



## Division of Energy

# MISSOURI ENERGY BULLETIN

July 11, 2016

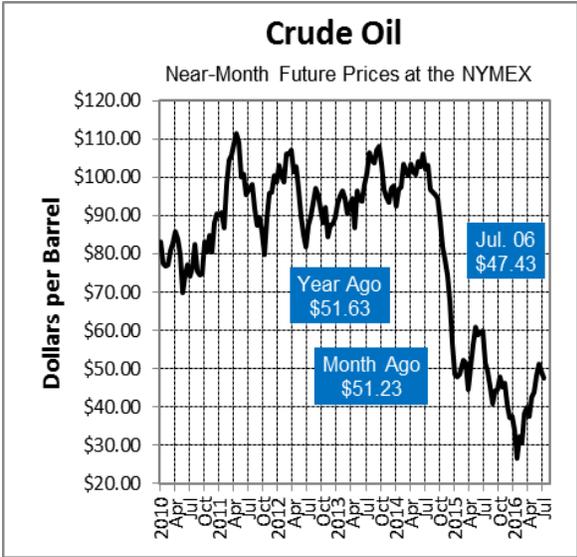
*(Data is for the week ended July 1, 2016, unless stated otherwise.)*

### Crude Oil

U.S. crude oil prices decreased by \$3.80 to \$47.43 per barrel in the past month and stand 8 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	07-06-16	06-08-16	change	07-08-15	change
NYMEX	\$47.43	\$51.23	down 7%	\$51.63	down 8%

- NYMEX crude oil futures for August 2016 delivery ended \$0.83, or 1.8 percent higher on July 6 to settle at \$47.43 per barrel, on improved US economic data that lifted futures from 2 days of declines. Surplus gasoline supplies and economic concerns from Britain's EU exit suggested more downward pricing pressure may be ahead.
- The profit from turning US crude into gasoline remained at a four and a half month low despite a record number of motorists during the July 4th holiday weekend. Gasoline stocks at the New York Harbor delivery point reached a record high of 72.5 million barrels (MMB) in the week ended June 24th. Vessels carrying gasoline-making components could not unload at the harbor because of lack of storage space.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$47.43 is \$4.20, or 8 percent, lower.
- According to the weekly Energy Information Administration's (EIA) fuels report released July 7, U.S. crude inventories decreased 2.2 MMB on the week to 524.4 MMB. U.S. crude supplies are now 58.6 MMB higher compared to this time last year.



- Domestic crude production was slightly lower compared with the prior week at 8.4 MMB/D. Last year at this time, production stood at 9.6 MMB/D. Total crude imports increased from the prior week to nearly 8.4 MMB/D. Imports at this time last year averaged nearly 7.3 MMB/D.
- U.S. refinery crude runs slightly decreased from the prior week with refiners processing nearly 16.7 MMB/D. U.S. refinery capacity utilization was down on the week at 92.5 percent. Last year at this time, capacity use stood at 94.7 percent.
- Gasoline output increased on the week at over 10.0 MMB/D. Output was nearly 9.9 MMB/D at this time last year. Distillate output decreased slightly from the prior week at almost 5.0 MMB/D. Last year at this time, production stood at nearly 5.1 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at over 20.5 MMB/D, up by 3.0 percent compared to the same period last year.

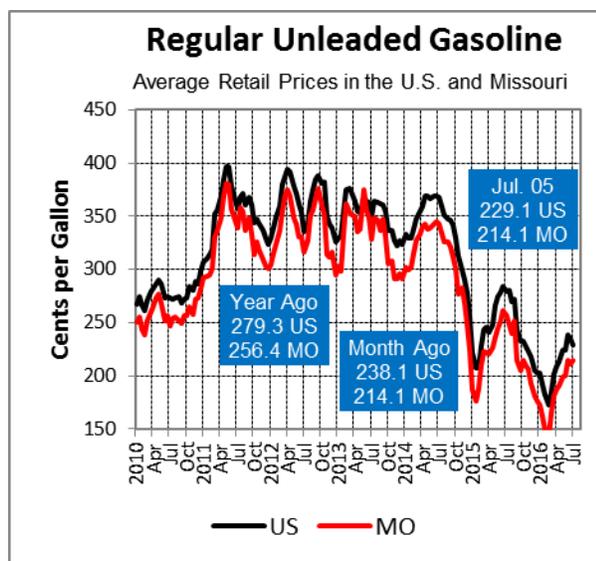
## Transportation Fuels

**On July 5, Missouri's statewide average retail price for gasoline was \$2.14 per gallon, unchanged in the past month and down 42.3 cents in the past year.**

