



Division of Energy

MISSOURI ENERGY BULLETIN

January 6, 2017

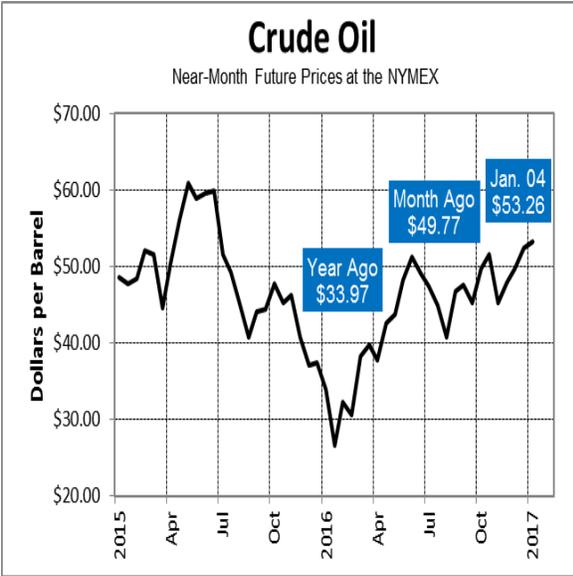
(Data are for the week ended December 30, 2016, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$3.49 to \$53.26 per barrel in the past month and stand 57 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>01-04-17</u>	<u>12-07-16</u>	<u>change</u>	<u>01-06-16</u>	<u>change</u>
NYMEX	\$53.26	\$49.77	up 7%	\$33.97	up 57%

- Crude oil futures for February delivery on the NYMEX ended \$0.93, or 1.8 percent, higher on January 4 to settle at \$53.26 per barrel, on falling crude oil inventories and on signs that the world's top oil exporters will stick to agreed output cuts that took effect this week.
- According to the federal weekly fuels report released January 4, U.S. crude inventories decreased 7.1 million barrels (MMB) on the week to 479.0 MMB. Saudi Arabia cut oil output in January by at least 486,000 bpd to 10.06 MMB, according to a Gulf source familiar with Saudi oil policy. That would mean the world's largest crude producer was holding up its end of a November agreement by OPEC, which has helped boost oil prices.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$53.26 is \$19.29, or 57 percent, higher.
- Domestic crude production slightly increased from the prior week at nearly 8.8 MMB/D. Last year at this time, production stood at over 9.2 MMB/D. Total crude imports decreased from the prior week at nearly 7.2 MMB/D. Imports at this time last year averaged slightly over 7.5 MMB/D.

- U.S. refinery crude runs increased from the prior week with refiners processing nearly 16.7 MMB/D. U.S. refinery capacity utilization was up on the week at 92.0 percent. Last year at this time, capacity use stood at 92.6 percent.
- Gasoline output decreased on the week at nearly 9.5 MMB/D. Output was nearly 8.8 MMB/D at this time last year. Distillate output increased from the prior week at over 5.3 MMB/D. Last year at this time, production stood at over 4.9 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at about 19.6 MMB/D, down by 0.5 percent compared to the same period last year.

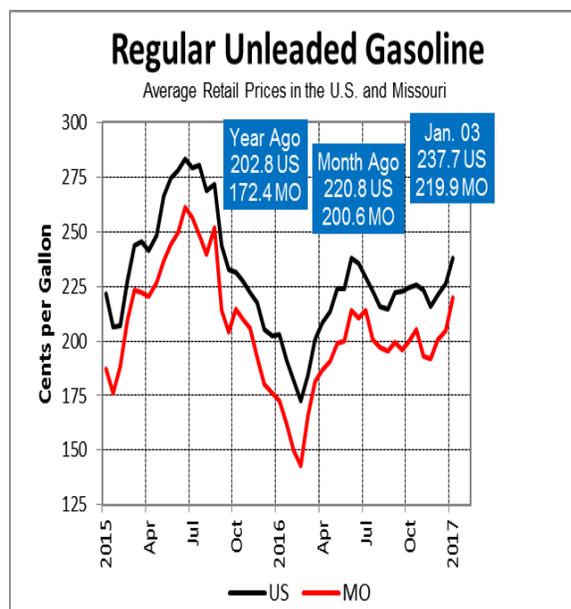
Transportation Fuels

On January 3, Missouri's statewide average retail price for gasoline was about \$2.20 per gallon, up 19.3 cents in the past month and up 47.5 cents in the past year.

