



Division of Energy

MISSOURI ENERGY BULLETIN

December 28, 2015

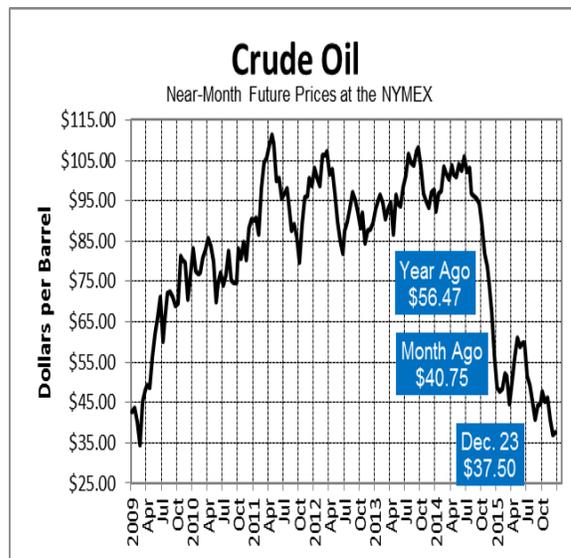
(Data is for the week ended December 18, 2015, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased by \$3.25 to \$37.50 per barrel in the past month and stand 34 percent lower compared to this time last year.

<i>Crude Oil - Near Month Future Prices (dollars per barrel)</i>					
	<u>12-23-15</u>	<u>11-18-15</u>	<u>change</u>	<u>12-17-14</u>	<u>change</u>
NYMEX	\$37.50	\$40.75	down 8%	\$56.47	down 34%

- Crude oil futures for February delivery on the NYMEX ended \$1.36, or 3.8 percent, higher December 23 to settle at \$37.50 per barrel, driven by an unexpectedly large fall in crude inventories.
- Oil production rigs operating in the U.S. now total 538, down 961 from a year ago
- U.S. crude futures traded above Brent (European oil price benchmark) prices on Wednesday, December 23, a pattern rarely seen over the last 5 years. Brent settled below WTI crude for the first time since August 2010 on Tuesday, December 22 and touched \$35.98 on an intra-day basis, its lowest price since July 2004.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$37.50 is \$18.97, or 34 percent, lower.
- According to the December 23 weekly Energy Information Administration’s (EIA) fuels report, U.S. crude inventories decreased 5.9 million barrels (MMB) to 484.8 MMB. U.S. crude supplies are now 105.1 MMB higher compared to this time last year.



- Total crude imports decreased from the prior week at 7.3 MMB/D, nearly 1.0 MMB lower 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 16.5 MMB/D of crude. U.S. refinery capacity use was down on the week at 91.3 percent. Last year at this time, capacity use stood at 93.5 percent.
- Gasoline output decreased on the week at nearly 9.4 MMB/D. Output was 9.9 MMB/D at this time last year. Distillate output decreased from the prior week at 4.6 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 just over 20.0 MMB/D, down by 0.8 percent compared to the same period last year.

