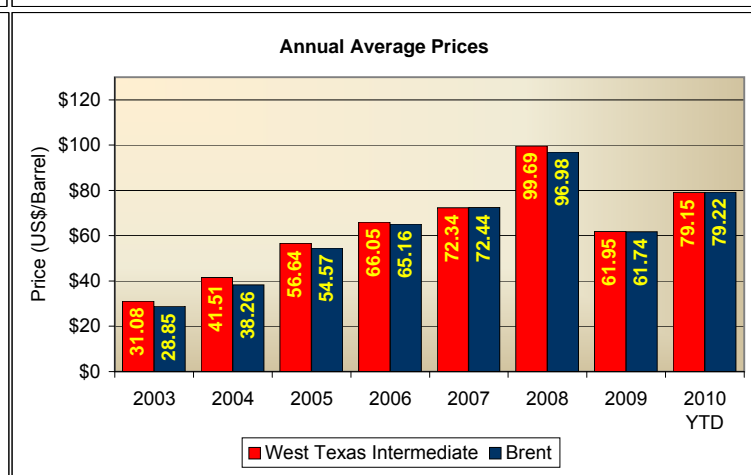
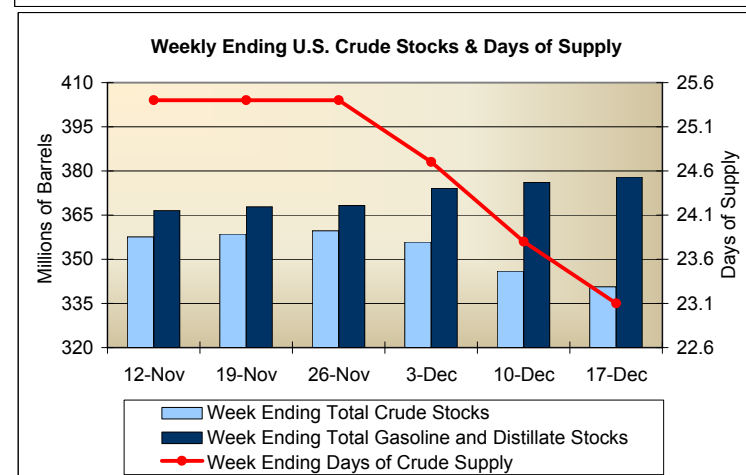
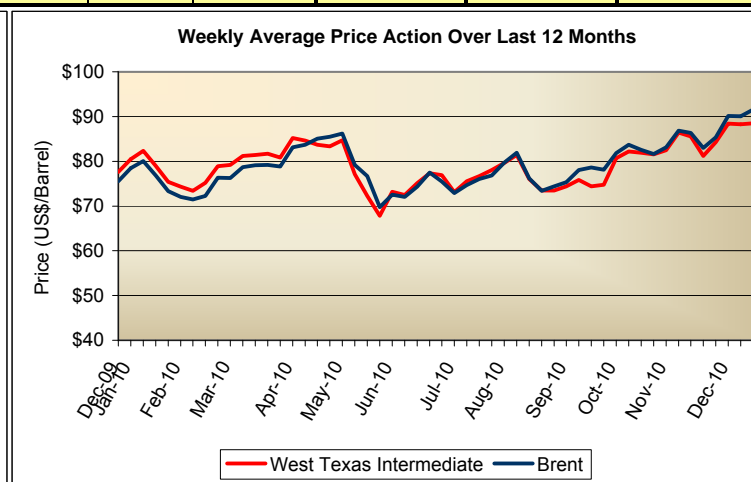
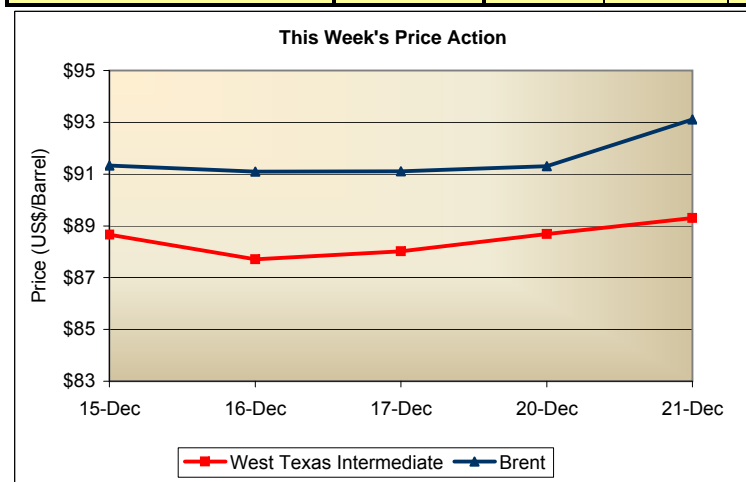


