



Division of Energy

MISSOURI ENERGY BULLETIN

August 24, 2015

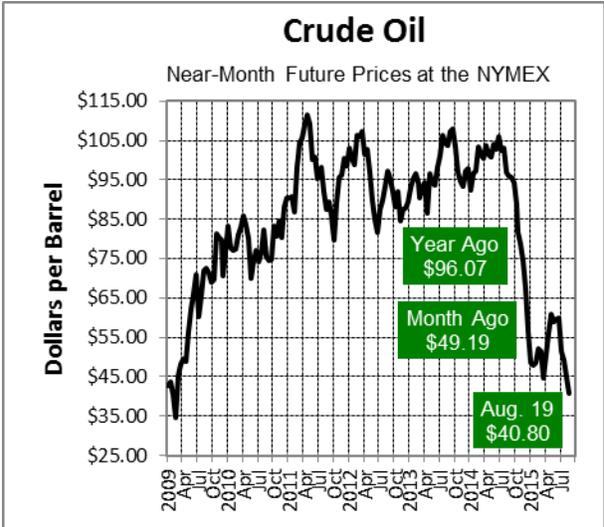
(Data is for the week ended August 14, 2015, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased by \$8.39 to \$40.80 per barrel in the past month and stand 58 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	08-19-15	07-22-15	change	08-20-14	change
NYMEX	\$40.80	\$49.19	down 17%	\$96.07	down 58%

- On the NYMEX, crude oil futures for September delivery ended \$1.82, or 4.3 percent, lower on the August 19 trade day to settle at \$40.80 per barrel, falling to another 6-year low on the latest sign of a glut in supplies. Rising production in the U.S. and Saudi Arabia has overwhelmed the world market for oil, pushing prices down 58 percent from year-ago levels.
- According to the International Energy Agency, oil oversupply is somewhere between a million barrels per day (BPD) and three million BPD world-wide and could linger for longer than what was once commonly expected. Analysts had predicted the decline in oil prices would force U.S. producers to spend less and cut back, but, instead, producers have found it would be more costly to slow output than it is to pump more oil from fewer, but more-efficient wells. Citigroup issued a note saying it is conceivable U.S. prices could revisit the 2008 low of \$32.40.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$40.80 is \$55.27, or 58 percent, lower.
- According to the August 19 weekly Energy Information Administration (EIA) fuels report, U.S. crude inventories increased 2.6 million barrels (MMB) to 456.2 MMB. U.S. crude supplies are now 93.7 MMB higher compared to this time last year.



- Crude imports increased from the prior week at 8.0 MMB/D, nearly 0.6 MMB/D higher compared to imports at this time last year. Domestic crude production was unchanged at about 9.4 MMB/D on the week. Last year at this time, production stood at about 8.6 MMB/D.
- U.S. refinery crude runs decreased from the prior week with refiners processing 16.8 MMB/D of crude. U.S. refinery capacity use was down on the week at 95.1 percent. Last year at this time, capacity use stood at 93.4 percent.
- Gasoline output was unchanged on the week at nearly 10.1 MMB/D. Gasoline production at this time last year averaged 9.6 MMB/D. Distillate output was unchanged from the prior week at 5.1 MMB/D. Last year at this time, production stood at about 4.9 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 20.5 MMB/D, up by 2.9 percent compared to the same period last year.

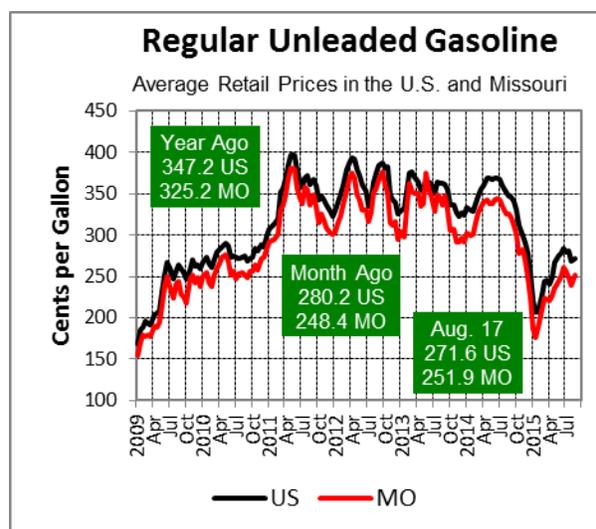
Transportation Fuels

On August 17, Missouri's statewide average retail price for gasoline was about \$2.52 per gallon, up 3.5 cents in the past month and down 73.3 cents in the past year.