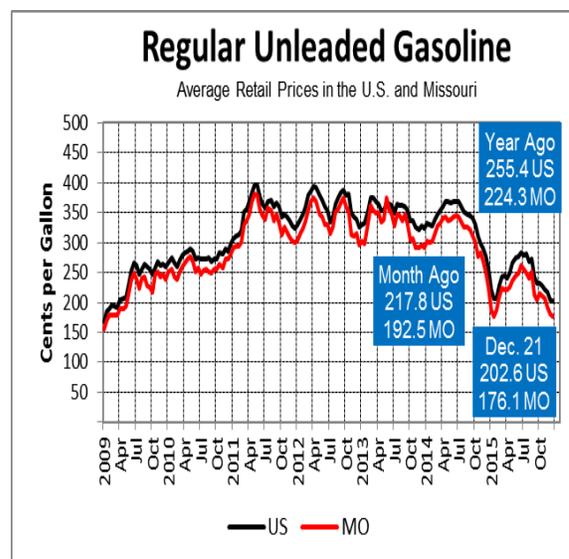
Transportation Fuels

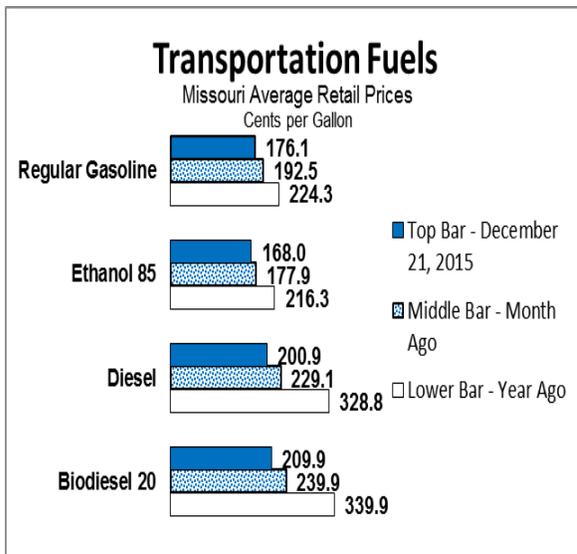
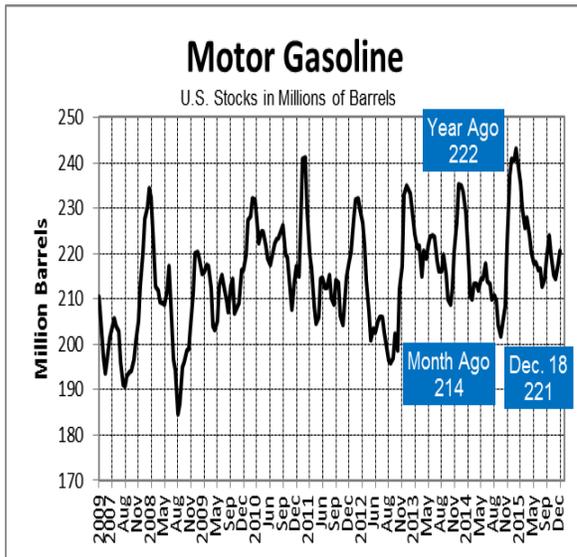
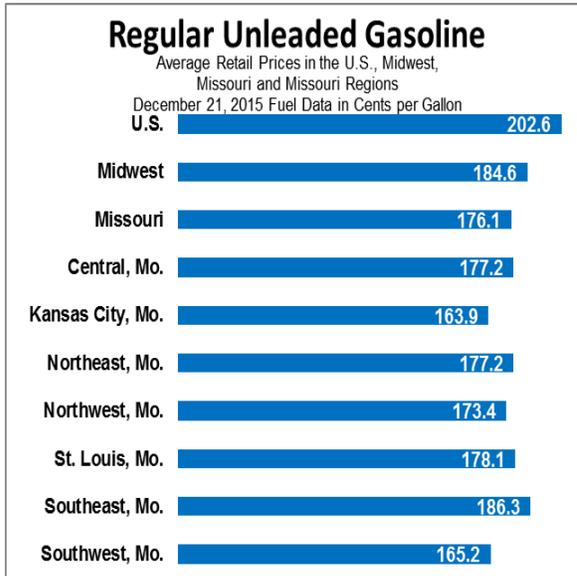
On December 21, Missouri's statewide average retail price for gasoline was about \$1.76 per gallon, down 16.4 cents in the past month and down 48.2 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	<u>12-21-15</u>	<u>11-16-15</u>	<u>change</u>	<u>12-15-14</u>	<u>change</u>
US	202.6	217.8	down 7%	255.4	down 21%
Missouri	176.1	192.5	down 9%	224.3	down 21%

Diesel Fuel - Retail Prices (cents per gallon)					
	<u>12-21-15</u>	<u>11-16-15</u>	<u>change</u>	<u>12-15-14</u>	<u>change</u>
US	228.4	248.2	down 8%	341.9	down 33%
Missouri	200.9	229.1	down 12%	328.8	down 39%

- On December 21, Missouri's average retail price for gasoline was about \$1.76 per gallon, down 16.4 cents in the past month.
- Missouri's average price for diesel fuel was about \$2.01 per gallon, down 28.2 cents in the past month.
- Missouri's average retail gasoline price is 48.2 cents per gallon, or 21 percent, lower than the comparable period in December 2014. The average retail diesel fuel price is 127.9 cents per gallon, or 39 percent, lower for the comparable period in December 2014.
- At nearly \$2.03, the U.S. average price for regular gasoline is 15.2 cents per gallon, or 7 percent, lower compared to last month.
- The U.S. average was down 52.8 cents per gallon, or 21 percent, compared to this time last year. In





the past week, the U.S. average decreased by about 1 cent per gallon.

- Gasoline imports dropped by half from the prior week at 0.3 MMB/D. Last year at this time imports stood at 0.9 MMB/D.
- Implied demand for gasoline decreased on the week at 9.2 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 9.3 MMB/D; about 0.1 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies increased 1.1 MMB on the week to 220.5 MMB. U.S. supplies are down 5.6 MMB compared to this time last year and trend within the five-year average for this time of year.
- Distillate stocks decreased at 151.3 MMB and stand 27.5 MMB higher compared to the same period last year.
- Distillate demand increased on the week at nearly 4.0 MMB/D. Demand stood at 4.3 MMB/D at this time last year. On a four-week average, distillate demand was higher at 3.6 MMB/D.
- On December 21, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$1.68 per gallon 8.1 cents, or 4.6 percent, lower than the average price for conventional motor gasoline.
- On December 21, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was about \$2.10 per gallon 9.0 cents, or 4.5 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.

