

## Division of Energy

# MISSOURI ENERGY BULLETIN

January 26, 2015

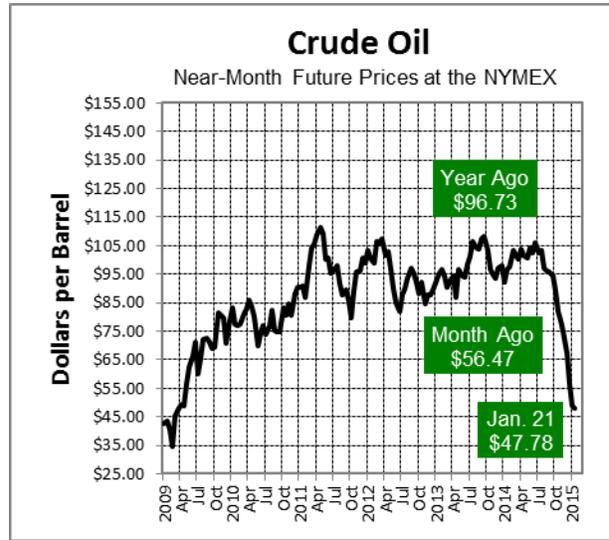
*(Data is for the week ended January 16, 2015, unless stated otherwise.)*

### Crude Oil

**U.S. crude oil prices decreased \$8.69, or 15 percent, to \$47.78 per barrel in the past month and stand 51 percent lower compared to this time last year.**

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>01-21-15</u>	<u>12-17-14</u>	<u>change</u>	<u>01-22-14</u>	<u>change</u>
<b>NYMEX</b>	<b>\$47.78</b>	<b>\$56.47</b>	<b>down 15%</b>	<b>\$96.73</b>	<b>down 51%</b>

- At the New York Mercantile Exchange (NYMEX), crude oil futures for March 2015 delivery ended \$1.31, or 2.8 percent, higher on the January 21 trade day to settle at \$47.78, rebounding from the biggest drop in a week amid signs that domestic production may slow in the US.
- BHP Billiton, the largest overseas investor in US shale, said it will cut the number of active drill rigs by almost 40 percent in 2015. The rapid decline in oil prices may deter investment in all types of energy needed to meet future demand, according to the International Energy Agency.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$47.78 is \$48.95, or 51 percent, lower.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period averaged 19.7 million barrels per day (MMB/D), up by 4.9 percent compared to the same period last year.
- According to the January 22 weekly Energy Information Administration (EIA) fuels report, U.S. oil inventories increased 10.1 MMB to 397.9 MMB. U.S. crude supplies are now 46.6 MMB higher compared to this time last year.



- Crude imports decreased from the prior week at 7.2 MMB/D. Imports at this time last year averaged 7.5 MMB/D. Domestic crude production was unchanged at 9.2 MMB/D on the week. Last year at this time, production stood at 8.1 MMB/D.
- U.S. refinery crude runs decreased from the prior week with refiners processing about 14.9 MMB/D of crude. U.S. refinery capacity use was down on the week at 85.5 percent. Last year at this time, capacity use stood at 86.5 percent.
- Gasoline output was higher on the week at 9.5 MMB/D. Production at this time last year averaged 8.9 MMB/D. Distillate output was down from the prior week at 4.8 MMB/D. Last year at this time, production stood at 4.5 MMB/D.

