



Ministry of Energy & Mining

WEEKLY OIL PRICE REPORT



October 01 -07, 2009

INTRODUCTION

This report seeks to highlight crude oil prices internationally and petroleum products prices 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 may be made where necessary.

International Benchmarks

Crude Oil

The benchmark used by the Petrojam Refinery is the West Texas Intermediate (WTI). The spot price for crude oil was not available for this week. The crude oil price for last week was US\$68.33/bbl representing a decrease of four percent (4%) over that of the previous week, when crude oil prices stood at US\$71.32/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	18th September	24th September	% Difference
				18th September vs 24th September
Americans	West Texas Intermediate	71.32	68.33	-4.19
Europe	Europe Bent	68.85	66.96	-2.75
Asia	Dubai Fateh	68.60	68.63	0.04
Nothern Africa	Egypt Suez Blend	65.19	64.77	-0.64
Western Africa	Nigeria Bonny Light	70.20	69.69	-0.73

Source: Energy Information Administration

Petrojam Billing Price

Unleaded Gasoline – 90 Octane

For this week, the Gulf Reference prices for Unleaded Gas (90 Octane) was J\$38.65/litre this represents an eight percent (8%) decrease over the previous week (see Table 2), while the Ex-Refinery price went down by two percent (2%) as the price amounted to J\$50.46/litre. The imposition of taxes

Weekly Oil Price Report
October 01 – 07, 2009

amounting to J\$16.48/litre resulted in a Refinery Billing price of J\$66.94/litre, which also decreased by two percent (2%) when compared to the previous week.

Unleaded Gasoline – 87 Octane

For this week, the Gulf Reference price for Unleaded Gas (87 Octane) was J\$38.65/litre similar to that of 90 octane, while the Ex-Refinery price was J\$49.39/litre, a decrease of two percent (2%) when compared to the previous week. The imposition of taxes amounting to J\$16.11/litre resulted in a Refinery billing price of \$65.50/litre, which also decreased by two percent (2%) when compared to the previous week.

E10

For the week under review the Ex-Refinery price for E10 was J\$47.36, a decrease of three percent (3%) when the price stood at J\$48.86/litre for the previous week. The addition of taxes amounting to J\$16.11/litre similar to that of 87 Octane resulted in a Refinery Billing price of J\$63.47/litre for the E10 87 blend. This represented a two percent (2%) decrease when compared to the previous week. The Refinery Billing price for the E10 87 blend was J\$2.03 less than that of the 87 Octane blend.

Table 2

<u>Petroleum Products Price List for Selected Products J\$/Litre</u>						
Year:	2009					
Week 1:	1-Oct					
Benchmark:	USGC					
Exch.Rate: US\$=J\$	89.09					
	Unleaded 90	Unleaded 87	E 10	ADO	L.P.G	Kerosene
Gulf Reference Price	38.65	38.65	n/a	39.75	24.74	40.37
Ex-Refinery Price	50.46	49.39	47.36	49.07	32.66	49.52
Refinery Billing Price	66.94	65.50	63.47	64.48	32.70	55.54
Avg. Selling/Retail Price	80.54	76.25	73.48	75.39	48.51	59.36

Note: n/a = not available

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

The Gulf Reference price for the week under review went down by five percent (5%) over that of the previous week as the price stood at J\$39.75/litre, while the Ex-Refinery price was J\$49.07/litre representing a one percent (1%) decrease over that of the previous week. The addition of taxes amounting to J\$15.42/litre, contributed to a Refinery Billing price of J\$64.48/litre, which also resulted in a one percent (1%) decrease when compared to prices in the previous week.

Liquid Petroleum Gas (L.P.G.)

Weekly Oil Price Report October 01 – 07, 2009

The Gulf Reference price for the week under review went down by five percent (5%) over that of the previous week as prices stood at J\$24.74/litre, while the Ex-Refinery price was J\$32.66 representing a four percent (4%) decrease over that of the previous week. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$32.70/litre, which also resulted in a four percent (4%) decrease when compared with the previous week.

Kerosene

The Gulf Reference price for the week under review went down by five percent (5%) over that of the previous week as prices stood at J\$40.37/litre, while the Ex-Refinery price was J\$49.52/litre representing a one percent (1%) decrease over that of the previous week. The addition of taxes amounting to \$6.02/litre, contributed to a Refinery Billing price of J\$55.54/litre, which also decreased by one percent (1%) when compared to the previous week.