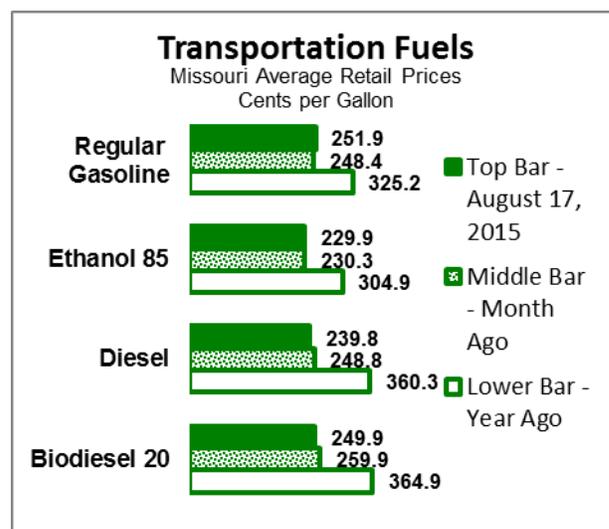
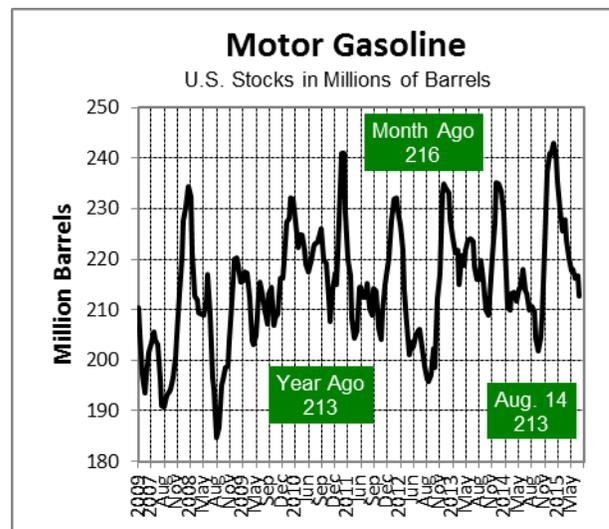
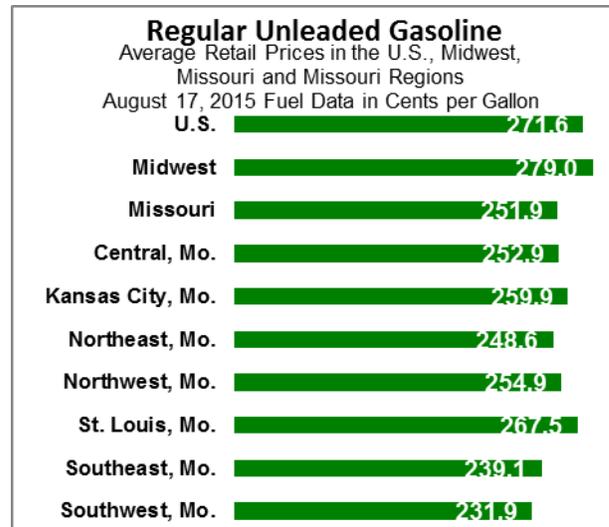
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	08-17-15	07-20-15	change	08-18-14	change
US	271.6	280.2	down 3%	347.2	down 22%
Missouri	251.9	248.4	up 1%	325.2	down 23%

Diesel Fuel - Retail Prices (cents per gallon)					
	08-17-15	07-20-15	change	08-18-14	change
US	261.5	278.2	down 6%	383.5	down 32%
Missouri	239.8	248.8	down 4%	360.3	down 33%

- On August 17, Missouri's average retail price for gasoline was about \$2.52 per gallon, up 3.5 cents in the past month.
- Missouri's average price for diesel fuel was about \$2.40 per gallon, down 9.0 cents per gallon, or 4 percent, in the past month.
- Missouri's average retail gasoline price is 73.3 cents per gallon, or 23 percent, lower while the average retail diesel fuel price is 120.5 cents per gallon, or 33 percent, lower for the comparable period in August 2014.
- At nearly \$2.72, the U.S. average price for regular gasoline is 8.6 cents per gallon, or 3 percent, lower compared to last month.
- The U.S. average was down 75.6 cents per gallon, or 22 percent, compared to this time last year. In the past week, the U.S. average increased by 8.7 cents per gallon.



- The U.S. and Missouri average retail prices were pressured higher following a major refinery outage. BP's Whiting, Indiana refinery has a large gasoline producing system down for the next 4 to 8 weeks and the reduction in gasoline output is expected to pressure motor gasoline prices higher.
- Gasoline imports increased from the prior week at nearly 0.9 MMB/D, about 0.2 MMB/D higher compared to last year at this time.
- Implied demand for gasoline increased at nearly 9.7 MMB/D. At this time last year, demand was 8.8 MMB/D.
- In the past four weeks, U.S. gasoline demand has averaged 9.6 MMB/D, 0.6 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies decreased 2.7 MMB on the week to 212.8 MMB. U.S. supplies are down 0.5 MMB compared to this time last year and continue to trend within the five-year average for this time of year.
- Distillate stocks increased at 148.4 MMB and stand 26.9 MMB higher compared to the same period last year.
- Distillate demand increased on the week at nearly 3.9 MMB/D. Demand stood at 4.0 MMB/D at this time last year. On a four-week average, distillate demand was unchanged at 3.7 MMB/D.
- On August 17, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.30 per gallon, 22.0 cents or 8.8 percent lower than the average price for conventional motor gasoline.
- On August 17, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$2.50 per gallon, 10.1 cents or 4.3 percent higher than the average retail price for conventional diesel fuel.
- According to the August 11, 2015, *Short Term Energy Outlook*, regular gasoline retail prices are forecast to average \$2.41 per gallon in 2015 compared with \$3.36 per gallon in 2014.