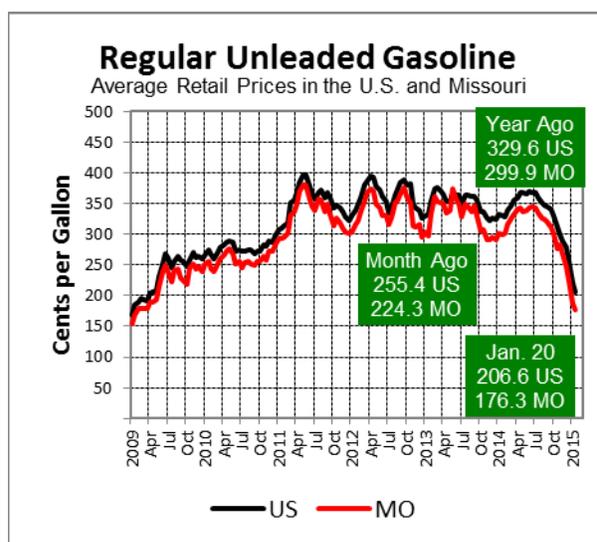
## Transportation Fuels

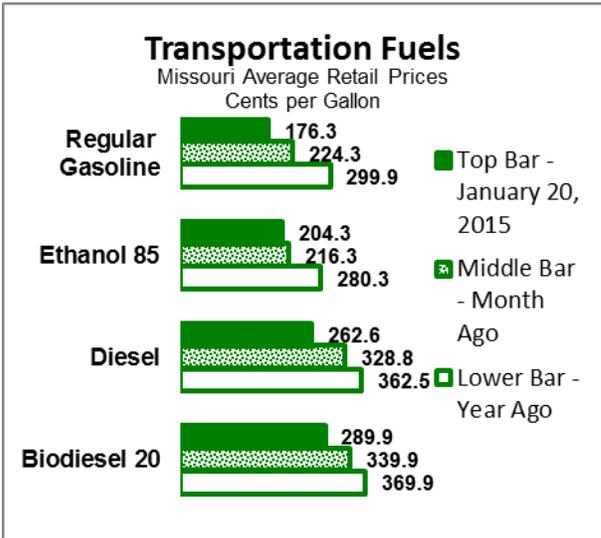
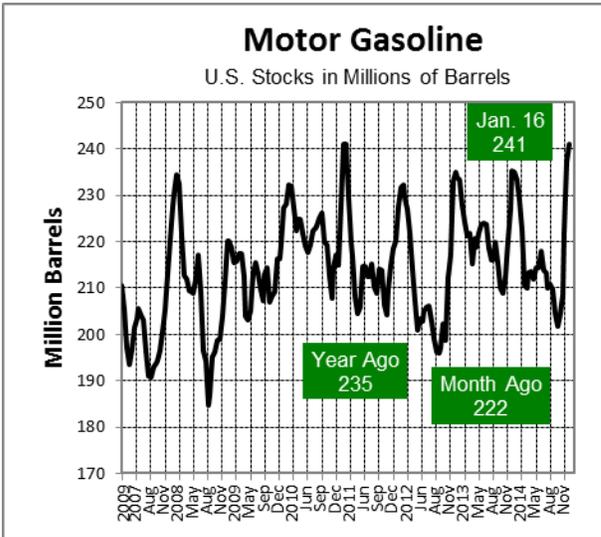
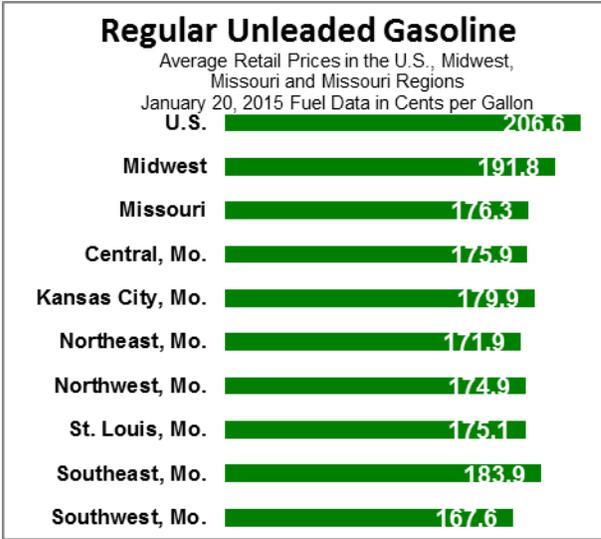
**On January 20, Missouri's statewide average retail price for gasoline was about \$1.76 per gallon, down 48.0 cents in the past month and down 123.6 cents in the past year.**