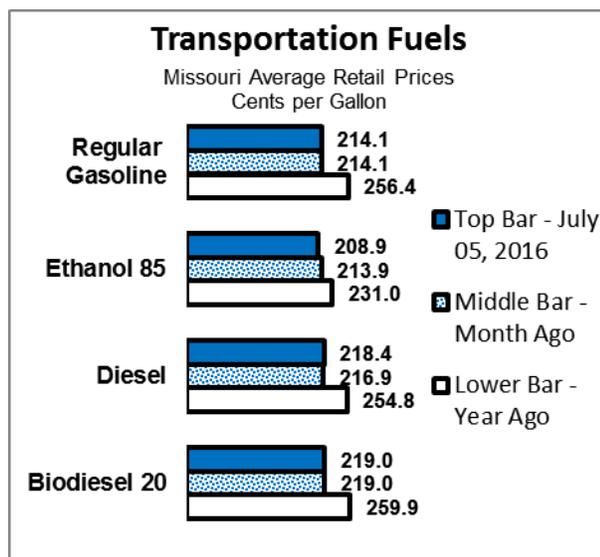
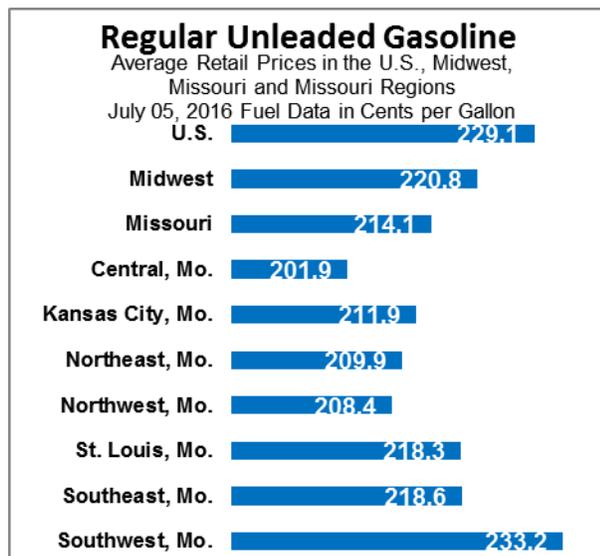
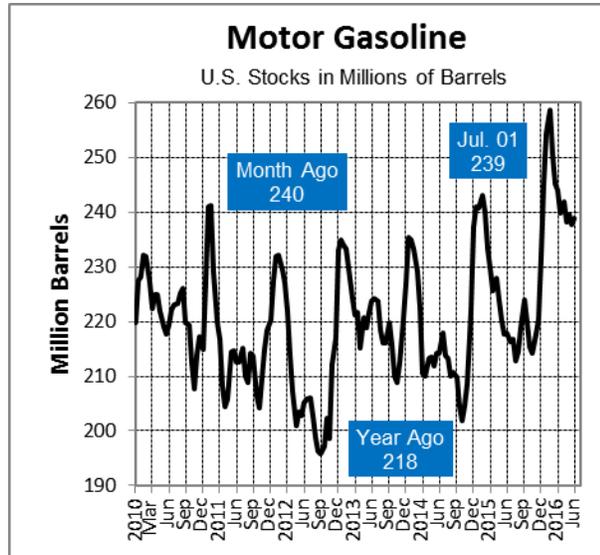
<b>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</b>					
	<u>07-05-16</u>	<u>06-06-16</u>	<u>change</u>	<u>07-06-15</u>	<u>change</u>
US	229.1	238.1	down 4%	279.3	down 18%
Missouri	214.1	214.1	no change	256.4	down 16%

<b>Diesel Fuel - Retail Prices (cents per gallon)</b>					
	<u>07-05-16</u>	<u>06-06-16</u>	<u>change</u>	<u>07-06-15</u>	<u>change</u>
US	242.3	240.7	up 1%	283.2	down 14%
Missouri	218.4	216.9	up 1%	254.8	down 14%

- On July 5, Missouri's average retail price for gasoline was \$2.14 per gallon, unchanged in the past month.
- Missouri's average price for diesel fuel was about \$2.18 per gallon, up 1.5 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 42.3 cents per gallon, or 16 percent, lower while the average retail diesel fuel price is 36.4 cents per gallon, or 14 percent, lower.
- At \$2.29, the U.S. average price for regular gasoline is 9.0 cents per gallon, or 4 percent, lower compared to last month.
- The U.S. average price for regular gasoline is down 50.2 cents per gallon, or 18 percent, compared to this time last year. In the past week, the U.S. average decreased by 3.8 cents per gallon.



- Gasoline imports decreased from the prior week at almost 0.8 MMB/D. Last year at this time, imports stood at nearly 0.9 MMB/D.
- Implied demand for gasoline increased on the week at nearly 9.8 MMB/D. Demand stood at over 9.5 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged nearly 9.8 MMB/D.
- U.S. gasoline supplies decreased 0.1 MMB on the week to 238.9 MMB. U.S. supplies are up 20.9 MMB compared to this time last year and trend above the five-year average for this time of year.
- Distillate stocks decreased on the week at 148.9 MMB and stand 11.5 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at just over 3.9 MMB/D. Demand stood at nearly 3.8 MMB/D at this time last year. On a four-week average, distillate demand was higher at over 3.9 MMB/D.
- On July 5, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.09 per gallon, 5.2 cents, or 2.5 percent, lower than the average price for conventional motor gasoline.
- On July 5, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$2.19 per gallon, 0.6 cent per gallon, or 0.3 percent, higher than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated June 7, 2016, U.S. regular gasoline retail prices, which averaged \$2.43 per gallon in 2015, are projected to average \$2.13 per gallon in 2016.