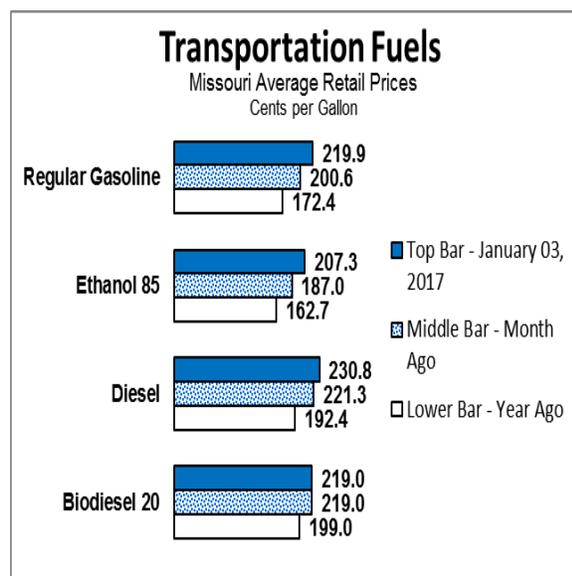
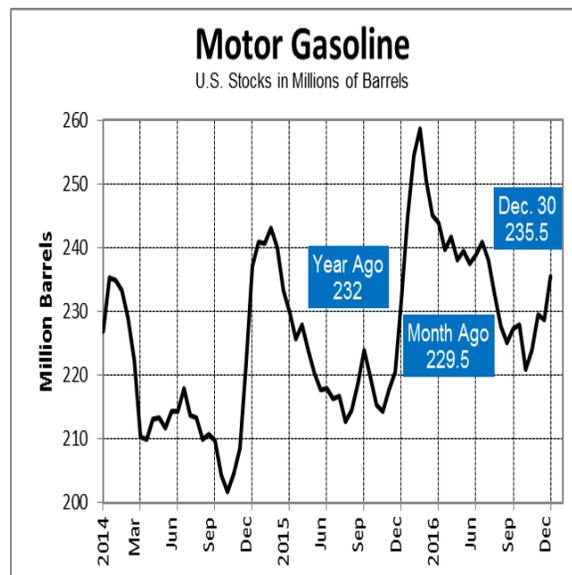
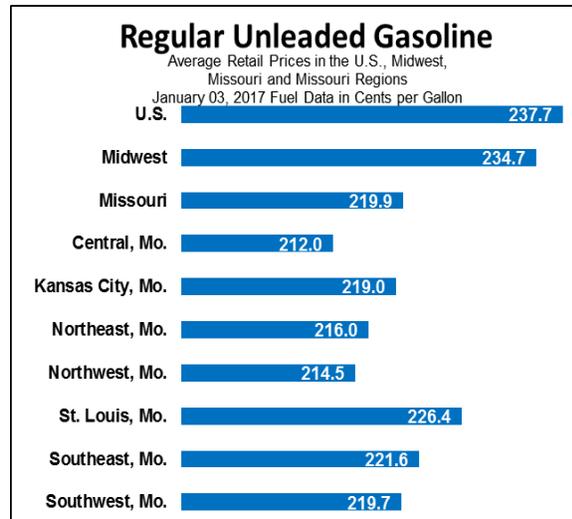
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	01-03-17	12-05-16	change	01-04-16	change
US	237.7	220.8	up 8%	202.8	up 17%
Missouri	219.9	200.6	up 10%	172.4	up 28%

Diesel Fuel - Retail Prices (cents per gallon)					
	01-03-17	12-05-16	change	01-04-16	change
US	258.6	248.0	up 4%	221.1	up 17%
Missouri	230.8	221.3	up 4%	192.4	up 20%

