

Division of Energy

MISSOURI ENERGY BULLETIN

September 25, 2015

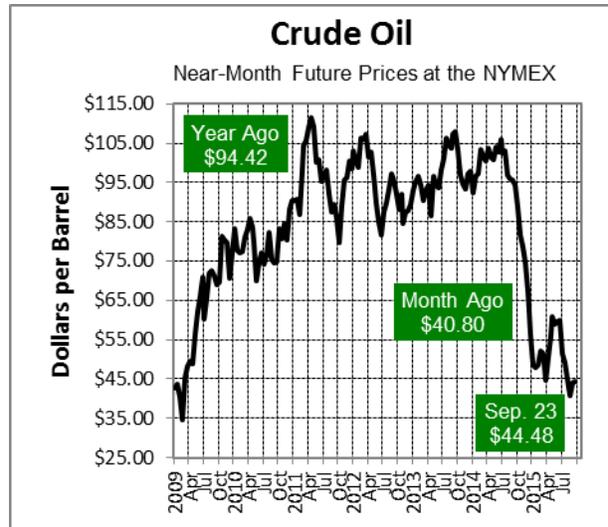
(Data is for the week ended September 18, 2015, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$3.68 to \$44.48 per barrel in the past month and stand 53 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>09-23-15</u>	<u>08-19-15</u>	<u>change</u>	<u>09-17-14</u>	<u>change</u>
NYMEX	\$44.48	\$40.80	up 9%	\$94.42	down 53%

- Crude oil futures for November delivery on the NYMEX ended \$1.88, or 4.1 percent, lower on the September 23 trade day to settle at \$44.48 per barrel, falling sharply after initially extending gains as the weekly federal energy report showed a second consecutive weekly decline in U.S. crude oil inventories. Crude values were pressured lower by a build in gasoline inventories following the end of summer driving season and falling refinery runs at the start of seasonal maintenance that offset the crude draw-down.
- Although total U.S. oil inventories are at record highs, the draw suggests the domestic oil market is rebalancing as oil production slows in the face of low prices.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$44.48 is \$49.94, or 53 percent, lower.
- According to the September 24 weekly Energy Information Administration (EIA) fuels report, U.S. crude inventories decreased 1.9 million barrels (MMB) to 454.0 MMB. U.S. crude supplies are now 96.0 MMB higher compared to this time last year.



- Crude imports were unchanged from the prior week at 7.2 MMB/D, nearly 0.3 MMB/D higher compared to imports at this time last year. Domestic crude production increased slightly from the prior week at 9.1 MMB/D. Last year at this time, production stood at about 8.9 MMB/D.
- U.S. refinery crude runs decreased from the prior week with refiners processing 16.2 MMB/D of crude. U.S. refinery capacity use was down on the week at 90.9 percent. Last year at this time, capacity use stood at 93.1 percent.
- Gasoline output increased on the week at nearly 10.0 MMB/D. Gasoline production at this time last year averaged nearly 9.7 MMB/D. Distillate output was unchanged from the prior week at 5.1 MMB/D. Last year at this time, production stood at 4.9 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 19.7 MMB/D, up by 1.6 percent compared to the same period last year.

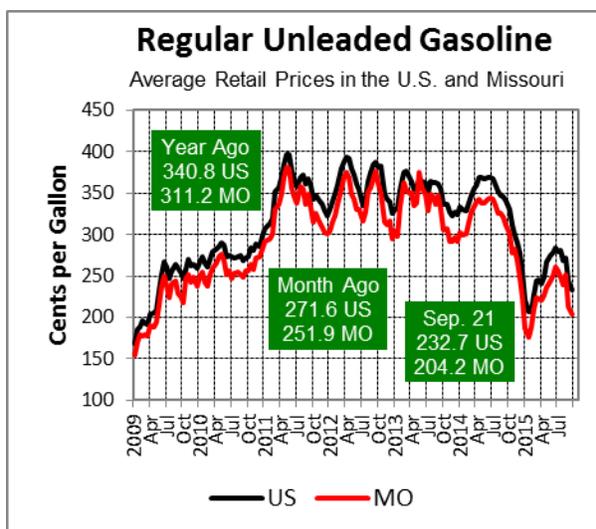
Transportation Fuels

On September 21, Missouri's statewide average retail price for gasoline was about \$2.04 per gallon, down 47.7 cents in the past month and down 107.0 cents in the past year.

