



Division of Energy

MISSOURI ENERGY BULLETIN

August 22, 2016

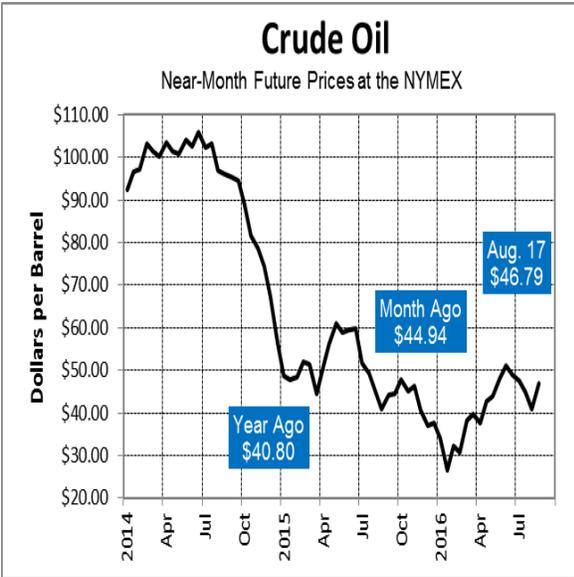
(Data is for the week ended August 12, 2016, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$1.85 to \$46.79 per barrel in the past month and stand 15 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	08-17-16	07-20-16	change	08-19-15	change
NYMEX	\$46.79	\$44.94	up 4%	\$40.80	up 15%

- NYMEX crude oil futures for September 2016 delivery ended \$0.21, or 0.5 percent higher on August 17 to settle at \$46.79 per barrel extending the oil price rally for a 5th straight day on a weaker dollar and an unexpected draw-down.
- Crude futures have gained as much as 13 percent since Thursday, August 11 after Saudi Arabia stoked speculation that OPEC was ready for an output freeze deal with producers outside the cartel. The market's upside, however, was capped by a report that suggested Saudi Arabia was cranking its crude output to new record highs that could out Russia as the world's top producer, even as OPEC talked of ways to ease a global oil glut. Saudi Arabia could boost crude output in August to new records at 10.8-10.9 million barrels per day (MBD). With the US rig count coming back online, any production freeze would be at higher levels of oil output.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$46.79 is \$5.99, or 15 percent, higher.



- According to the weekly Energy Information Administration (EIA) fuels report released August 17, U.S. crude inventories decreased 2.5 million barrels (MMB) on the week to 521.1 MMB. U.S. crude supplies are now 64.9 MMB higher compared to this time last year.
- Domestic crude production increased from the prior week at nearly 8.6 MMB/D. Last year at this time, production stood at 9.4 MMB/D. Total crude imports decreased from the prior week at nearly 8.2 MMB/D. Imports at this time last year averaged 8.0 MMB/D.
- U.S. refinery crude runs increased from the prior week with refiners processing nearly 16.9 MMB/D. U.S. refinery capacity utilization was up on the week at 93.5 percent. Last year at this time, capacity use stood at 95.1 percent.
- Gasoline output increased on the week at nearly 10.3 MMB/D. Output was just under 10.3 MMB/D at this time last year. Distillate output increased from the prior week at just over 4.9 MMB/D. Last year at this time, production stood at over 5.0 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at about 20.8 MMB/D, up by 1.4 percent compared to the same period last year.

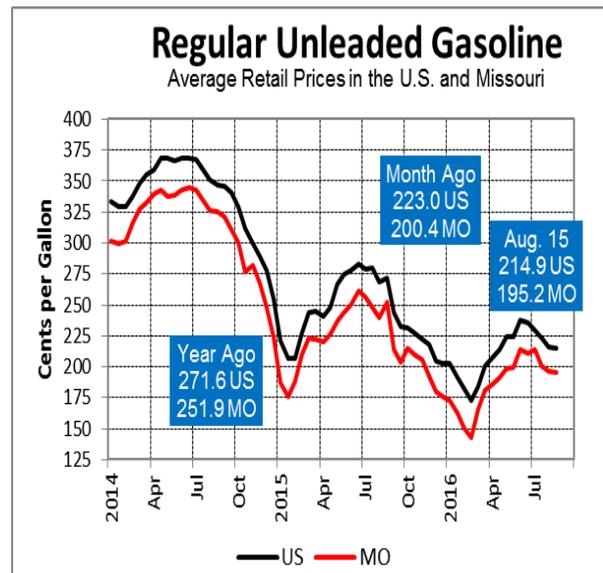
Transportation Fuels

On August 15, Missouri's statewide average retail price for gasoline was \$1.95 per gallon, down 5.2 cents in the past month and down 56.7 cents in the past year.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>08-15-16</u>	<u>07-18-16</u>	<u>change</u>	<u>08-17-15</u>	<u>change</u>
US	214.9	223.0	down 4%	271.6	down 21%
Missouri	195.2	200.4	down 3%	251.9	down 22%