# Crude Price Report - For the Period December 15, 2010 to December 21, 2010

Benchmark Crudes (US\$/bbl)	December 8-December 14 Average	Current Period					December 15-December 21 Average	December Month-to-Date	2010 Year-to-Date
		15-Dec	16-Dec	17-Dec	20-Dec	21-Dec			
West Texas Intermediate	\$88.28	88.66	87.71	88.02	88.68	89.30	\$88.47	\$88.38	\$79.15
Brent	\$90.05	91.33	91.09	91.11	91.31	93.11	\$91.59	\$90.59	\$79.22

**COMMENTARY:**

- For the December 15 - December 21 period, the average price for West Texas Intermediate was up by \$0.19 week-over-week, at \$88.47. Brent prices were up by \$1.54 week-over-week, averaging \$91.59.
- WTI began the period at \$88.66, ending higher at \$89.30 on December 21. Brent prices began the period at \$91.33, ending higher at \$93.11 on December 21.
- The average crude prices for 2010 year-to-date for WTI increased from the previous period with WTI up \$0.19 to \$79.15. Brent increased from the previous period up \$0.26 to \$79.22.
- US crude oil stocks decreased by 5.333 million bbls this period. The days of crude supply decreased by 0.7 days from the previous period at 23.8 days. US gasoline and distillate stocks increased by 1.811 million bbls.
- On December 17, the American Petroleum Institute (API) reported that total U.S. petroleum deliveries (a measure of demand) increased 6.5% in November compared with November 2009, showing that consumer and industrial sectors are recovering. Gasoline deliveries rose 3.2% in November from a year ago while distillate fuel deliveries were up 13.5%, ultra-low sulfur distillate deliveries up 13.2% and jet fuel up 16.7%. Domestic crude oil production was at 5.44 million barrels per day (mmbbls/d) in November up slightly from last year and down 1.3% from October. Crude oil and product imports were 10.9 mmbbls/d in November, lower than November a year ago by 1.1%, due to declines in product imports. Crude oil imports averaged 9.1 mmbbls/d in November, higher than a year by actually 5%. U.S. domestic crude oil inventories in November were the highest total for any November since 1987, however, inventories were lower compared to October. November gasoline stocks were down 3% and distillate stocks were 3.8% lower compared with October. According to API chief economist John Felmy, fuel demand continues to strengthen, a positive sign for the economy and tells us a recovery is underway.
- On December 19, Reuters reported that the price of gasoline has been significantly raised in Iran as part of President Mahmoud Ahmadinejad's policy to phase out subsidies on essentials like energy, food and water. Up until Dec 19, subsidies had allowed Iranians to pay 1,000 rials (about 10 U.S. cents) per litre for the first 60 litres per month and 4,000 rials per litre beyond that. The price hike pushed the 60-litre ration price up to 4,000 rials and the higher price to 7,000 rials. To offset the price increase, the government has offered to give each Iranian 800,000 rials (around \$80) to cover the first two months. The subsidy cut has been discussed by politicians for years and it is finally being implemented as the economy is under greater strain from tougher international sanctions imposed over recent months.



**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.

