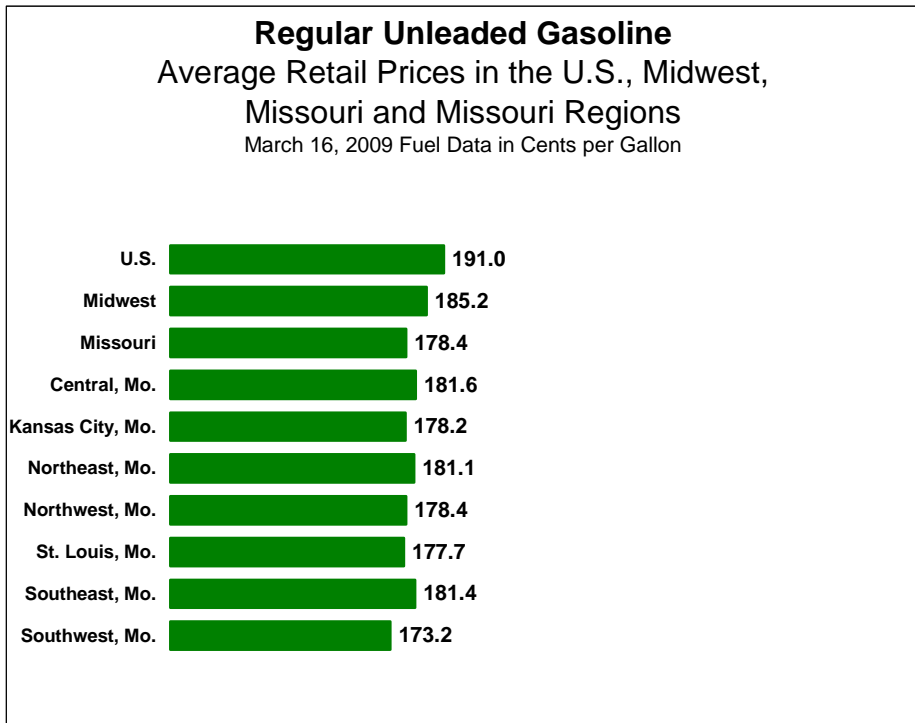
Diesel Fuel - Retail Prices (cents per gallon)					
	03-16-09	02-16-08	change	03-17-08	change
US	201.7	218.6	down 8%	397.4	down 49%
Missouri	188.5	204.2	down 8%	386.4	down 51%

- On March 16, Missouri's average retail price for gasoline remained relatively unchanged at \$1.784 in the past month. The average price for diesel fuel decreased 15.7 cents in the past month. Missouri's average retail gasoline price is 130 cents or 42 percent lower, while the average diesel fuel price is 197.9 cents or 51 percent, lower for the comparable period in March 2008.

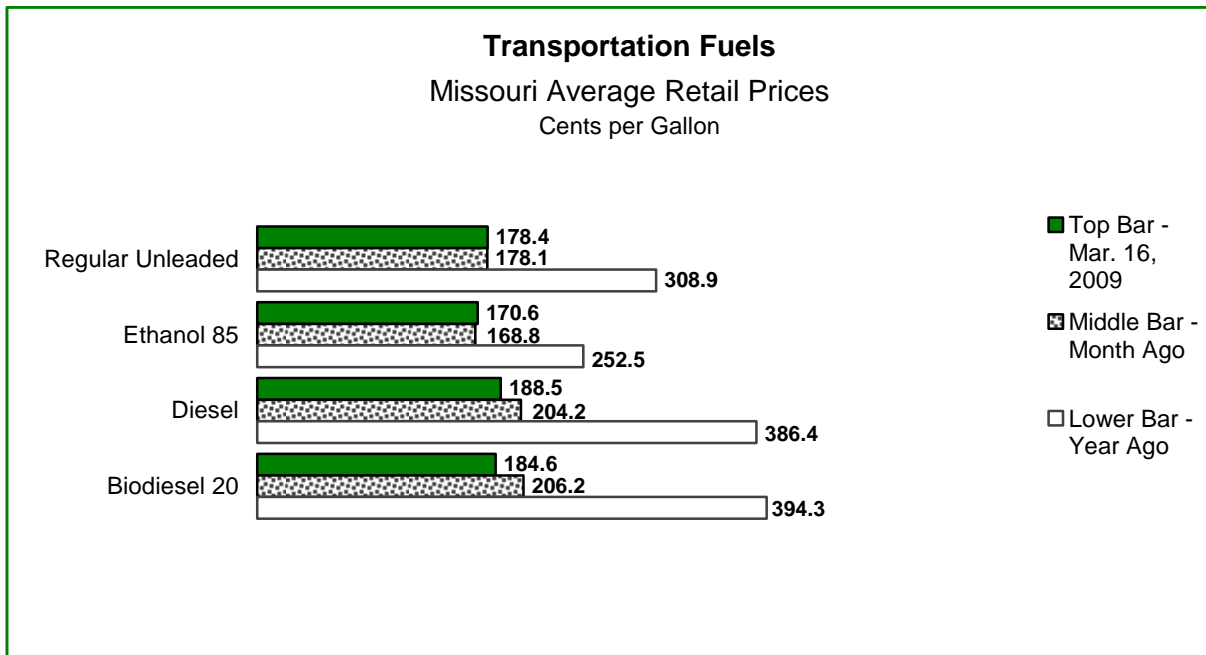


- On Mar. 16, Missouri's average retail price for E85 (regular gasoline containing 85 percent ethanol) was \$1.70 compared to \$1.68 per gallon at this time last month and \$2.52 in Mar. 2008. At \$1.70 per gallon, E85 is 8.4 cents or 4.7 percent lower than the average price of regular unleaded gasoline in