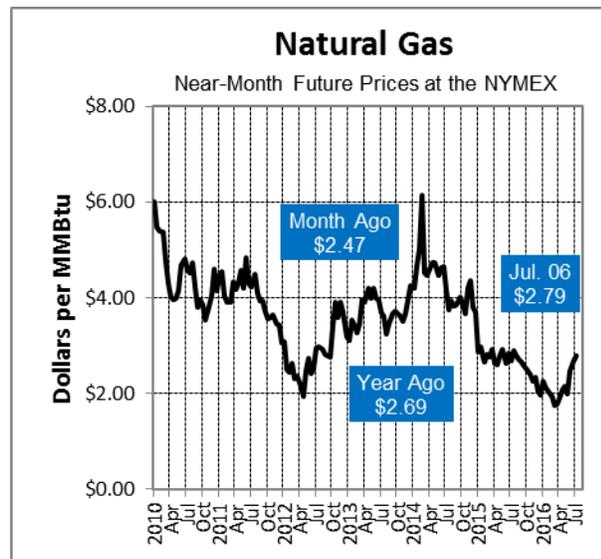
## Natural Gas

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 July 6, natural gas futures on the NYMEX closed at \$2.79 per million British thermal units (MMBtu), up \$0.32, or 13 percent, in the past month.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>07-06-16</u>	<u>06-08-16</u>	<u>change</u>	<u>07-08-15</u>	<u>change</u>
NYMEX	\$2.79	\$2.47	up 13%	\$2.69	up 4%

- The August 2016 NYMEX futures contract settled at \$2.79 per MMBtu on July 6, up 2.2 cents from the prior settlement. Futures are up 32 cents, or 13 percent, in the past month.
- In the past year, natural gas prices have increased by \$0.10 per MMBtu, or 4 percent.
- Working gas in storage was 3,179 Bcf, 23.2 percent above the five-year average inventory level for the week. According to EIA's July 7, 2016 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 538 Bcf, or 20.4 percent, higher than last year at this time.



- Net injections into storage totaled 39 Bcf during the storage report week, compared with the five-year (2011-15) average of 77 Bcf and last year's net injection of 83 Bcf during the same week. As a result, the divergence in storage compared with the five-year average declined from the previous week to 599 Bcf, and the gap compared with year-ago levels decreased to 538 Bcf.
- Temperatures in the Lower 48 states averaged 75°F during the storage report week. Temperatures during the report week were above normal throughout most of the Lower 48 states, on average by 3 percent, and were 3 percent above last year at this time. This week marked the fifth week in a row that cooling degree-days in the Lower 48 states exceeded the normal level. Cooling degree-days in the Lower 48 states since the beginning of the refill season on April 1 were 19 percent above normal.
- According to the EIA, total U.S. consumption of natural gas decreased by 4 percent. Power burn decreased by 5 percent week over week. Industrial sector consumption decreased by 1 percent week over week. In the residential and commercial sectors, consumption decreased by 8 percent. Natural gas exports to Mexico were the same as last week, averaging 3.7 Bcf/d.

## 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 2016, Missouri residential retail propane prices will be reported only for the first full week of each month through September 2016.)*

**On July 5, the average Missouri retail price for residential propane was nearly \$1.16 per gallon, 3.2 cents lower in the past month and down 13.3 cents in the past year.**

<b>Propane - Retail Prices (cents per gallon)</b>					
	<u>07-05-16</u>	<u>06-06-16</u>	<u>change</u>	<u>07-06-15</u>	<u>change</u>
<b>Missouri</b>	<b>115.5</b>	<b>118.7</b>	<b>down 3%</b>	<b>128.8</b>	<b>down 10%</b>

- According to the Division of Energy's most recent statewide propane price survey conducted July 5, the average Missouri retail residential propane price was nearly \$1.16 per gallon, 3.2 cents lower in the past month and down 13.3 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.67 per gallon, an increase of 2.0 cents or 1 percent in the past month. The lowest retail price was nearly \$0.89 per gallon, down 10.1 cents or 10 percent in the past month.
- U.S. propane stocks increased by 2.7 MMB to 84.8 MMB as of July 1, 2016, 0.9 MMB or 1.1 percent lower than a year ago. Midwest inventories increased by 1.2 MMB on the week to almost 25.9 MMB. Midwest inventories stood at nearly 24.2 MMB at this time last year.
- U.S. propane consumption slightly increased on the week. At over 0.7 MMB/D, current U.S. demand for propane is 8.7 percent lower compared to last year at this time.

### **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:**

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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>.