



Division of Energy

MISSOURI ENERGY BULLETIN

January 11, 2016

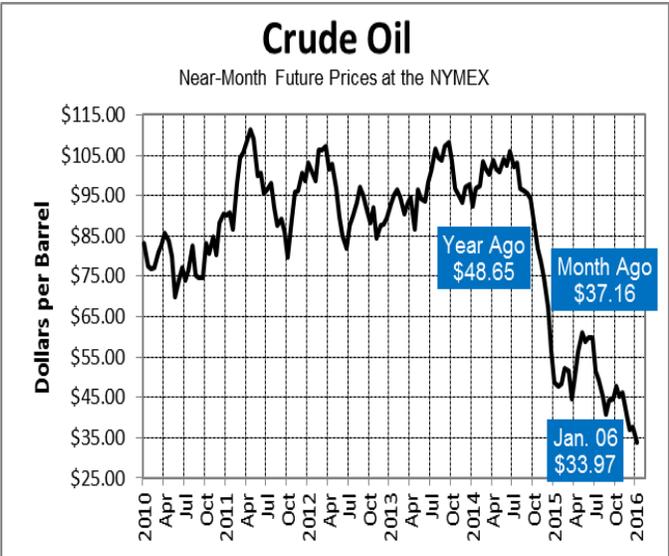
(Data is for the week ended January 1, 2016, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased by \$3.19 to \$33.97 per barrel in the past month and stand 30 percent lower compared to this time last year.

| Crude Oil - Near Month Future Prices (dollars per barrel) | | | | | |
|---|-----------------|-----------------|----------------|-----------------|-----------------|
| | <u>01-06-16</u> | <u>12-09-15</u> | <u>change</u> | <u>01-07-15</u> | <u>change</u> |
| NYMEX | \$33.97 | \$37.16 | down 9% | \$48.65 | down 30% |

- Crude oil futures for February delivery on the NYMEX ended \$2.00, or 5.6 percent, lower on January 6 to settle at \$33.97 per barrel, falling to the lowest price in more than a decade.
- Prices were driven below \$34 per barrel as the energy markets coped with a rougher economic outlook in China, another day of stock-market declines and North Korea's disputed claim of having tested a hydrogen bomb.
- Global oil prices remain under pressure on a combination of Asian economic concerns, Mideast geopolitical issues and a market that remains overwhelmed with a global glut of oil.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$33.97 is \$14.68, or 30 percent, lower.
- According to the January 6 weekly Energy Information Administration's (EIA) fuels report, U.S. crude inventories decreased 5.1 million barrels (MMB) to 482.3 MMB. U.S. crude supplies are now 99.9 MMB higher compared to this time last year.



- Total crude imports decreased from the prior week at 7.5 MMB/D, 0.7 MMB higher compared to imports at this time last year. Domestic crude production was unchanged from the prior week at nearly 9.2 MMB/D. Last year at this time, production stood at nearly 9.1 MMB/D.
- U.S. refinery crude runs decreased from the prior week with refiners processing 16.6 MMB/D of crude. U.S. refinery capacity use was down on the week at 92.5 percent. Last year at this time, capacity use stood at 93.9 percent.
- Gasoline output decreased on the week at nearly 8.8 MMB/D. Output was 8.7 MMB/D at this time last year. Distillate output slightly increased from the prior week at nearly 5.0 MMB/D. Last year at this time, production stood at 5.2 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 19.7 MMB/D, down by 2.5 percent compared to the same period last year.

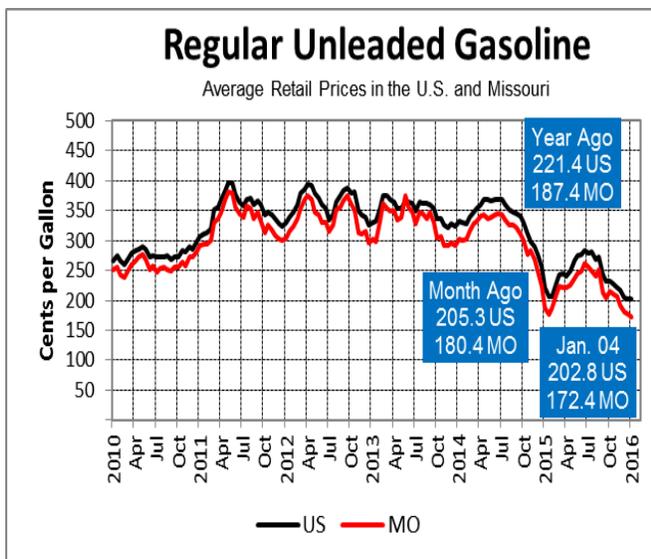
Transportation Fuels

On January 4, Missouri's statewide average retail price for gasoline was about \$1.72 per gallon, down 8.0 cents in the past month and down 15.0 cents in the past year.