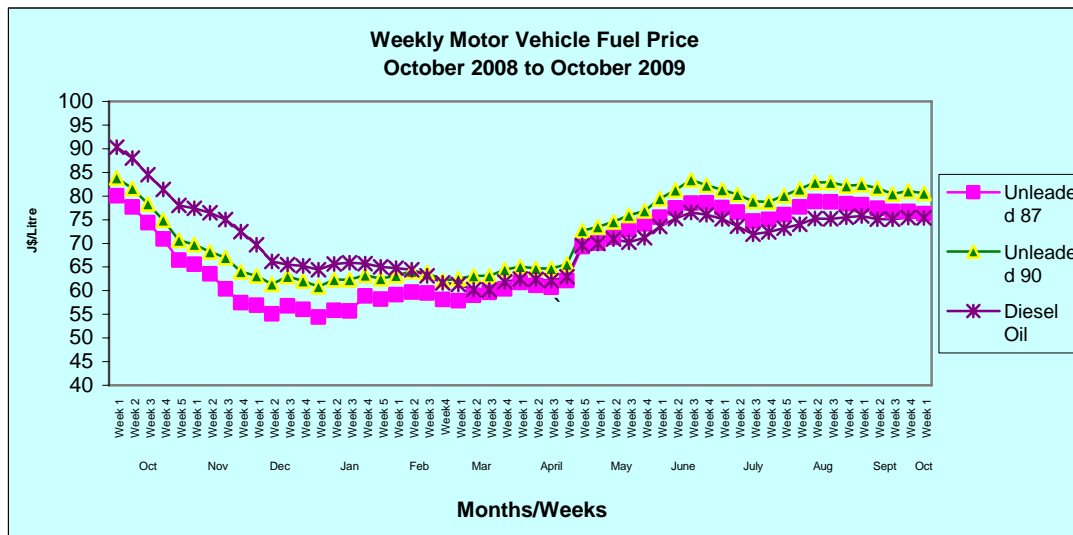
Marketing/Retail Prices

Motor Fuels

Unleaded Gasoline – 90 Octane

The average retail price for this week went down by J\$0.47/litre, moving from J\$81.04/litre for the previous week to currently amount to J\$80.57/litre, representing a marginal decrease of less than one percent (1%) over last week. Figure 1 shows year to date trend analysis of weekly motor vehicle fuel price.

Figure 1



Unleaded Gasoline – 87 Octane

The average retail price for this week decreased by less than one percent (1%), moving from J\$76.72/litre for the previous week to currently amount to

Weekly Oil Price Report October 01 – 07, 2009

J\$76.25/litre. This represented a J\$0.47/litre decrease when compared to the previous week.

Automotive Diesel Oil (A.D.O.)

The average retail price for this week decreased by J\$0.05/litre moving from J\$75.44/litre for the previous week to currently amount to J\$75.39/litre. This represents a marginal decrease of less than one percent (1%) over that of the previous week.

Unleaded Gasoline – E10

The average retail price for this week showed a marginal decrease of less than one percent (1%) moving from J\$74.12/litre for the previous week to currently amount to J\$73.48/litre. This represents a J\$0.64/litre decrease when compared to the previous week.

Cooking Fuels

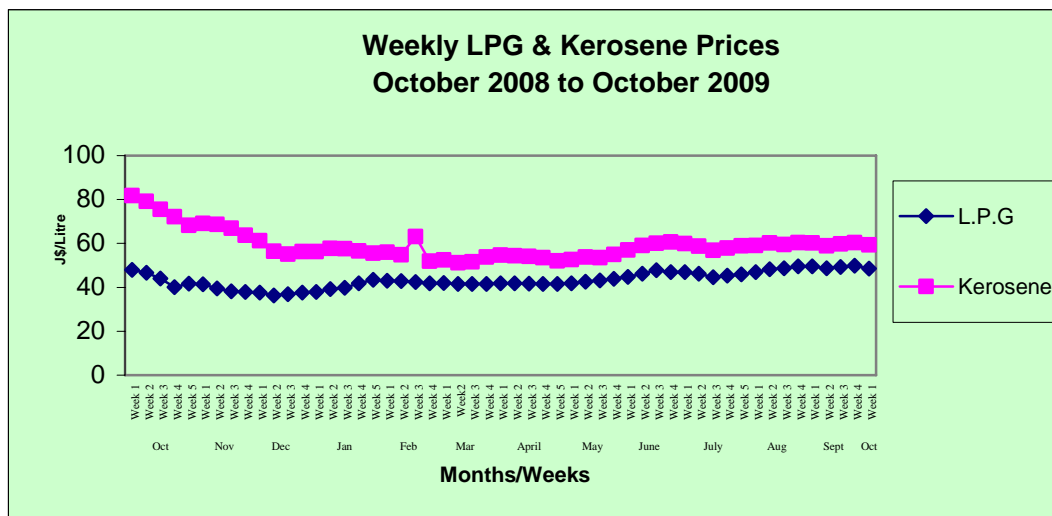
Liquid Petroleum Gas (L.P.G.)

The average retail price for this week decreased by two percent (2%) moving from J\$49.79/litre for the previous week to currently amount to J\$48.51/litre. Figure 2 shows year to date trend analysis of cooking fuel prices.

Kerosene

The average retail price for this week decreased by one percent (1%) moving from J\$60.31/litre for the previous week to currently amount to J\$59.36/litre.

