



## Division of Energy

# MISSOURI ENERGY BULLETIN

December 10, 2015

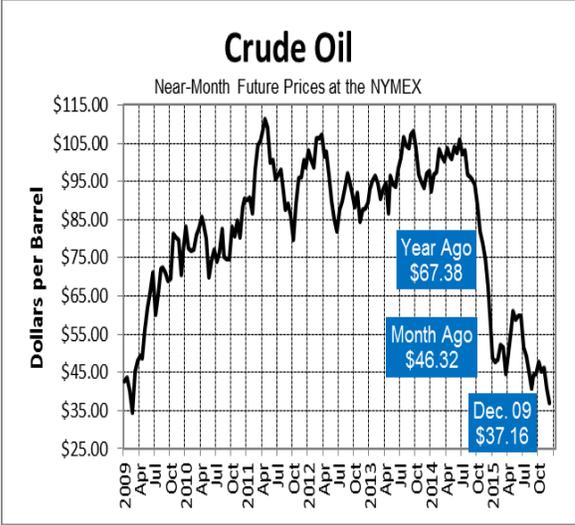
*(Data is for the week ended December 4, 2015, unless stated otherwise.)*

### Crude Oil

**U.S. crude oil prices decreased by \$9.16 to \$37.16 per barrel in the past month and stand 45 percent lower compared to this time last year.**

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>12-09-15</u>	<u>11-04-15</u>	<u>change</u>	<u>12-03-14</u>	<u>change</u>
<b>NYMEX</b>	<b>\$37.16</b>	<b>\$46.32</b>	<b>down 20%</b>	<b>\$67.38</b>	<b>down 45%</b>

- Crude oil futures for January delivery on the NYMEX ended \$0.35, or 0.9 percent, lower December 9 to settle at \$37.16 per barrel after falling to a 7-year low Monday on expectations that global oil producers will continue producing at near-record levels in an already oversupplied market.
- Oil prices fell for the 4th day in a row as traders' focus shifted to growing inventories of refined products.
- Crude oil stockpiles in the U.S. unexpectedly declined last week. But stockpiles of distillates, including heating oil and diesel fuel, increased more than analysts' expected. Investors are becoming more concerned that the oil glut will persist well into 2016 because producers around the world continue pumping at high rates.
- A mild start to winter in the U.S. due to the El Niño weather phenomenon has reduced demand for heating oil, which is typically robust at this time of year. Last week's fall in crude stockpiles halted a 10-week string of increases that pushed inventories near record highs. But the unexpectedly large buildup in distillates pressured both diesel and crude oil futures.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$37.16 is \$30.22, or 45 percent, lower.



- According to the December 9 weekly Energy Information Administration’s (EIA) fuels report, U.S. crude inventories decreased 3.6 MMB to 485.9 MMB. U.S. crude supplies are now 105.1 MMB higher compared to this time last year.
- Total crude imports increased from the prior week at 8.0 MMB/D, 0.4 MMB higher compared to imports at this time last year. Domestic crude production was down slightly 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 increased from the prior week with refiners processing 16.7 MMB/D of crude. U.S. refinery capacity use was down on the week at 93.0 percent. Last year at this time, capacity use stood at 95.4 percent.
- Gasoline output increased on the week at nearly 9.7 MMB/D. Output was 9.5 MMB/D at this time last year. Distillate output increased from the prior week at 5.1 MMB/D. Last year at this time, production stood at nearly 5.0 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 19.8 MMB/D, down by 0.6 percent compared to the same period last year.

