

# Crude Price Report - For the Period December 8, 2010 to December 14, 2010

Benchmark Crudes (US\$/bbl)	December 1-December 7 Average	Current Period					December 8-December 14 Average	December Month-to-Date	2010 Year-to-Date
		8-Dec	9-Dec	10-Dec	13-Dec	14-Dec			
West Texas Intermediate	\$88.39	88.30	88.35	87.81	88.62	88.33	\$88.28	\$88.33	\$78.96
Brent	\$90.12	89.74	89.93	89.54	90.40	90.63	\$90.05	\$90.09	\$78.96

## COMMENTARY:

► For the December 1 - December 7 period, the average price for West Texas Intermediate was down by \$0.11 week-over-week, at \$88.28. Brent prices were down by \$0.07 week-over-week, averaging \$90.05.

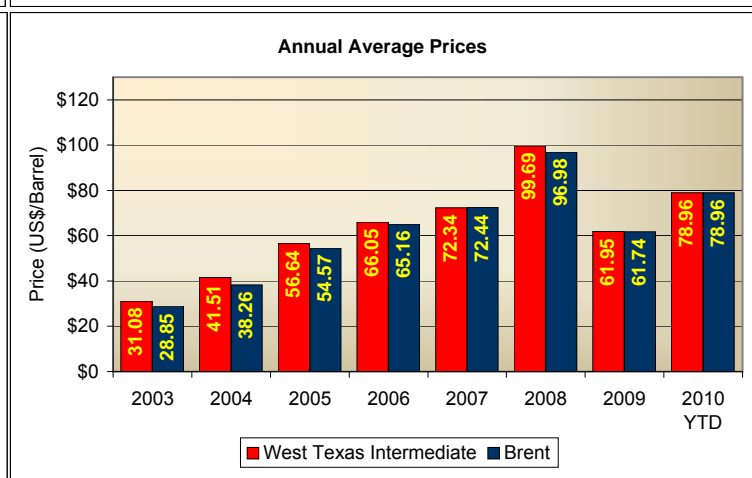
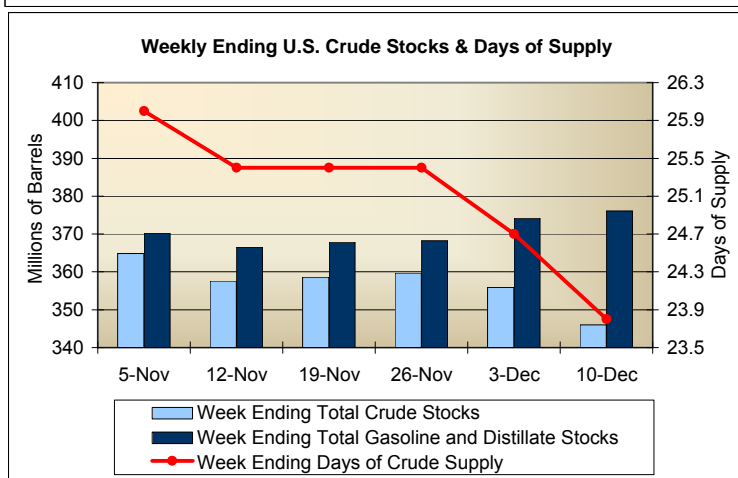
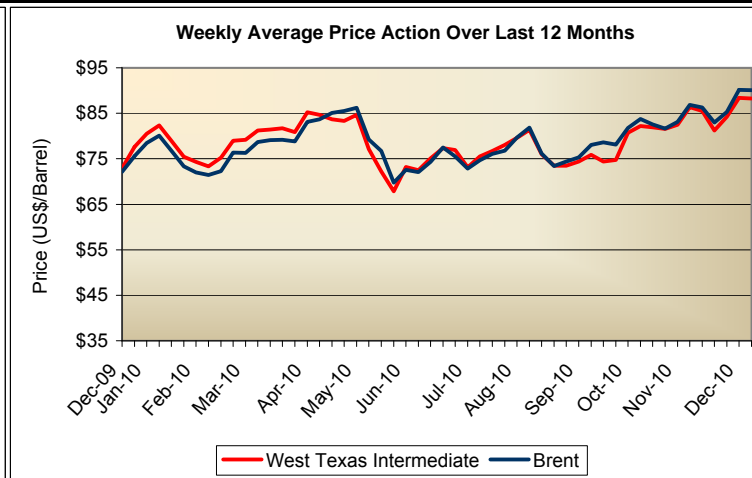
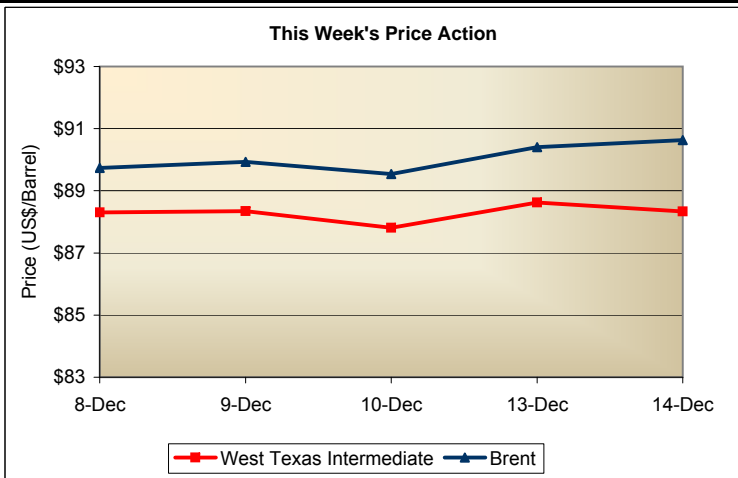
► WTI began the period at \$88.30, ending higher at \$88.33 on December 14. Brent prices began the period at \$89.74, ending higher at \$90.63 on December 14.