Figure 2



Urban vs. Rural Analysis

For the week under review Unleaded Gas (90 Octane) in the rural region was sold for an average of J\$81.74/litre. In the urban region, the price of Unleaded

Weekly Oil Price Report October 01 – 07, 2009

Gas (90 Octane) was lower, selling at an average price of J\$79.11/litre. The price difference between both regions was J\$2.63/litre.

The price for Unleaded 87 Gasoline showed a similar trend with average price per litre in the rural and urban areas standing at J\$77.65/litre and J\$72.88/litre respectively. The price difference between both regions was J\$4.77/litre.

E10 was sold at an average price of J\$76.01/litre in the rural area while in the urban it had a lower average price of J\$73.34/litre. The difference between both regions was J\$2.67/litre.

Automotive Diesel Oil was sold at an average price of J\$76.94/litre in the rural area while it was sold in the urban at a lower average price of J\$74.10/litre. The difference between both regions was J\$2.84/litre.

L.P.G was sold at an average price of J\$48.59/litre in the rural area while selling at a higher average price of J\$48.78/litre in the urban. The difference between both regions was J\$0.19/litre.

There was a decrease in prices throughout the regions. St. Ann had the highest prices for two products, Unleaded Gas (90 Octane) at J\$85.03/litre and ADO at J\$80.38/litre while St. Mary had the highest price for E10 at J\$79.58/litre and Portland had highest price for Unleaded Gas (87 Octane) at J\$80.72/litre (see Table 3). Kingston & St. Andrew had the lowest prices for three products, Unleaded Gas (87 Octane) at J\$72.88/litre, Unleaded Gas (90 Octane) at J\$79.11/litre and ADO at J\$74.10/litre, Clarendon had the lowest price for E10 at J\$72.18/litre.

Table 3. Weekly Retail Prices for Selected Petroleum Products by Region

Region	Unleaded 87 Octane			E 10		Unleaded 90 Octane			Automotive Diesel Oil		
	Prices This Week	Prices Last Week	Prices One Year Ago	Prices This Week	Prices Last Week	Prices This Week	Prices Last Week	Prices One Year Ago	Prices This Week	Prices Last Week	Prices One Year Ago
Kgn. & St. Andrew	72.88	73.69	75.76	73.34	73.67	79.11	79.41	80.56	74.10	74.25	86.40
Clarendon	74.42	75.30	77.22	72.18	72.06	79.68	80.38	80.51	74.11	74.32	88.87
Hanover	76.90	77.19	78.75	n/a	n/a	80.67	80.77	81.86	76.74	76.40	87.96
Manchester	75.86	76.45	78.94	75.77	75.37	81.92	82.16	82.75	76.05	76.23	89.22
Portland	80.72	80.85	81.96	79.06	79.06	83.04	83.04	84.17	78.87	78.88	91.08
St. Ann	80.22	80.06	81.56	79.54	79.71	85.03	85.03	84.87	80.38	80.29	91.84
St. Catherine	75.66	76.43	76.14	72.87	74.19	79.75	80.65	80.28	74.18	74.74	86.14
St. Elizabeth	77.68	78.29	78.93	n/a	n/a	81.53	81.94	82.60	77.31	77.47	91.28
St. James	75.59	75.96	77.66	73.09	74.59	79.16	79.55	80.65	74.49	72.85	87.78
St. Mary	80.32	80.61	80.76	79.58	79.70	83.94	84.20	83.73	78.67	78.92	91.07
St. Thomas	79.59	80.59	86.44	75.99	77.49	84.50	85.63	88.88	79.38	80.08	94.32
Trelawny	78.26	79.11	76.38	n/a	n/a	81.53	82.38	79.49	77.70	78.18	86.53
Westmoreland	76.54	77.07	77.89	n/a	n/a	80.11	80.57	80.56	75.41	75.50	86.75

Note: n/a = not available

Source: Weekly Price Survey - MCIS Website

Weekly Oil Price Report
October 01 – 07, 2009

Combined average prices for urban and rural regions indicate that the year to year average price of Unleaded 87 ,Unleaded 90 and A.D.O. have decreased by J\$3.84/litre, J\$2.80/litre and J\$14.87/litre respectively.

CONCLUDING REMARKS

Globally, crude oil prices went up by six percent (6%) to settle at \$70.61 per barrel during the week, after the US government reported a surprising decrease in gasoline stockpiles, implying improvement in demand.

Locally, there was a week on week decrease in retail prices for petroleum products. A comparative examination for the same period last year indicates that retail prices for Unleaded 87, Unleaded 90 and ADO have decreased by four percent (4%), three percent (3%) and sixteen percent (16%) respectively.

The primary factor influencing prices is the value of the Jamaican dollar, which increased by J\$0.04 as evidenced by the movement in the exchange rate from US\$1.00: J\$89.05 in the previous week to US\$1.00: J\$89.09 this week. For the same period last year the dollar stood at US1.00: J\$75.55, which was seventeen percent (17%) less than the current rate.