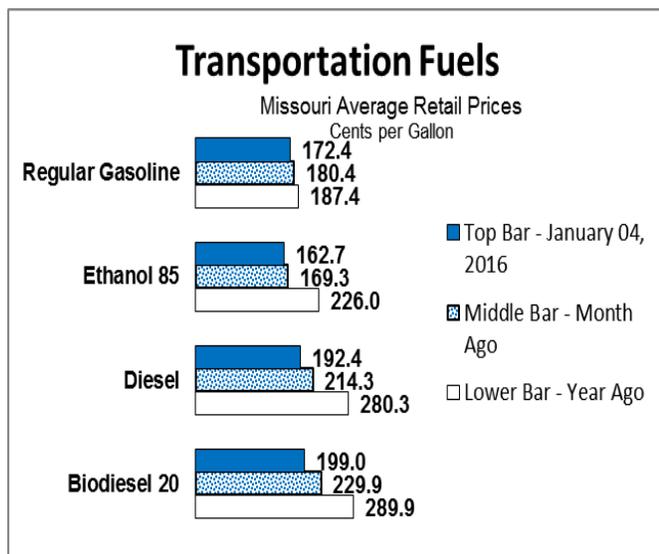
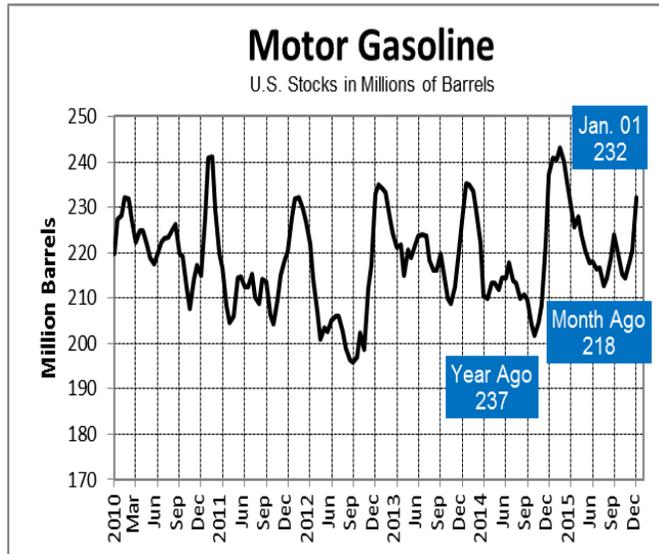
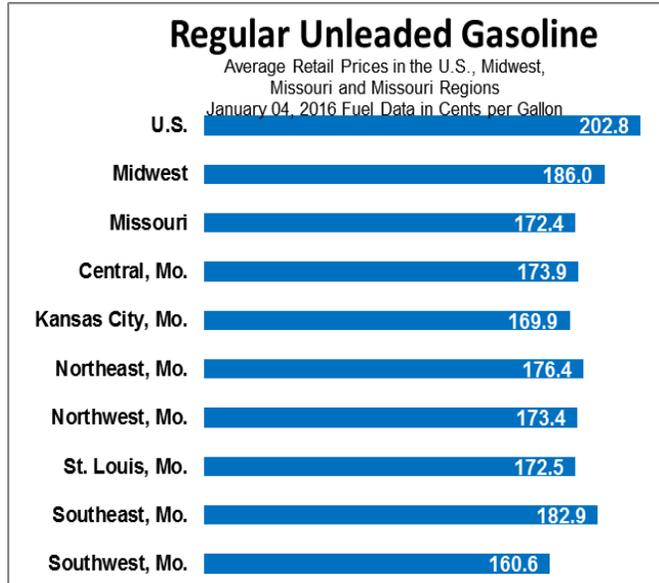
| <i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i> | | | | | |
|---|-----------------|-----------------|---------------|-----------------|---------------|
| | <u>01-04-16</u> | <u>12-07-15</u> | <u>change</u> | <u>01-05-15</u> | <u>change</u> |
| US | 202.8 | 205.3 | down 1% | 221.4 | down 8% |
| Missouri | 172.4 | 180.4 | down 4% | 187.4 | down 8% |

| <i>Diesel Fuel - Retail Prices (cents per gallon)</i> | | | | | |
|---|-----------------|-----------------|---------------|-----------------|---------------|
| | <u>01-04-16</u> | <u>12-07-15</u> | <u>change</u> | <u>01-05-15</u> | <u>change</u> |
| US | 221.1 | 237.9 | down 7% | 313.7 | down 30% |
| Missouri | 192.4 | 214.3 | down 10% | 280.3 | down 31% |