► The average crude prices for 2010 year-to-date for WTI increased from the previous period with WTI up \$0.20 to \$78.96. Brent increased from the previous period up \$0.24 to \$78.96.

► US crude oil stocks decreased by 9.854 million bbls this period. The days of crude supply decreased by 0.9 days from the previous period at 24.7 days. US gasoline and distillate stocks increased by 1.903 million bbls.

► On December 10, the International Energy Agency (IEA) released its monthly Oil Market Report. The IEA revised its global oil demand estimates up for 2010 and 2011 due to stronger data from OECD North America and non-OECD Asia. Global oil demand is expected to average 87.4 millions of barrels per day (mb/d) in 2010 and 88.8 mb/d in 2011. Global oil supply rose to 88.1 mb/d in November, largely due to increased non-Organization of the Petroleum Exporting Countries (OPEC) production. Non-OPEC supply is expected to increase in 2010 and 2011 to average 52.8 mb/d in 2010 and 53.4 mb/d in 2011. The IEA increased the 'call on OPEC crude and stock change' (crude oil necessary from OPEC, and/or implicit stock changes, to balance world demand and supply) for 2011 to 29.5 mb/d due to higher demand projections.

► On December 11, OPEC held its 158th (Extraordinary) Meeting in Quito, Ecuador. In a press release, OPEC indicated the Conference considered the report of the Secretary General on oil market outlook and other administrative matters. After reviewing the oil market outlook, including the overall demand/supply projections for 2011, the Conference observed that the increase in the annual average oil demand in 2011 is likely to be lower than in 2010. This expectation of lower demand growth is coupled with risks to the global economic recovery, including possible currency conflicts and fears of a second banking crisis in Europe. The Conference agreed to maintain current oil production levels due to the OECD still facing lower industrial output, lagging private consumption, high unemployment and spare capacity in the oil supply chain. Member Countries acknowledged their commitment to individually agreed production allocations and their readiness to respond to any developments that might jeopardize oil market stability and Member Countries' interests. The next Ordinary Meeting will be held on June 2, 2011 in Vienna, Austria.



## Sources/Notes:

1. West Texas Intermediate and Brent Crude prices are spot prices as reported weekly by the Energy Information Administration (EIA) of the Department of Energy (DOE) in the United States.
2. Inventory stocks are reported weekly by the EIA and include all inventories held with "primary" enterprises such as refiners and wholesalers of crude. Secondary and tertiary inventories held by retailers or end users are not included. Crude stocks include all unrefined crude; gasoline stocks include all grades of gasoline; and distillate stocks include all grades of distillates (including home heating fuel and diesel fuel).
3. Annual and monthly average prices for spot WTI and Brent crude from 2003 to 2010 are simple averages calculated from daily prices as reported by EIA.