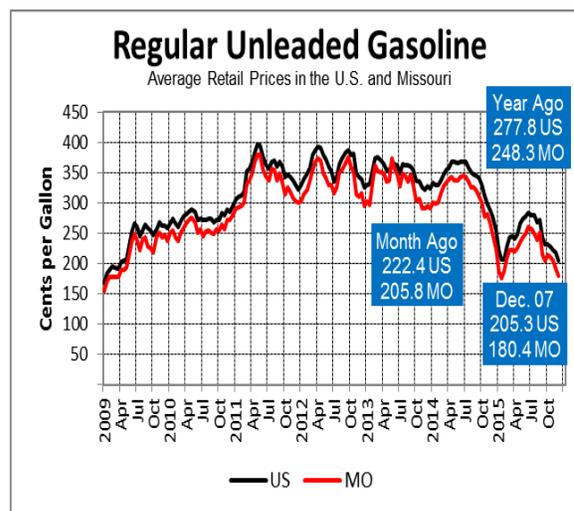
## Transportation Fuels

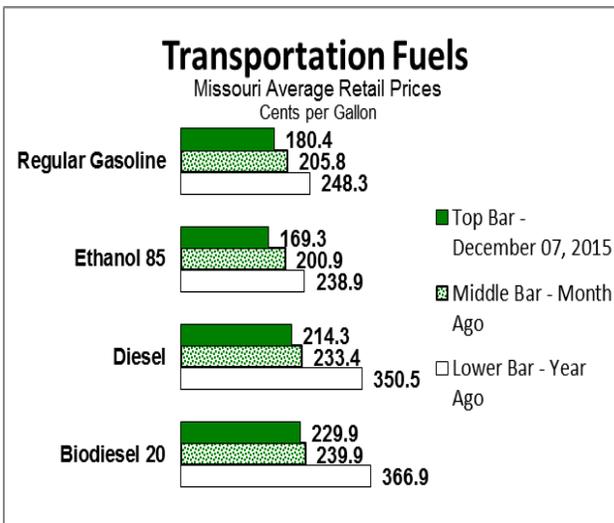
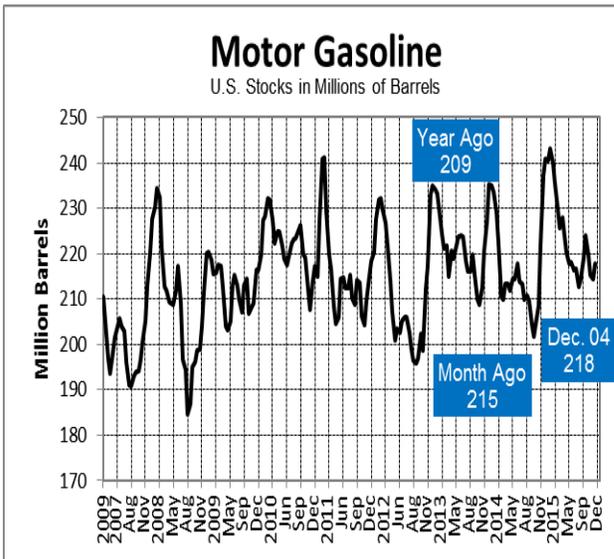
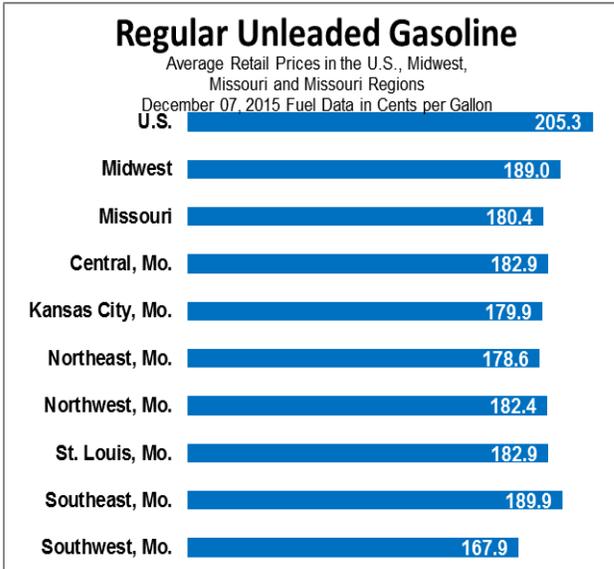
**On December 7, Missouri’s statewide average retail price for gasoline was about \$1.80 per gallon, down 25.4 cents in the past month and down 67.9 cents in the past year.**