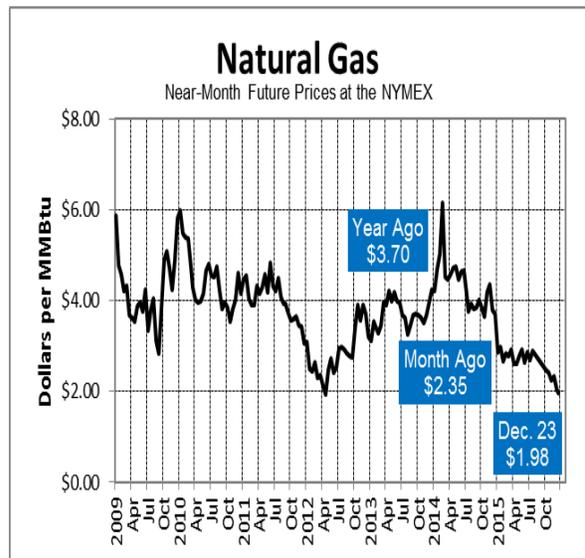
Natural Gas

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 23, natural gas futures on the NYMEX closed at \$1.98 per million British thermal units (MMBtu), down \$0.37, or 16 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	12-23-15	11-18-15	change	12-17-14	change
NYMEX	\$1.98	\$2.35	down 16%	\$3.70	down 46%

- The January NYMEX futures contract settled at \$1.98 per MMBtu on December 23, up 9.5 cents from the prior settlement. Futures are down 37 cents in the past month.
- In the past year, natural gas values have decreased by \$1.72 per MMBtu, or 46 percent.
- Working gas in storage was 3,814 Bcf, 12.1 percent above the five-year average inventory level for the week, according to EIA's December 24, 2015 *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 561 Bcf, or 17.2 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.

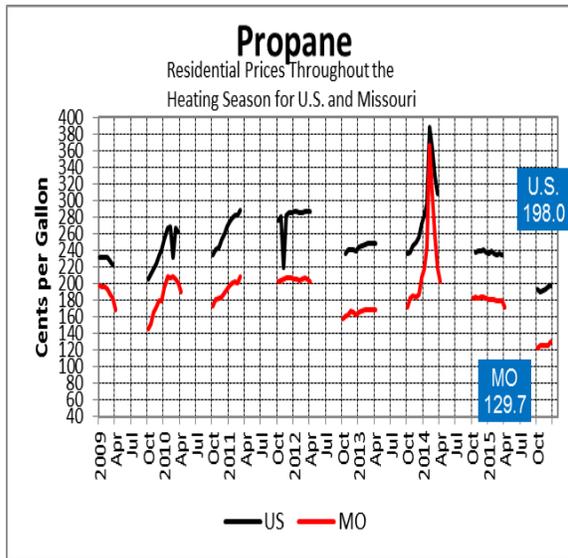


Propane

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 21, the average Missouri retail price for residential propane was about \$1.30 per gallon, 4.6 cents higher in the past month and down 52.5 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>12-21-15</u>	<u>11-16-15</u>	<u>change</u>	<u>12-15-14</u>	<u>change</u>
Missouri	129.7	125.1	up 4%	182.2	down 29%



- According to the Division of Energy's most recent statewide propane price survey conducted December 21, the average Missouri retail residential propane price was about \$1.30 per gallon, 4.6 cents higher in the past month and down 52.5 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$2.01 per gallon, an increase of 23 cents in the past month. The lowest retail price was \$1.05 per gallon, an increase of 5 cents in the past month.
- As of December 21, U.S. residential propane prices averaged \$1.98 per gallon, less than 1 cent per gallon higher than the prior week's price and 39.6 cents lower than one year ago. U.S. wholesale propane prices averaged 42 cents per gallon, 3.9 cents per gallon lower than the prior week's price and 25.3 cents lower than last year's price for the same week.
- Missouri wholesale propane prices averaged 41.8 cents per gallon, 3.7 cents per gallon lower than the prior week's price and 22.6 cents lower than the price on December 15, 2014.
- U.S. propane stocks decreased by 1.3 MMB last week to 97.6 MMB as of December 18, 2015, 19.8 million barrels (25.4%) higher than a year ago. Midwest inventories decreased by 1.2 MMB to 26.9 MMB, 0.8 MMB (3.0%) percent higher compared to last year at this time.
- At 1.3 MMB/D, U.S. demand for propane is less than 0.1 MMB/D (5.0%) 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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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>.