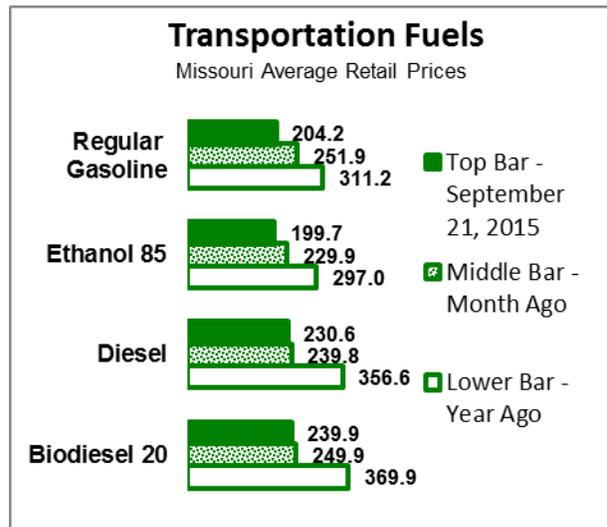
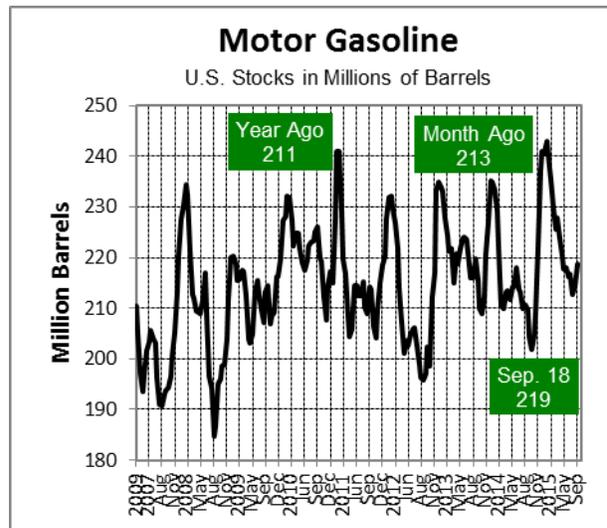
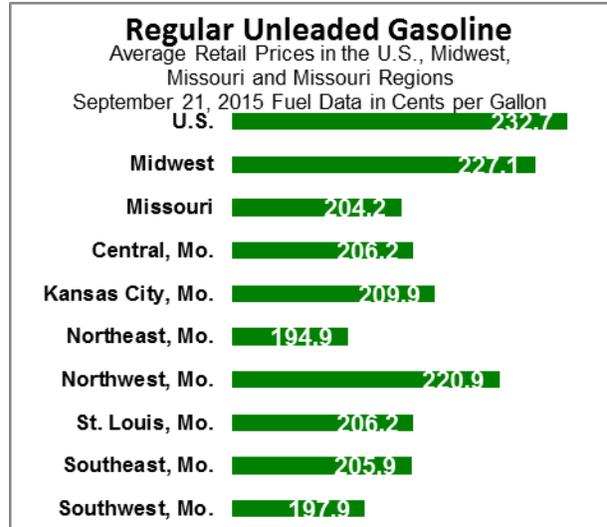
<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>09-21-15</u>	<u>08-17-15</u>	<u>change</u>	<u>09-15-14</u>	<u>change</u>
US	232.7	271.6	down 14%	340.8	down 32%
Missouri	204.2	251.9	down 19%	311.2	down 34%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>09-21-15</u>	<u>08-17-15</u>	<u>change</u>	<u>09-15-14</u>	<u>change</u>
US	249.3	261.5	down 5%	380.1	down 34%
Missouri	230.6	239.8	down 4%	356.6	down 35%

- On September 21, Missouri's average retail price for gasoline was about \$2.04 per gallon, down 47.7 cents in the past month.
- Missouri's average price for diesel fuel was about \$2.31 per gallon, down 9.2 cents per gallon, or 4 percent, in the past month.
- Missouri's average retail gasoline price is 107.0 cents per gallon, or 34 percent, lower while the average retail diesel fuel price is 126.0 cents per gallon, or 35 percent, lower for the comparable period in September 2014.
- At nearly \$2.33, the U.S. average price for regular gasoline is 38.9 cents per gallon, or 14 percent, lower compared to last month.
- The U.S. average was down 108.1 cents per gallon, or 32 percent, compared to this time last year. In the past week, the U.S. average decreased by 4.8 cents per gallon.



- Gasoline imports decreased from the prior week at 0.5 MMB/D, unchanged compared to last year at this time.
- Implied demand for gasoline decreased at 9.2 MMB/D. At this time last year, demand was 8.8 MMB/D.
- In the past four weeks, U.S. gasoline demand has averaged 9.2 MMB/D; nearly 0.3 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies increased 1.4 MMB on the week to 218.8 MMB. U.S. supplies are up 8.4 MMB compared to this time last year and continue to trend within the five-year average for this time of year.
- Distillate stocks decreased at 151.9 MMB and stand 23.3 MMB higher compared to the same period last year.
- Distillate demand increased on the week at nearly 4.3 MMB/D. Demand stood at 3.8 MMB/D at this time last year. On a four-week average, distillate demand was higher at 3.8 MMB/D.
- On September 21, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.00 per gallon, 4.5 cents or 2.3 percent lower than the average price for conventional motor gasoline.
- On September 21, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$2.40 per gallon, 9.3 cents or 3.9 percent higher than the average retail price for conventional diesel fuel.
- According to the September 9, 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. EIA projects U.S. regular gasoline retail prices to average \$2.11 per gallon in the fourth quarter of 2015.