- On January 4, Missouri's average retail price for gasoline was about \$1.72 per gallon, down 8.0 cents in the past month.
- Missouri's average price for diesel fuel was about \$1.92 per gallon, down 21.9 cents in the past month.
- Missouri's average retail gasoline price is 15.0 cents per gallon, or 8 percent, lower than the comparable period in January 2015. The average retail diesel fuel price is 87.9 cents per gallon, or 31 percent, lower for the comparable period in January 2015.
- At nearly \$2.03, the U.S. average price for regular gasoline is 2.5 cents per gallon, or 1 percent, lower compared to last month.



- The U.S. average was down 18.6 cents per gallon, or 8 percent, compared to this time last year. In the past week, the U.S. average decreased by less than 1 cent per gallon.
- Gasoline imports increased from the prior week at 0.6 MMB/D. Last year at this time imports stood at nearly 0.8 MMB/D.
- Implied demand for gasoline decreased on the week at 8.2 MMB/D, 0.6 MMB/D lower compared to this time last year.
- In the past four weeks, U.S. gasoline demand has averaged nearly 9.0 MMB/D; about 0.3 MMB/D lower compared to the same four-week period last year.
- U.S. gasoline supplies increased 10.6 MMB on the week to 232.0 MMB. U.S. supplies are down 5.2 MMB compared to this time last year and trend within the five-year average for this time of year.
- Distillate stocks increased at 159.4 MMB and stand 22.5 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at nearly 3.0 MMB/D. Demand stood at 2.9 MMB/D at this time last year. On a four-week average, distillate demand was lower at 3.5 MMB/D.
- On January 4, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$1.63 per gallon 9.7 cents, or 5.7 percent, lower than the average price for conventional motor gasoline.
- On January 4, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$1.99 per gallon 6.6 cents, or 3.4 percent, higher than the average retail price for conventional diesel fuel.



- According to the December 8, 2015, *Short Term Energy Outlook*, regular gasoline retail prices are forecast to average \$2.43 per gallon in 2015 compared with \$3.36 per gallon in 2014. EIA projects U.S. regular gasoline retail prices to average \$2.36 per gallon in 2016.

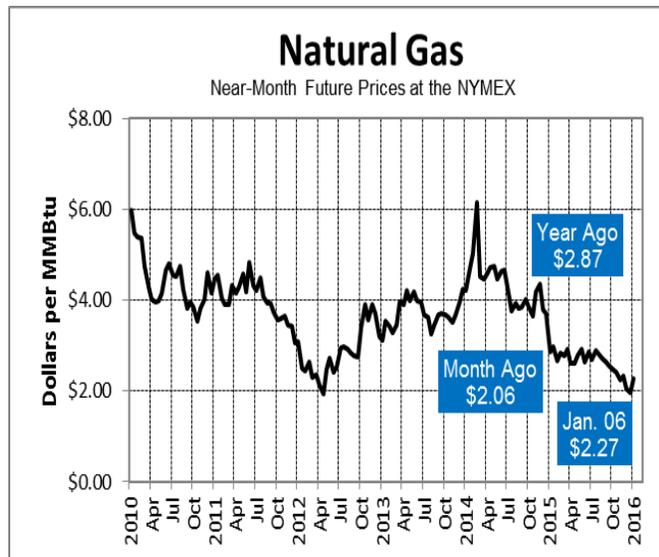
Natural Gas

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.

On January 6, natural gas futures on the NYMEX closed at \$2.27 per million British thermal units (MMBtu), up \$0.21, or 10 percent, in the past month.

| Natural Gas - Near Month Future Prices (dollars per MMBtu) | | | | | |
|--|----------|----------|--------|----------|----------|
| | 01-06-16 | 12-09-15 | change | 01-07-15 | change |
| NYMEX | \$2.27 | \$2.06 | up 10% | \$2.87 | down 21% |