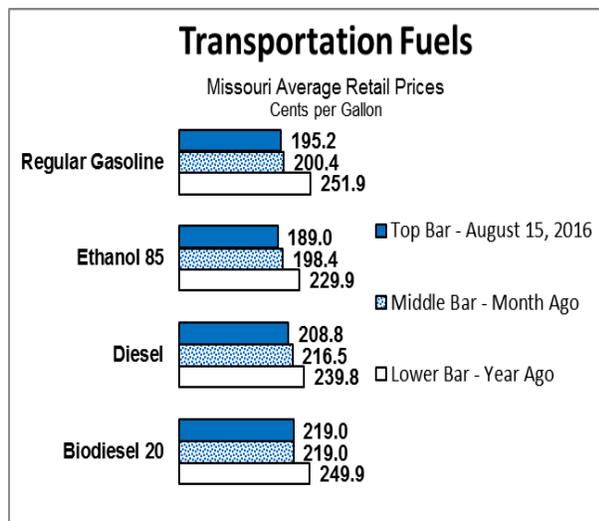
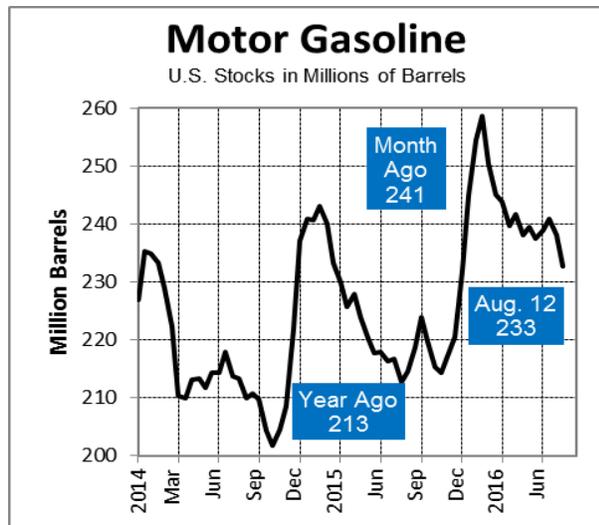
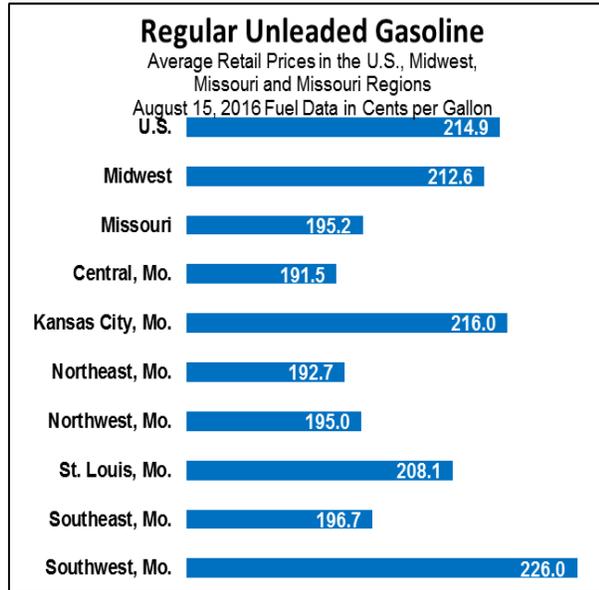
<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>08-15-16</u>	<u>07-18-16</u>	<u>change</u>	<u>08-17-15</u>	<u>change</u>
US	231.0	240.2	down 4%	261.5	down 12%
Missouri	208.8	216.5	down 4%	239.8	down 13%

- On August 15, Missouri's average retail price for gasoline was \$1.95 per gallon, down 5.2 cents in the past month.
- Missouri's average price for diesel fuel was about \$2.09 per gallon, down 7.7 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 56.7 cents per gallon, or 22 percent, lower while the average retail diesel fuel price is 31.0 cents per gallon, or 13 percent, lower.
- At \$2.15, the U.S. average price for regular gasoline is 8.1 cents per gallon, or 4 percent,



lower compared to last month.