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.

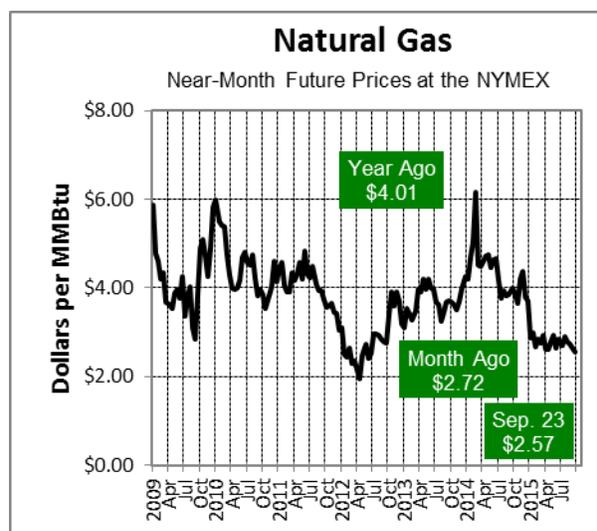
On September 23, natural gas futures at the NYMEX closed at \$2.57 per million British thermal units (MMBtu), down \$0.15, or 6 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	09-23-15	08-19-15	change	09-17-14	change
NYMEX	\$2.57	\$2.72	down 6%	\$4.01	down 36%

- The October NYMEX futures contract settled at \$2.57 per MMBtu on the September 23 trade day, a decrease of 0.8 cent from the prior settlement. Futures are down 15 cents in the past month.
- In the past year, natural gas values have decreased by \$1.44 per MMBtu, or 36 percent.
- For the reporting week, September 16 to September 23, the price of the October 2015 contract decreased by 9 cents per MMBtu.
- According to the EIA, U.S. consumption decreased by 0.1 percent, compared to the last report week, with total natural gas used for power generation (power burn) flat.

Consumption in the residential/commercial sectors increased by 0.6 percent, while industrial sector consumption decreased by 1 percent. Exports to Mexico averaged 3.0 billion cubic feet per day (Bcf/d), a 0.1 percent decrease from the previous week, though 39.8 percent higher than exports for the same week last year.

- Working gas in storage totaled 3,440 Bcf, 4.5 percent above the five-year average inventory level for the week, according to EIA's September 23, 2015 *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 466 Bcf, or 15.7 percent, higher than last year at this time.
- From April 3 (the beginning of the injection season) through September 18, net storage injections totaled 1,979 Bcf, or 162 Bcf lower than the 2,141 Bcf injected during the same 24 weeks in 2014. During these weeks for the years 2010-14, net injections into storage averaged 1,641 Bcf.
- The estimated average unit value of the natural gas put into storage from April 3 to September 11 this year is \$2.76 per MMBtu, 36 percent lower than the average value of \$3.99 per MMBtu for the same 24 weeks last year. The highest winter-month NYMEX price (for the January 2016 contract) in trading for the week ending September 18 averaged \$2.98 per MMBtu. This price is 34 cents per MMBtu more than the October NYMEX contract price. A year ago, the difference was also 34 cents per MMBtu.



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 September 8, the average Missouri retail price for residential propane was about \$1.20 per gallon, 1.0 cents lower in the past month and down 59.4 cents in the past year.

<i>Propane - Retail Prices (cents per gallon)</i>					
	<u>09-08-15</u>	<u>08-03-15</u>	<u>change</u>	<u>09-02-14</u>	<u>change</u>
Missouri	120.1	121.1	down 1%	179.5	down 33%

- According to the Division of Energy's most recent statewide propane price survey conducted September 8, the average Missouri retail residential propane price was about \$1.20 per gallon, 1.0 cents lower in the past month and down 59.4 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.73 per gallon. The lowest retail price was \$0.96 per gallon.
- U.S. propane stocks decreased by 0.6 MMB last week to 97.1 MMB as of September 18, 2015, 18.0 MMB (22.7%) higher than a year ago. Midwest inventories decreased by 0.3 MMB to 26.4 MMB, 1.6 MMB (-5.9%) lower than a year ago.
- U.S. demand for propane increased on the week to about 1.2 MMB/D as of September 18, 2015. Propane demand is currently 15.7 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>.