- The February NYMEX futures contract settled at \$2.27 per MMBtu on January 6, down 5.8 cents from the prior settlement. Futures are up 21cents in the past month.
- In the past year, natural gas values have decreased by \$0.60 per MMBtu, or 21 percent.
- Working gas in storage was 3,643 Bcf, 14.6 percent above the five-year average inventory level for the week, according to EIA's January 7, 2016 *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 535 Bcf, or 17.2 percent, higher than last year at this time.
- At the NYMEX, the February contract began at \$2.21 per MMBtu on December 30 and ended the report week up slightly more than 5.0 cents per MMBtu, closing at \$2.27 per MMBtu on January 6.
- Similarly, the 12-month strip, which averages the February 2016 through January 2017 NYMEX prices, closed at \$2.50 per MMBtu on January 6, about 6.0 cents higher than last week.
- U.S. consumption of natural gas increased by 17 percent compared to the previous report week, led by an increase in the residential/commercial sector. Residential/commercial consumption increased by 33 percent, as colder temperatures increased the heating load. Consumption in other sectors increased as well; consumption for power generation increased by 3 percent and industrial consumption increased by 5 percent.
- According to the December 8, 2015 *Winter Fuels Outlook*, EIA expects that Midwest households heating with natural gas will spend an average of \$584, \$127, or 17.8 percent, less this winter than last winter, reflecting prices that are about 6.3 percent lower and consumption that is 12.3 percent lower.



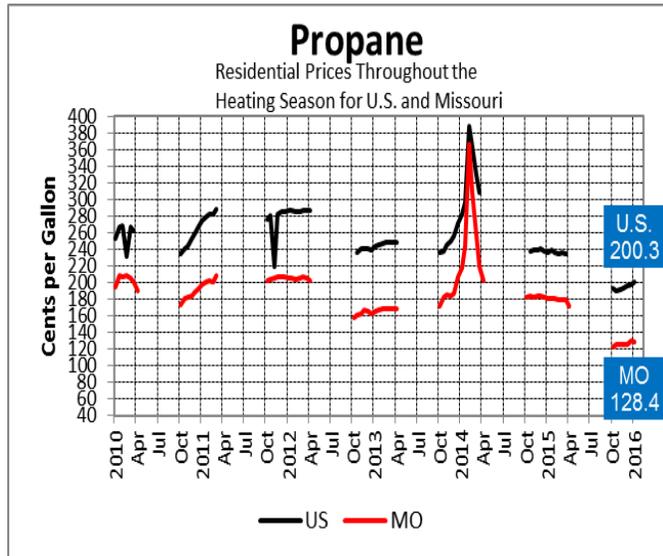
Propane

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 4, the average Missouri retail price for residential propane was about \$1.28 per gallon, 2.9 cents higher in the past month and down 51.9 cents in the past year.

| Propane - Retail Prices (cents per gallon) | | | | | |
|---|-----------------|-----------------|---------------|-----------------|-----------------|
| | <u>01-04-16</u> | <u>12-07-15</u> | <u>change</u> | <u>01-05-15</u> | <u>change</u> |
| Missouri | 128.4 | 125.5 | up 2% | 180.3 | down 29% |

- According to the Division of Energy's most recent statewide propane price survey conducted January 4, the average Missouri retail residential propane price was about \$1.28 per gallon, 2.9 cents higher in the past month and down 51.9 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was about \$1.73 per gallon, a decrease of 3.0 cents in the past month. The lowest retail price was about \$1.05 per gallon, unchanged in the past month.



- As of January 6, U.S. residential propane prices averaged \$2.00 per gallon, 3.4 cents per gallon higher than the prior week's price and 35.5 cents lower than one year ago. U.S. wholesale propane prices averaged about 48 cents per gallon, 2.9 cents per gallon higher than the prior week's price and 11.1 cents lower than last year's price for the same week.
- Missouri wholesale propane prices averaged 45.7 cents per gallon, less than 1 cent per gallon higher than the prior week's price and 10.3 cents lower than the price on January 5, 2015.
- U.S. propane stocks decreased by 1.4 MMB to 96.3 MMB as of January 1, 2016, 20.7 MMB (27.4%) higher than a year ago. Midwest inventories decreased by 0.6 MMB to 25.7 MMB, 0.6 MMB (-2.4%) percent lower compared to last year at this time.
- At less than 1.3 MMB/D, U.S. demand for propane is about 0.2 MMB/D (-10.9%) lower compared to last year at this time.
- According to the December 8, 2015 *Winter Fuels Outlook*, EIA expects that Midwest households heating with propane will spend an average of \$1,166, \$388 or 24.9 percent, less this winter than last winter, reflecting prices that are about 15.2 percent lower and consumption that is 11.5 percent lower.

For more information on propane, please visit:

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

To access previous issues of the Energy Bulletin, or to subscribe, please visit:

<http://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>

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For more information about the Comprehensive State Energy Plan, visit:

<http://energy.mo.gov/energy/about/comprehensive-state-energy-plan>.

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: MO Dept. of Economic Development, Division of Energy, P.O. Box 1766, Jefferson City, MO 65102-1766; Phone: 573-751-2254; Fax: 573-751-6860; Email: energy@ded.mo.gov; Web Address: <http://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>.