



# Ministry of Energy & Mining

## WEEKLY OIL PRICE REPORT



July 15 - 21, 2010

### INTRODUCTION

This report highlights the international prices of crude oil as well as the prices of petroleum products, including LPG, in the domestic energy market. The report allows the Ministry of Energy and Mining to assess the impact of liberalization on the petroleum market. In that regard, recommendations for policy adjustment can be made where necessary.

### *International Benchmarks*

#### *Crude Oil*

The benchmark used by the Petrojam Refinery is West Texas Intermediate (WTI). The spot price for crude oil was not available for this week. However, the crude oil price for last week (July 8 – 14, 2010) was US\$74.39/bbl. This represented a decrease of 2% over that of the previous week when crude oil price stood at US\$75.68/bbl (see table 1).

**Table 1 Spot Prices US\$/BL**

Region	Benchmark	2nd July	9th July	% Difference
				2ndJuly vs 9th July
Americans	West Texas Intermediate	<b>75.68</b>	<b>74.39</b>	<b>-1.70</b>
Europe	Europe Brent	<b>74.39</b>	<b>73.95</b>	<b>-0.59</b>
Asia	Dubai Fateh	<b>73.62</b>	<b>70.29</b>	<b>-4.52</b>
Nothern Africa	Egypt Suez Blend	<b>70.89</b>	<b>68.62</b>	<b>-3.20</b>
Western Africa	Nigeria Bonny Light	<b>76.84</b>	<b>74.34</b>	<b>-3.25</b>

### *Petrojam Billing Price*

#### **E10 - 90**

For this week, the Gulf Reference prices increased by 4% while the Ex-Refinery price increased by 1% when compared to the previous week; prices amounted to J\$46.64/litre and J\$53.96/litre respectively (See Table 2). The imposition of taxes

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amounting to J\$27.05/litre resulted in a Refinery Billing price of J\$81.01/litre, with taxes accounting for 33% of the Refinery Billing price.

**E10 – 87**

This week, the Gulf Reference price for E10-87 was J\$46.64/litre similar to that of E10-90, while the Ex-Refinery price was J\$52.90/litre, which represented a 1% increase when compared to the previous week. The imposition of taxes amounting to J\$26.46/litre resulted in a Refinery billing price of J\$79.35/litre, with taxes accounting for 33% of the refinery billing price.

Table 2

<b>Petroleum Products Price List for Selected Products J\$/Litre</b>					
<b>Year:</b>	<b>2010</b>				
<b>Week 3:</b>	<b>15-Jul</b>				
<b>Benchmark:</b>	<b>USGC</b>				
<b>Exch.Rate: US\$=J\$</b>	<b>86.28</b>				
	<b>E10 - 90</b>	<b>E10 - 87</b>	<b>ADO</b>	<b>L.P.G</b>	<b>Kerosene</b>
<b>Gulf Reference Price</b>	<b>46.64</b>	<b>46.64</b>	<b>44.65</b>	<b>26.32</b>	<b>46.35</b>
<b>Ex-Refinery Price</b>	<b>53.96</b>	<b>52.90</b>	<b>52.12</b>	<b>32.16</b>	<b>54.34</b>
<b>Refinery Billing Price</b>	<b>81.01</b>	<b>79.35</b>	<b>77.67</b>	<b>32.20</b>	<b>80.22</b>
<b>Average Selling Price</b>	<b>95.31</b>	<b>90.53</b>	<b>89.71</b>	<b>51.69</b>	<b>84.04</b>

***Automotive Diesel Oil (A.D.O.) Average***

The Gulf Reference and Ex-Refinery prices increased by 4% and 2% over the previous week; prices amounted to J\$44.65/litre and J\$52.12/litre respectively. The addition of taxes amounting to J\$25.55/litre contributed to a Refinery Billing price of J\$77.67/litre, with taxes accounting for 33% of the Refinery Billing price.