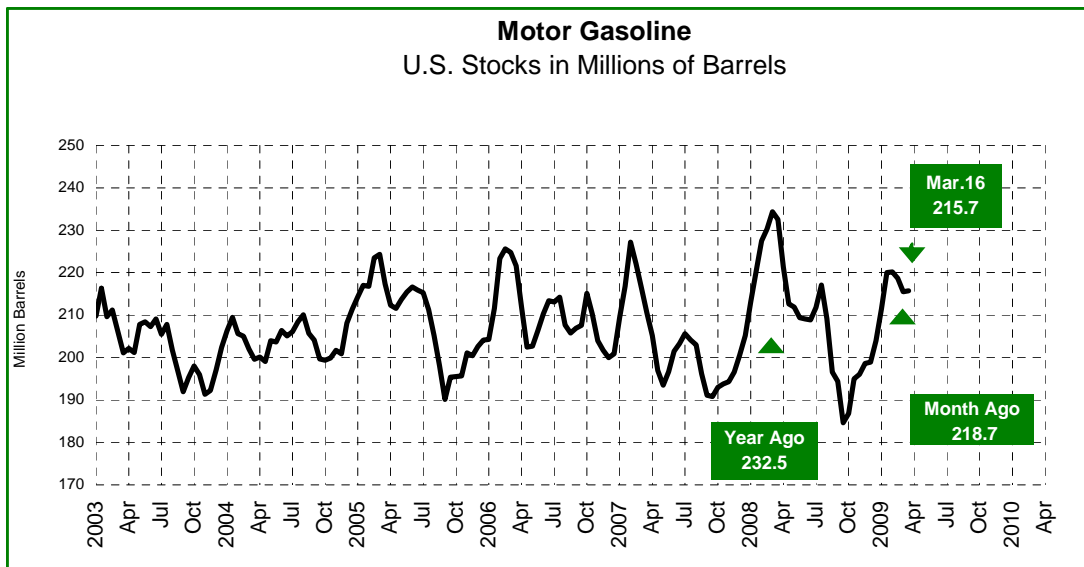
Missouri. (Note: One volumetric gallon of E85 contains 73 percent of the energy content of gasoline.)



- Gasoline imports decreased to 1.14 MMB/D last week. Imports were 0.9 MMB/D at this time last year.
- U.S. gasoline supplies increased 3.2 MMB to 215.7 MMB for the week ending March 13. Gasoline inventories represent 23.9 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline inventories are 16.8 MMB lower than at this time last year.



- Implied demand for gasoline decreased last week to 8.9 MMB/D, 1.3 percent lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged 9.03 MMB/D compared to 9.08 MMB/D during the comparable 4-week period last year.
- Distillate stocks increased 0.1 MMB to 145.5 MMB and stand 32 MMB higher compared to the same period last year. Distillate demand was 14.3 percent lower at 3.7 MMB/D compared to last year.



