



## Division of Energy

# MISSOURI ENERGY BULLETIN

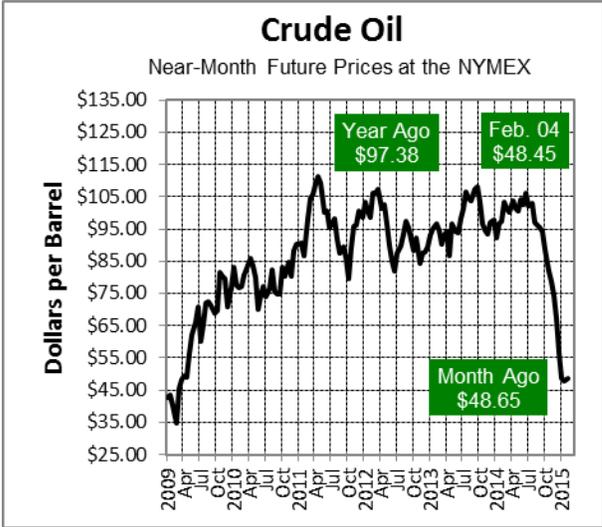
February 6, 2015

*(Data is for the week ended January 30, 2015, unless stated otherwise.)*

### Crude Oil

**U.S. crude oil prices decreased \$0.20, to \$48.45 per barrel in the past month and stand 50 percent lower compared to this time last year.**

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>02-04-15</u>	<u>01-07-15</u>	<u>change</u>	<u>02-05-14</u>	<u>change</u>
<b>NYMEX</b>	<b>\$48.45</b>	<b>\$48.65</b>	<b>down 0%</b>	<b>\$97.38</b>	<b>down 50%</b>



- At the New York Mercantile Exchange (NYMEX), crude oil futures for March 2015 delivery ended \$4.60, or 8.7 percent, lower on the February 4 trade day to settle at \$48.45, representing the largest one-day drop in 2 months. Data showed that US crude oil supplies had climbed to the highest level in about 80 years.
- Oil prices had rallied 19 percent in the 4 days ended Tuesday, February 4, on reports of a slowdown in US drilling activity, spending cuts by major oil companies and a strike at some US refineries, although the market remains oversupplied. Refineries typically shut-in

units to perform seasonal maintenance in February and March, so analysts expect inventories to continue growing in the coming weeks as refiners buy less crude. At the peak of maintenance, 1.1 million barrels per day (MMB/D) of processing capacity is planned to be offline in early March.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$48.93, or 50 percent, lower.
- According to the February 4 weekly Energy Information Administration (EIA) fuels report, U.S. oil inventories increased 6.3 MMB to 413.1 MMB. U.S. crude supplies are now 55.0 MMB higher compared to this time last year.

- Crude imports decreased from the prior week at about 7.4 MMB/D. Imports at this time last year averaged about 6.9 MMB/D. Domestic crude production was down at about 9.2 MMB/D on the week. Last year at this time, production stood at 8.0 MMB/D.
- U.S. refinery crude runs increased from the prior week with refiners processing about 15.5 MMB/D of crude. U.S. refinery capacity use was up on the week at 89.9 percent. Last year at this time, capacity use stood at 86.1 percent.
- Gasoline output was higher on the week at 9.4 MMB/D. Production at this time last year averaged 8.9 MMB/D. Distillate output was unchanged from the prior week at 4.7 MMB/D. Last year at this time, production stood at 4.6 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period averaged 19.6 MMB/D, up by 2.1 percent compared to the same period last year.