***Liquid Petroleum Gas (L.P.G.)***

The Gulf Reference and Ex-Refinery prices increased by 2% respectively for the week under review when compared to the previous week; prices amounted to J\$26.32/litre and J\$32.16/litre respectively. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$32.20/litre, which represents a 0.1% increase when compared to the previous week.

***Kerosene***

The Gulf Reference and Ex-Refinery prices increased by 5% and 3% respectively for the week under review; prices amounted to J\$46.35/litre and J\$54.34/litre respectively when

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compared to the previous week. The addition of taxes amounting to \$25.88/litre, contributed to a Refinery Billing price of J\$80.22/litre, with taxes accounting for 32% of the Refinery Billing price.

### Average Marketing/Retail Prices Motor Fuels

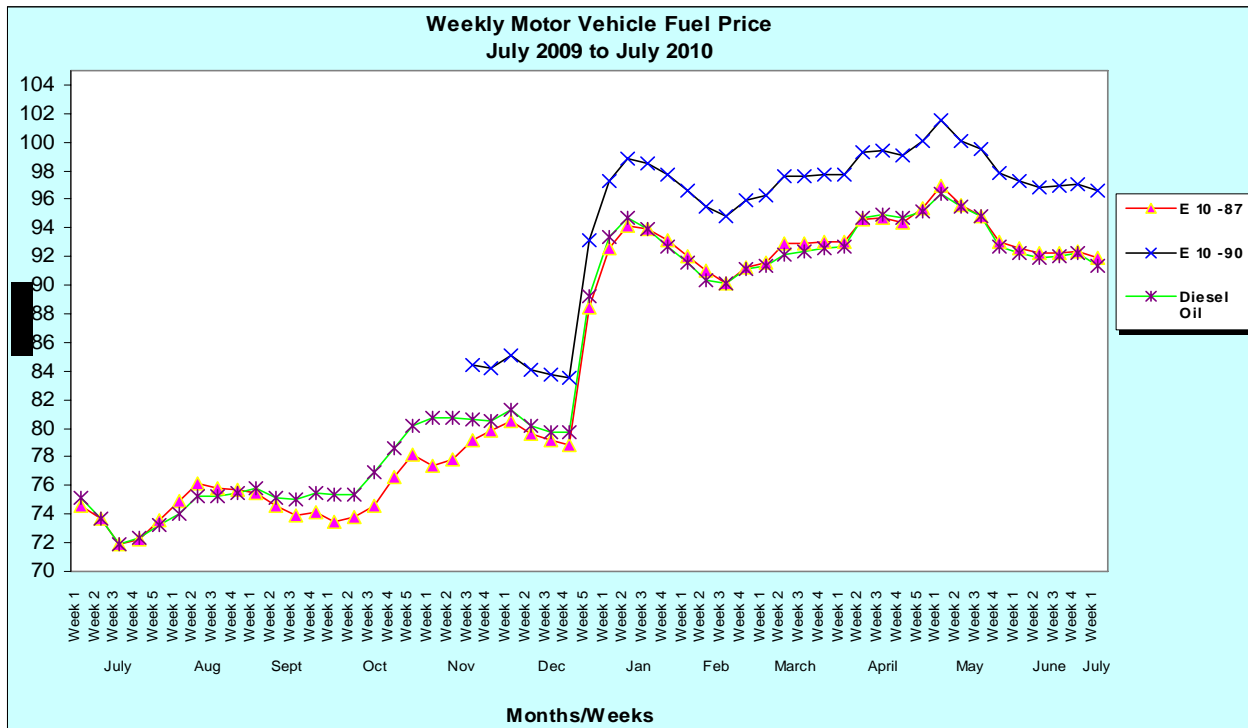
#### E10 - 90

The average retail price for this week went up by J\$0.25/litre, moving from J\$95.06/litre for the previous week to J\$95.31/litre, representing a marginal increase over last week. Figure 1 shows year to year trend analysis of weekly motor vehicle fuel price.

#### E10 - 87

The average retail price for this week increased marginally moving from J\$90.30/litre for the previous week to J\$90.53/litre. This represented a J\$0.23/litre increase when compared to the previous week.