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>12-07-15</u>	<u>11-02-15</u>	<u>change</u>	<u>12-01-14</u>	<u>change</u>
US	205.3	222.4	down 8%	277.8	down 26%
Missouri	180.4	205.8	down 12%	248.3	down 27%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>12-07-15</u>	<u>11-02-15</u>	<u>change</u>	<u>12-01-14</u>	<u>change</u>
US	237.9	248.5	down 4%	277.8	down 14%
Missouri	214.3	233.4	down 8%	350.5	down 39%

- On December 7, Missouri’s average retail price for gasoline was about \$1.80 per gallon, down 25.4 cents in the past month.
- Missouri’s average price for diesel fuel was about \$2.14 per gallon, down 19.1 cents in the past month.
- Missouri’s average retail gasoline price is 67.9 cents per gallon, or 27 percent, lower for the comparable period in December 2014. The average retail diesel fuel price is 136.2 cents per gallon, or 39 percent, lower for the comparable period in December 2014.
- At \$2.05, the U.S. average price for regular gasoline is 17.1 cents per gallon, or 8 percent, lower compared to last month.





- The U.S. average was down 72.5 cents per gallon, or 26 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 nearly 0.7 MMB/D; less than 0.1 MMB lower compared to last year at this time.
- Implied demand for gasoline increased on the week at 9.4 MMB/D, 0.9 MMB/D higher compared to this time last year.
- In the past four weeks, U.S. gasoline demand has averaged nearly 9.2 MMB/D; 0.1 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies increased 0.8 MMB on the week to 217.7 MMB. U.S. supplies are up 0.9 MMB compared to this time last year and trend within the five-year average for this time of year.
- Distillate stocks increased at 149.4 MMB and stand 25.5 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at 3.3 MMB/D. Demand stood at 3.5 MMB/D at this time last year. On a four-week average, distillate demand was lower at 3.7 MMB/D.
- On December 7, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$1.69 per gallon 17.1 cents, or 9.5 percent, lower than the average price for conventional motor gasoline.
- On December 7, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was about \$2.30 per gallon 10.8 cents, or 4.8 percent, higher than the average retail price for conventional diesel fuel.

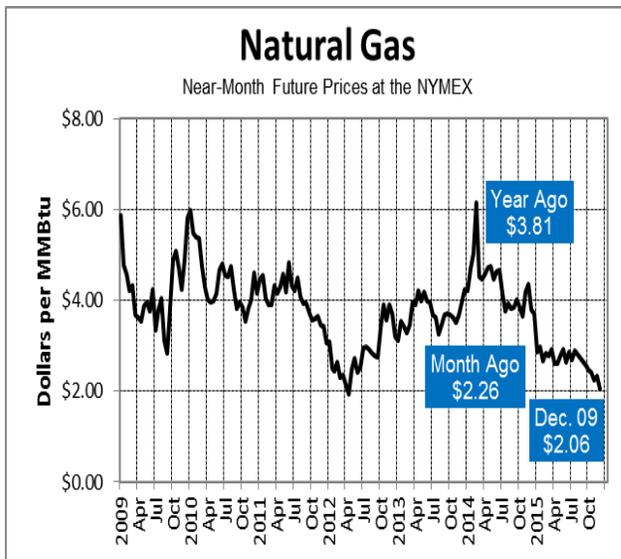
- According to the December 8, 2015, *Short Term Energy Outlook*, regular gasoline retail prices are forecast to average \$2.43 per gallon in 2015 compared with \$3.36 per gallon in 2014. EIA projects U.S. regular gasoline retail prices to average \$2.36 per gallon in 2016.