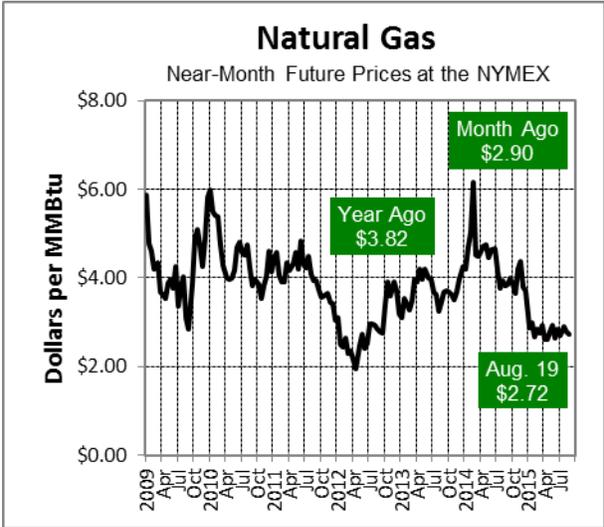
Natural Gas

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 August 19, natural gas futures at the NYMEX closed at \$2.72 per million British thermal units (MMBtu), down \$0.18, or 6 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	08-19-15	07-22-15	change	08-20-14	change
NYMEX	\$2.72	\$2.90	down 6%	\$3.82	down 29%

- The September NYMEX contract settled at \$2.72 per MMBtu on the August 19 trade day, a decrease of 18.0 cents from the prior settlement. Futures are down 18 cents in the past month.
- In the past year, natural gas values have decreased by \$1.10 per MMBtu, or 29 percent.
- For the reporting week, August 12 to August 19, the price of the September 2015 contract fell by 21.0 cents from \$2.93 per MMBtu to \$2.72 per MMBtu.
- According to the EIA, U.S. natural gas consumption increased by 2 percent overall, compared to the last report week, led by a 7 percent increase in the residential/commercial sector. Consumption of natural gas for power generation (power burn) increased slightly, by 1 percent during the report week, and was 23 percent higher than the same week last year. The largest week-over-week percent increase in power burn was in the Midwest, where consumption increased by 26 percent. Industrial consumption declined slightly by 0.2 percent, and was 2 percent lower than the same week last year.



- Working gas in storage totaled 3,030 billion cubic feet (Bcf), 2.7 percent above the five-year average inventory level for the week, according to EIA’s *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 488 Bcf, or 19.2 percent, higher than last year at this time.
- From the week ending April 3 (the beginning of the injection season) through the week ending August 14, net storage injections totaled 1,569 Bcf, or 140 Bcf less than the 1,709 Bcf injected during the same 20 weeks in 2014. During these weeks for the years 2010-14, net injections into storage averaged 1,299 Bcf.
- The estimated average unit value of the natural gas storage holders put into storage from April 3 to August 14 this year is \$2.77 per MMBtu, 37 percent lower than the average value of \$4.40 per MMBtu for the same 20 weeks last year.

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.

(Note: Beginning April 2015, Missouri residential retail propane prices will be reported only for the first full week of each month through September 2015.)

On August 3, the average Missouri retail price for residential propane was about \$1.21 per gallon, 7.7 cents lower in the past month and down 58.5 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>08-03-15</u>	<u>07-06-15</u>	<u>change</u>	<u>08-04-14</u>	<u>change</u>
Missouri	121.1	128.8	down 6%	179.6	down 33%

- According to the Division of Energy's most recent statewide propane price survey conducted August 3, the average Missouri retail residential propane price was about \$1.21 per gallon, 7.7 cents lower in the past month and down 58.5 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.93 per gallon. The lowest retail price was \$0.95 per gallon.
- U.S. propane stocks increased by 1.1 MMB last week to 93.9 MMB as of August 14, 2015, 21.0 MMB (28.9%) higher than a year ago. Midwest inventories increased by 0.2 million barrels to 26.3 MMB, 1.8 MMB (7.6%) higher than a year ago.
- U.S. demand for propane increased on the week to about 1.0 MMB/D as of August 14, 2015. Propane demand is currently 28.2 percent higher compared to this time last year.

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>

To learn more about Missouri energy issues, please visit:

<http://energy.mo.gov/energy>

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>.