Figure 1



### Automotive Diesel Oil (A.D.O.)



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The price for E10 87 showed a similar trend as E10-90 with average price per litre in the rural and urban areas standing at J\$92.80/litre and J\$87.25/litre respectively. The price difference between both regions was J\$5.55/litre.

Automotive Diesel Oil was sold at an average price of J\$91.60/litre in the rural area while selling in the urban at a lower average price of J\$87.88/litre. The difference between both regions was J\$3.72/litre.

L.P.G was sold at an average price of J\$53.95/litre in the urban area while selling at a lower average price of J\$51.13/litre in the rural. The difference between both regions was J\$2.81/litre.

The prices fluctuated throughout the regions. St. Ann had the highest prices for all three products: E10-87 at J\$96.36/litre, E10-90 at J\$100.93/litre and ADO at J\$95.47/litre (see Table 3). Kingston & St. Andrew had the lowest prices for two products E10-87 at J\$87.26/litre and E10-90 at J\$92.689/litre, while Clarendon had the lowest price for ADO at J\$87.02/litre.

**Table 3: Weekly Retail Prices for Selected Petroleum Products by Region**

Gasolene E10 - 87			Gasolene E10- 90			Automotive Diesel Oil			
Region	Prices This Week	Prices Last Week	Prices One Year Ago	Prices This Week	Prices Last Week	Prices One Year Ago (Regular 90)	Prices This Week	Prices Last Week	Prices One Year Ago
Kgn. & St. Andrew	87.26	86.73	70.44	92.68	92.19	76.84	87.88	87.13	69.57
Clarendon	88.30	87.89	70.54	94.55	94.13	77.89	87.02	86.43	70.97
Hanover	93.03	92.25	n/a	96.95	96.18	79.05	91.88	90.60	73.47
Manchester	92.42	92.64	75.07	97.1	97.26	81.20	92.53	93.06	74.57
Portland	94.74	95.63	76.58	97.68	98.45	81.16	93.3	94.50	75.49
St. Ann	96.36	96.32	77.20	100.93	100.88	83.47	95.47	95.23	76.49
St. Catherine	89.59	89.67	71.65	95.03	94.54	77.93	88.17	87.76	70.46
St. Elizabeth	93.21	93.17	n/a	95.18	95.26	80.50	92.82	92.70	75.22
St. James	89.34	89.23	73.81	93.04	92.89	78.20	87.18	86.76	71.49
St. Mary	94.87	95.16	77.10	99.99	100.19	82.45	94.59	94.26	75.09
St. Thomas	95.94	94.68	74.29	98.03	97.96	83.69	94.34	92.89	76.24
Trelawny	93.50	92.80	n/a	96.17	95.47	79.97	91.43	90.23	73.73
Westmoreland	92.31	91.79	n/a	96.04	95.47	77.75	90.41	89.60	70.84

Note: n/a = not available

Source: Weekly Price Survey - MCIS Website

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Combined average prices for urban and rural regions indicate that the year to year average price of E10-87 and ADO have increased by J\$18.62/litre and J\$17.76/litre respectively, while E10-90 increased by J\$16.39/litre when compared to Regular 90.

## **CONCLUDING REMARKS**

Globally, crude oil prices advanced for the week ending July 9, 2010. The upward movement in prices was the result of a 3% surge during the previous session, as investors welcomed news that the nation's crude oil supply fell more than expected. Another contributing factor for the increase in prices is the renewed confidence in the market, which continued to boost demand for risky assets.

Locally, there was an increase in retail prices for petroleum products. A comparative examination over the same period last year indicates that retail prices for E10-87 and ADO increased by 26% and 25% respectively, while the E10-90 increased by 21% when compared to Regular 90.

The value of the Jamaican dollar increased marginally as evidenced by the movement in the exchange rate from US\$1.00: J\$85.87 in the previous week to US\$1.00: J\$86.28 for this week. For the same period last year the dollar stood at US1.00: J\$89.04 which is 3% more than the current rate.