## 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 December 9, natural gas futures at the NYMEX closed at \$2.06 per million British thermal units (MMBtu), down \$0.20, or 9 percent, in the past month.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	12-09-15	11-04-15	change	12-03-14	change
NYMEX	\$2.06	\$2.26	down 9%	\$3.81	down 46%



- The January NYMEX futures contract settled at \$2.06 per MMBtu on December 9, down less than 1 cent from the prior settlement. Futures are down 20 cents in the past month.
- In the past year, natural gas values have decreased by \$1.75 per MMBtu, or 46 percent.
- The January 2016 contract decreased from \$2.17 per MMBtu December 2 to \$2.06 per MMBtu December 9. The 12-month strip, which averages the January 2015 through December 2016 NYMEX prices, closed at \$2.35 per MMBtu December 9, 6 cents lower than last week.
- According to the EIA, U.S. consumption of natural gas decreased by 1.1 percent compared to the previous report week, led by a decrease in the residential/commercial sector. Residential/commercial consumption fell by 3.4 percent this week, or 1.1 Bcf/d, as a result of warmer weather, particularly on Tuesday and yesterday. Consumption in other sectors increased modestly, but these increases did not offset the decrease in residential/commercial consumption. Consumption for power generation increased by 0.9 percent, industrial consumption increased by 0.2 percent
- Working gas in storage was 3,880 Bcf, 6.5 percent above the five-year average inventory level for the week, according to EIA's December 10, 2015 *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 514 Bcf, or 15.3 percent, higher than last year at this time.
- 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

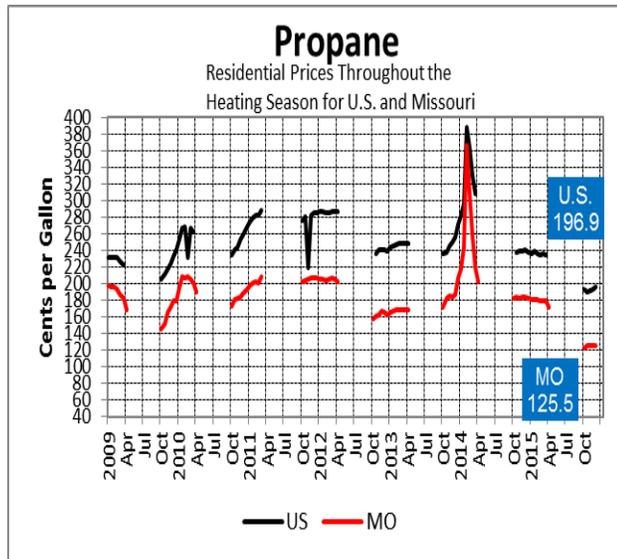
Approximately 10 percent (227,100) of Missouri households use propane to heat their homes. (Data updated from the most recent U.S. Census report.) Propane is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

**On December 7, the average Missouri retail price for residential propane was about \$1.25 per gallon, 0.4 cents higher in the past month and down 58.3 cents in the past year.**

Propane - Retail Prices (cents per gallon)					
	<u>12-07-15</u>	<u>11-02-15</u>	<u>change</u>	<u>12-01-14</u>	<u>change</u>
Missouri	125.5	125.1	up 0%	183.8	down 32%

- According to the Division of Energy's most recent statewide propane price survey conducted December 7, the average Missouri retail residential propane price was about \$1.26 per gallon, 0.4 cents higher in the past month and down 58.3 cents compared to last year at this time.

- According to the survey, the highest Missouri retail residential price for propane was \$1.76 per gallon, a decrease of 25 cents in the past month. The lowest retail price was \$1.05 per gallon, an increase of 4 cents in the past month.



- As of December 7, U.S. residential propane prices averaged \$1.97 per gallon, less than 1 cent per gallon higher than the prior week's price and 46.1 cents lower than one year ago. U.S. wholesale propane prices averaged 49 cents per gallon, just shy of 4 cents per gallon lower than the prior week's price and 41.7 cents lower than last year's price for the same week.
- Missouri wholesale propane prices averaged 48.8 cents per gallon, 1.0 cent per gallon lower than the prior week's price and 23.7 cents lower than the price on December 8, 2014.
- U.S. propane stocks decreased by 3.4 MMB last week to 100.7 MMB as of December 4, 2015, 21.5 MMB (27.2%) higher than a year ago. Midwest inventories decreased by nearly 0.8 MMB to 28.9 MMB, 2.8 MMB (10.8%) percent higher compared to last year at this time.
- At 1.5 MMB/D, U.S. demand for propane is 0.2 MMB/D (18.7%) higher 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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<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](mailto:energy@ded.mo.gov); Web Address: <http://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>.