

Oil prices rise on stormy forecast for Gulf

SANDY SHORE - AP Business Writer - Associated Press

Oil prices advanced Thursday as energy producers kept an eye on a developing tropical storm that could move into the Gulf of Mexico by the weekend.

At the gas pump, prices were unchanged at a national average of \$2.718 for a gallon of unleaded regular gasoline, according to AAA, Wright Express and Oil Price Information Service. The price is nearly 2 cents less than it was a month ago and about 25 cents higher than a year ago.

Benchmark crude rose \$2.07 to \$78.63 a gallon in midday trading on the New York Mercantile Exchange.

Oil and other energy contracts also benefited as stock prices rose on stronger earnings from companies such as Caterpillar Inc., 3M Co., UPS Inc. and AT&T Inc.

The National Hurricane Center in Miami said a cluster of thunderstorms in the Bahamas formed into a tropical depression that's expected to strengthen into a tropical storm and move into the eastern and central Gulf in the next few days.

BP PLC and other energy companies in the Gulf are considering evacuations of crews and rigs, including ships at the site of the British oil giant's damaged oil well. Shell Oil has begun evacuating nonessential employees in the Gulf.

In other Nymex trading, natural gas prices rose after the government said reserves increased last week but remained below year-ago levels.

Still the supply was 9.9 percent above the five-year average as overall demand remains weak.

"Given the hot weather we've had so far this year, which has been much hotter than last summer, we've put about the same amount of gas in the ground," said Addison Armstrong, director of market research at Tradition Energy. "This heat has helped keep demand high from electricity generators, but on the industrial side, we just don't see any follow-through.

Natural gas gained 10.6 cents at \$4.619 per 1,000 cubic feet; heating oil rose 5.68 cents to \$2.0460 a gallon and gasoline gained 6.42 cents at \$2.1320 a gallon.

Brent crude was up \$1.84 at \$77.21 a barrel on the ICE futures exchange.

Associated Press writers Barry Hatton in London and Alex Kennedy in Singapore contributed to this report.

Oil prices rise on stormy forecast for Gulf

Published on Medical Design Technology (<http://www.mdtmag.com>)

Source URL (retrieved on 01/26/2015 - 6:01pm):

<http://www.mdtmag.com/news/2010/07/oil-prices-rise-stormy-forecast-gulf>