- The U.S. average price for regular gasoline is down 56.7 cents per gallon, or 21 percent, compared to this time last year. In the past week, the U.S. average decreased by less than 1.0 cent per gallon.
- Gasoline imports decreased from the prior week at over 0.6 MMB/D. Last year at this time, imports stood at nearly 0.9 MMB/D.
- Implied demand for gasoline was unchanged on the week at nearly 9.8 MMB/D. Demand stood at nearly 9.7 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged less than 9.8 MMB/D.
- U.S. gasoline supplies decreased 2.7 MMB on the week to 232.7 MMB. U.S. supplies are up 19.9 MMB compared to this time last year and trend above the five-year average for this time of year.
- Distillate stocks increased on the week at 153.1 MMB and stand 4.7 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at just less than 3.5 MMB/D. Demand stood at nearly 3.9 MMB/D at this time last year. On a four-week average, distillate demand was slightly lower at over 3.7 MMB/D.
- On August 15, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$1.89 per gallon, 6.2 cents, or almost 3.2 percent, lower than the average price for conventional motor gasoline.
- On August 15, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$2.19 per gallon, 10.2 cents per gallon, or 4.9 percent, higher than the average price for conventional diesel fuel.



- According to EIA’s latest *Short Term Energy Outlook* dated August 9, 2016, U.S. regular gasoline retail prices, which averaged \$2.43 per gallon in 2015, are projected to average \$2.06 per gallon in 2016.

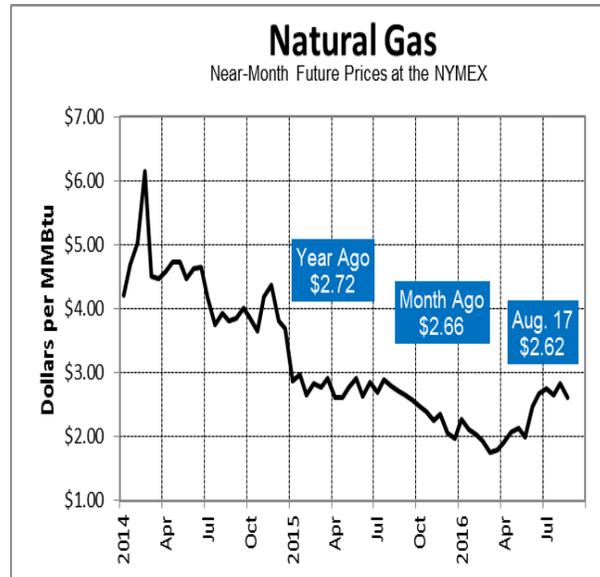
Natural Gas

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 August 17, natural gas futures on the NYMEX closed at \$2.62 per million British thermal units (MMBtu), down \$0.04, or 2 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	08-17-16	07-20-16	change	08-19-15	change
NYMEX	\$2.62	\$2.66	down 2%	\$2.72	down 4%

- The September 2016 NYMEX futures contract settled at \$2.62 per MMBtu on August 17, up less than 1.0 cent from the prior settlement. Futures are down 4 cents, or 2 percent, in the past month.
- In the past year, natural gas prices have decreased by \$0.10 per MMBtu, or 4 percent.
- Working gas in storage was 3,339 Bcf, 13.8 percent above the five-year average inventory level for the week. According to EIA’s August 12, 2016 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 327 Bcf, or 10.9 percent, higher than last year at this time.



- Injections to storage continue at slower-than-normal rate. Net injections into storage totaled 22 Bcf, compared with the five-year (2011-15) average net injections of 57 Bcf and last year’s net injections of 56 Bcf during the same week.
- Temperatures fall from week-ago levels, but remain higher than normal. Temperatures in the Lower 48 states averaged 77°F, 2°F more than the normal and 2°F more than last year at this time. Cooling degree-days (CDD) in the Lower 48 states totaled 87, compared with 71 last year and a normal of 72.
- According to the EIA, total U.S. consumption of natural gas increased by 1 percent. Power burn climbed by 4 percent week over week and industrial consumption stayed constant, averaging 19.4 Bcf/d. Natural gas exports to Mexico were the same as last week, averaging 3.6 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 August 1, the average Missouri retail price for residential propane was just over \$1.16 per gallon, less than 1 cent higher in the past month and down 4.9 cents in the past year.

<i>Propane - Retail Prices (cents per gallon)</i>					
	<u>08-01-16</u>	<u>07-05-16</u>	<u>change</u>	<u>08-03-15</u>	<u>change</u>
Missouri	116.2	115.5	up 1%	121.1	down 4%

- According to the Division of Energy’s most recent statewide propane price survey conducted August 1, the average Missouri retail residential propane price was just over \$1.16 per gallon, less than 1 cent higher in the past month and down 4.9 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.65 per gallon. The lowest retail price was nearly \$0.89 per gallon.
- U.S. propane stocks increased by 1.8 MMB last week to 93.7 MMB as of August 12, 2016, 0.1 MMB, or 0.1 percent, lower than a year ago. Midwest inventories increased on the week at almost 28.9 MMB. Midwest inventories stood at over 26.3 MMB at this time last year.
- U.S. propane consumption increased on the week. At nearly 1.0 MMB/D, U.S. demand for propane is unchanged compared to last year at this time.

For more information on propane, please visit:

<http://energy.mo.gov/energy/services/be-prepared-for-propane>

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<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>.