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>01-20-15</u>	<u>12-15-14</u>	<u>change</u>	<u>01-21-14</u>	<u>change</u>
<b>US</b>	206.6	255.4	down 19%	329.6	down 37%
<b>Missouri</b>	176.3	224.3	down 21%	299.9	down 41%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>01-20-15</u>	<u>12-15-14</u>	<u>change</u>	<u>01-21-14</u>	<u>change</u>
<b>US</b>	293.3	341.9	down 14%	387.3	down 24%
<b>Missouri</b>	262.6	328.8	down 20%	362.5	down 28%

- On January 20, Missouri's average retail price for gasoline was about \$1.76 per gallon, down 48.0 cents in the past month.
- Missouri's average price for diesel fuel was down 66.2 cents per gallon, or 20 percent, in the past month.
- Missouri's average retail gasoline price is 123.6 cents, or 41 percent, lower while the average retail diesel fuel price is 99.9 cents, or 28 percent, lower for the comparable period in January 2014.
- At \$2.07, the U.S. average price for regular gasoline is 48.8 cents per gallon, or 19 percent, lower compared to last month.
- The U.S. average was down 123.0 cents, or 37 percent, compared to this time last year. In the past week, the U.S. average decreased by 7.3 cents per gallon.





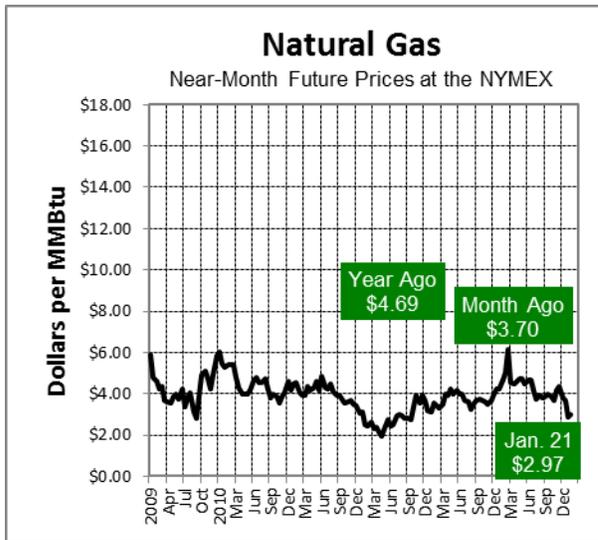
- Gasoline imports increased from the prior week at less than 0.7 MMB/D, 0.2 MMB/D higher compared to last year at this time.
- Implied demand for gasoline was unchanged at 8.9 MMB/D. At this time last year, demand was 8.1 MMB/D.
- In the past four weeks, U.S. gasoline demand has averaged about 9.0 MMB/D, 0.7 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies increased at 240.9 MMB on the week. U.S. inventories are up 5.7 MMB compared to this time last year and trend above the five-year average for this time of year.
- Distillate stocks increased at 136.6 MMB and stand 15.8 MMB higher compared to the same period last year.
- Distillate demand increased at 4.5 MMB/D on the week. Demand stood at 3.8 MMB/D at this time last year. On a four-week average, distillate demand increased at 3.9 MMB/D.
- On January 20, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.04 per gallon, 28.0 cents or 15.9 percent higher than the average price for conventional motor gasoline.
- On January 20, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$2.90 per gallon, 27.3 cents or 10.4 percent higher than the average retail price for conventional diesel fuel.
- According to the January 13, 2015, *Short Term Energy Outlook*, EIA expects U.S. regular gasoline retail prices, which averaged \$3.36 per gallon in 2014, to average \$2.33 per gallon in 2015. US motorists are expected to spend \$750 less for gasoline in 2015 compared to last year.

## Natural Gas

Approximately 53 percent (1,251,339) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity. (Data updated from the most recent U.S. Census report.)