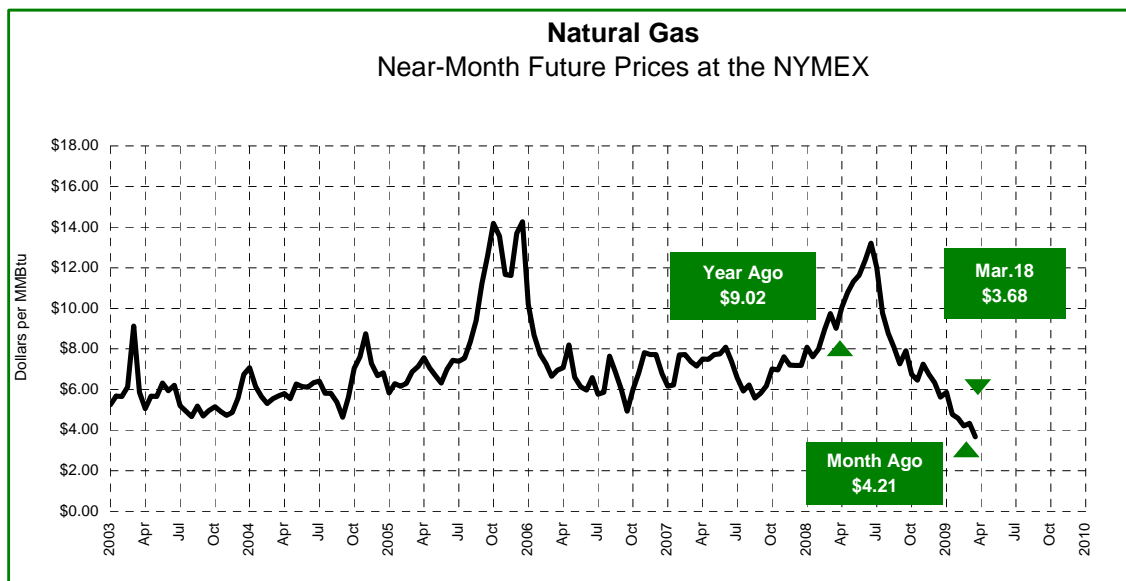
Natural Gas

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 March 18, natural gas futures closed at \$3.68 per MMBtu, down 13 percent from a month ago and down 59 percent compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	<u>03-18-09</u>	<u>02-19-09</u>	<u>change</u>	<u>03-19-08</u>	<u>change</u>
NYMEX	\$3.68	\$4.21	down 13%	\$9.02	down 59%

- At the NYMEX, the price of natural gas for April delivery decreased \$0.53 per MMBtu in the past month, with \$0.11 of the decrease occurring in the past week, to a final closing price of \$3.68 in response to warming temperatures and strong domestic supplies. The combination of warming temperatures and lower industry demand continues to pressure natural gas futures prices lower.



- Working gas in storage as of March 13 totaled 1,651 billion cubic feet (Bcf), 16 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 326 Bcf or 24.6 percent higher than last year at this time.

- According to the EIA's most recent *Short-Term Energy Outlook* released March 10, Midwest households that heat with natural gas are projected to spend \$8 or 0.8 percent more for natural gas during the 2008/2009 winter heating season due to a 3.6 percent increase in gas consumption. The heating season covers the period Oct. 1 through Mar. 31.

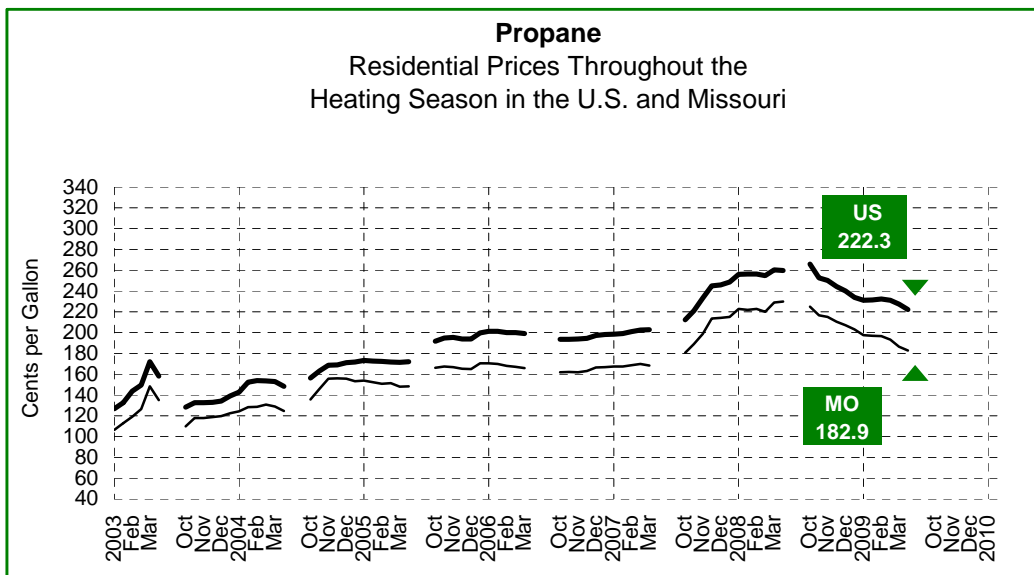
Propane

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 March 16, the average retail price for residential propane in Missouri was \$1.82 per gallon, down 5 percent from last month and 20 percent lower compared to last year.

Propane - Residential Prices (cents per gallon)					
	<u>03-16-09</u>	<u>02-16-09</u>	<u>change</u>	<u>03-17-08</u>	<u>change</u>
Missouri	182.9	193.1	down 5%	229.8	down 20%

- On March 16, Missouri's average retail price for residential propane was \$1.829 per gallon, 10.2 cents or 5 percent lower than the average price last month and 20 percent lower than last year's average price of \$2.298 per gallon.



- For the week ending March 13, U.S. propane supplies decreased 0.641 MMB and are now 9.79 MMB higher than the 27.3 MMB figure at this time last year. Midwest inventories decreased 0.013 MMB or 0.1 percent in the past week. At 12.97 MMB, Midwest inventories are 5.01 MMB or 63.4 percent higher than the 7.9 MMB reported at this time last year.
- According to the EIA's most recent *Short-Term Energy Outlook* released March 10, Midwest households that heat with propane are projected to spend \$29 or 1.7 percent more during the 2008/2009 winter heating season due to a 3 percent increase in consumption. The heating season covers the period Oct. 1 through Mar. 31. (**Note:** Beginning April 2009, residential retail propane prices will be reported only for the first full week of each month through September 2009)

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources' Energy Center. The Energy Center 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 Energy Center Internet 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; regional state energy offices; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Energy Center, 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