- On January 3, Missouri's average retail price for gasoline was nearly \$2.20 per gallon, up 19.3 cents in the past month.
- Missouri's average price for diesel fuel was nearly \$2.31 per gallon, up 9.5 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 47.5 cents per gallon, or 28 percent, higher while the average retail diesel fuel price is 38.4 cents per gallon, or 20 percent, higher.
- At nearly \$2.38, the U.S. average price for regular gasoline is 16.9 cents per gallon, or 8 percent, higher compared to last month.
- The U.S. average price for regular gasoline is up 34.9 cents per gallon, or 17 percent, compared to this time last year. In the past week, the U.S. average increased by 6.8 cents per gallon.
- Gasoline imports increased from the prior week at over 0.7 MMB/D. Last year at this time, imports stood at over 0.6 MMB/D.



- Implied demand for gasoline decreased on the week at nearly 8.5 MMB/D. Demand stood at nearly 8.2 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged nearly 9.0 MMB/D.
- U.S. gasoline supplies increased 8.3 MMB on the week to 235.5 MMB. U.S. supplies are up 3.5 MMB compared to this time last year.
- Distillate stocks increased on the week at 161.7 MMB and stand 2.3 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at nearly 2.8 MMB/D. Demand stood at slightly over 3.0 MMB/D at this time last year. On a four-week average, distillate demand was slightly lower at over 3.8 MMB/D.
- On January 3, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.07 per gallon, 12.6 cents, or 5.8 percent, lower than the average price for conventional motor gasoline.
- On January 3, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was \$2.19 per gallon, 11.8 cents per gallon, or 5.2 percent, lower than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated December 6, 2016, U.S. regular gasoline retail prices, which averaged \$2.43 per gallon in 2015, are projected to average \$2.14 per gallon in 2016 and \$2.30 in 2017.



Natural Gas

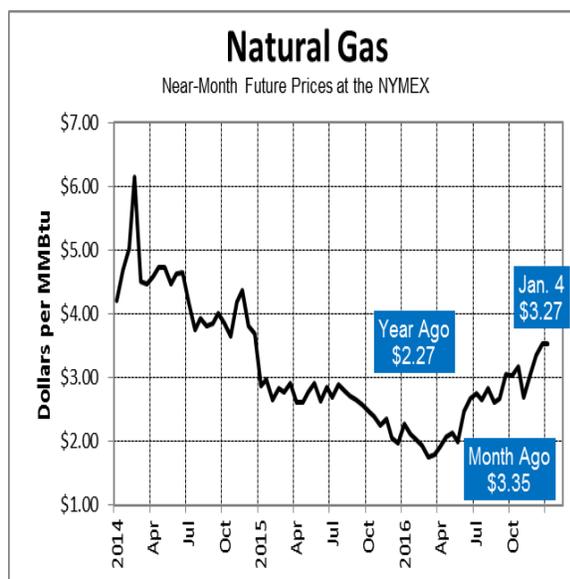
Approximately 52 percent (1,236,651) of Missouri households use natural gas to heat their homes. (Data updated from the most recent U.S. Census report.) Natural gas is also used to produce goods and electricity.

(Please note natural gas data (with the exception of working gas in storage which is up to date) will be updated the week of January 15, 2017 following the release of EIA's Natural Gas Weekly Update on January 12, 2017)

On January 4, 2017, natural gas futures on the NYMEX closed at \$3.27 per million British thermal units (MMBtu), up \$1.00, or 44 percent, in the past year.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	01-04-17	12-07-16	change	01-06-16	change
NYMEX	\$3.27	\$3.35	down 2%	\$2.27	up 44%