**On January 21, natural gas futures at the NYMEX closed at \$2.97 per million British thermal units (MMBtu), down \$0.73 in the last month.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	01-21-15	12-17-14	change	01-22-14	change
NYMEX	\$2.97	\$3.70	down 20%	\$4.69	down 37%



- At the NYMEX, natural gas futures for February 2015 delivery ended 14.3 cents higher on the January 21 trade day to close at \$2.97 per MMBtu. In the past year, natural gas values have decreased by \$1.72 per MMBtu, or 37 percent.
- For the reporting week, January 14 to January 21, the price of the February 2015 contract decreased by 26 cents, moving from \$3.23 to \$2.97 per MMBtu.
- The 12-month strip, which averages the February 2015 through January 2016 contracts, closed at \$2.98 per MMBtu.
- According to the EIA, U.S. natural gas consumption fell 21 percent, hitting a 2015 low of 80 Bcf/d on Sunday, January 18, with consumption across all sectors decreasing. Led by a 29 percent week-over-week decrease in the residential/commercial sector, U.S. consumption for the report week was also 6 percent lower than year-ago levels. Natural gas burned in the electric sector (power burn) fell 17 percent for the report week, but was 5 percent higher than this week last year.
- Working gas in storage totaled 2,637 Bcf, 5.5 percent below the five-year average inventory level for the week, according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 199 Bcf, or 8.2 percent, higher than last year at this time.
- According to the January 13, 2015, *Short Term Energy Outlook*, EIA expects that households heating with natural gas in the Midwest will spend an average of \$103, or 13.4 percent, less this winter than last winter, reflecting prices that are about 2.2 percent lower and consumption that is nearly 11.5 percent lower.

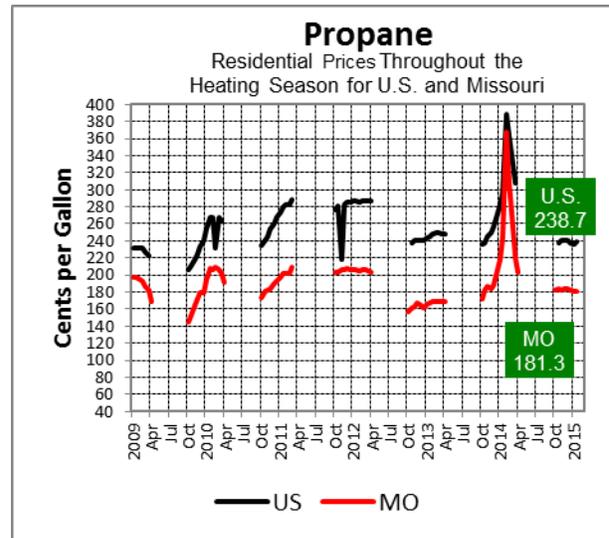
## Propane

Approximately 10 percent (234,133) 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 January 20, the average Missouri retail price for residential propane was about \$1.81 per gallon, less than 1.0 cent lower in the past month and down 62.0 cents in the past year.**

Propane - Retail Prices (cents per gallon)					
	01-20-15	12-15-14	change	01-21-14	change
Missouri	181.3	182.2	down 0%	243.3	down 25%

- According to the Division of Energy's most recent statewide propane price survey conducted January 20, the average Missouri retail residential propane price was about \$1.81 per gallon, less than 1.0 cent lower in the past month and down 62.0 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.10 per gallon. The lowest retail price was about \$1.56 per gallon.
- U.S. propane stocks decreased by 3.6 MMB on the week to 71.2 MMB as of January 16, 2015, 36.0 MMB, or 102.0 percent, higher than a year ago. Midwest inventories decreased by 1.6 MMB and Gulf Coast inventories decreased by 1.3 MMB. East Coast inventories decreased by 0.4 MMB and Rocky Mountain/West Coast inventories decreased by 0.2 MMB. This is the largest stock decline for the 2014/15 heating season.
- US demand for propane increased at 1.7 MMB/D on the week. Propane demand is 82,000 B/D or 4.7 percent, lower compared to this time last year.
- According to the January 13, 2015, *Short Term Energy Outlook*, EIA expects that households heating with propane in the Midwest will spend an average of \$799, or 35.2 percent, less this winter than last winter, reflecting prices that are about 26.8 percent lower and consumption that is nearly 11.5 percent lower. Factors that could affect propane demand include a repeat of last winter's cold weather and recent infrastructure changes.



**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](mailto:energy@ded.mo.gov); Web Address: <http://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>.