- The February 2017 NYMEX futures contract settled at \$3.27 per MMBtu on January 4, down 8 cents from the prior settlement. Futures are up \$1.00, or 44 percent, in the past year.
- In the past year, natural gas prices have increased by \$1.00 per MMBtu, or 44 percent.
- Working gas in storage was 3,311 Bcf, 0.6 percent below the five-year average inventory level for the week. According to EIA's January 5, 2017 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 364 Bcf, or 9.9 percent, lower than last year at this time.
- Withdrawals from storage totaled 209 Bcf, compared with the five-year (2011–15) average net withdrawal of 101 Bcf and last year's net withdrawal of 33 Bcf during the same week. Working natural gas stocks total 3,597 Bcf, which is 78 Bcf above the five-year average and 226 Bcf below last year at this time. This week's storage withdrawal represents the largest December net withdrawal in the *Weekly Natural Gas Storage Report* (WNGSR) history, which dates back to late 1994. The substantial storage draw is related to a combination of cold weather, increased electric-sector capacity for natural gas, reduced natural gas production relative to last year, and increased natural gas export volumes.
- Average temperatures in the Lower 48 states fell 6°F on the week and averaged 34°F. Temperatures in most regions were below the seasonal norms for the period. Falling temperatures this week pushed temperatures 3°F below the normal level for this time of year and 16°F lower than last year at this time. HDD in the Lower 48 states totaled 217, compared with 110 last year and a normal of 195.
- According to the EIA, U.S. consumption of natural gas rose by 11 percent compared with the previous report week. Power burn climbed by 10 percent week over week, while industrial sector consumption increased by 3 percent. In the residential/commercial sector, consumption increased by 15 percent. Natural gas exports to Mexico increased 9 percent.



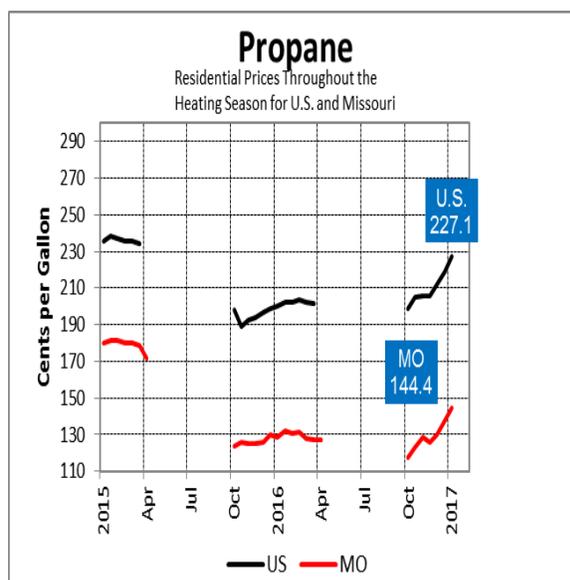
Propane

Approximately 10 percent (227,100) of Missouri households use propane to heat their homes. (Data updated from the most recent U.S. Census report.) Propane is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

On January 3, the average Missouri retail price for residential propane was over \$1.44 per gallon, up 14.5 cents in the past month and up 16.0 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>01-03-17</u>	<u>12-05-16</u>	<u>change</u>	<u>01-04-16</u>	<u>change</u>
Missouri	144.4	129.9	up 11%	128.4	up 12%

- According to the Division of Energy’s most recent statewide propane price survey conducted January 3, the average Missouri retail residential propane price was over \$1.44 per gallon, up 14.5 cents in the past month and up 16.0 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.80 per gallon. The lowest retail price was \$1.03 per gallon.
- U.S. propane stocks decreased by 2.7 MMB last week to 84.1 MMB as of December 30, 2016, 12.2 MMB, or 12.7 percent, lower than a year ago. Midwest inventories were down 1.1 MMB at over 22.7 MMB. Midwest inventories stood at nearly 25.7 MMB at this time last year.
- U.S. propane consumption was slightly higher on the week at nearly 1.4 MMB/D. Consumption stood at nearly 1.3 MMB/D last year at this time.



For more information on propane, please visit:

<http://energy.mo.gov/energy/services/be-prepared-for-propane>

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The *Missouri Energy Bulletin* is distributed twice a month by the Missouri Department of Economic Development’s Division of Energy. The Division of Energy collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and online at the division’s Web address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy’s Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; and Missouri’s energy retailers. For more information, contact:

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