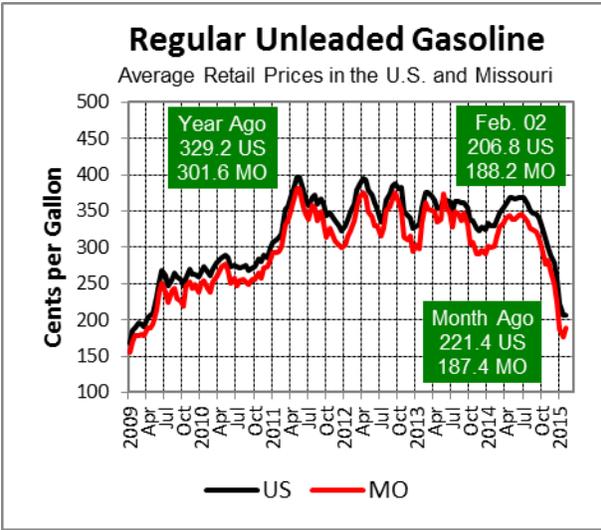
**Transportation Fuels**

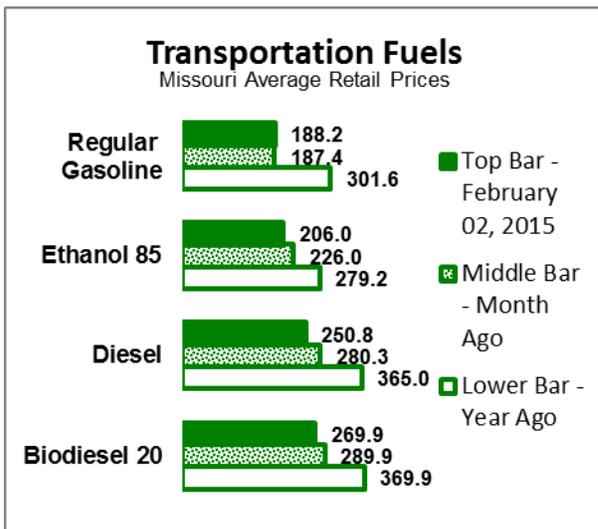
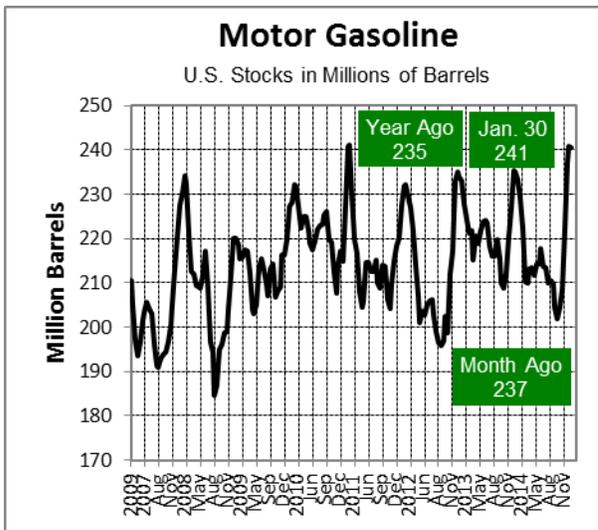
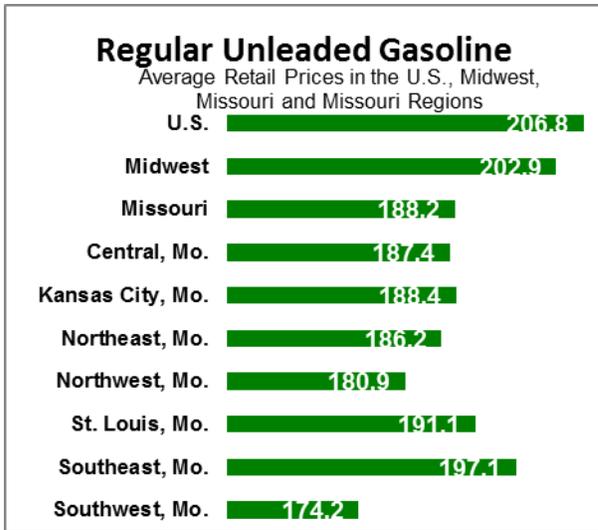
**On February 2, Missouri’s statewide average retail price for gasoline was about \$1.88 per gallon, up less than 1 cent past month and down 113.4 cents in the past year.**

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>02-02-15</u>	<u>01-05-15</u>	<u>change</u>	<u>02-03-14</u>	<u>change</u>
US	206.8	221.4	down 7%	329.2	down 37%
Missouri	188.2	187.4	up 0%	301.6	down 38%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>02-02-15</u>	<u>01-05-15</u>	<u>change</u>	<u>02-03-14</u>	<u>change</u>
US	283.1	313.7	down 10%	329.2	down 14%
Missouri	250.8	280.3	down 11%	365.0	down 31%

- On February 2, Missouri’s average retail price for gasoline was about \$1.88 per gallon, up less than 1.0 cent in the past month.
- Missouri’s average price for diesel fuel was down 29.5 cents per gallon, or 11 percent, in the past month.
- Missouri’s average retail gasoline price is 113.4 cents, or 38 percent, lower while the average retail diesel fuel price is 114.2 cents, or 31 percent, lower for the comparable period in February 2014.
- At \$2.07, the U.S. average price for regular gasoline is 14.6 cents per gallon, or 7 percent, lower compared to last month.
- The U.S. average was down 122.4 cents, or 37 percent, compared to this time last year. In the past week, the U.S. average increased by 2.4 cents per gallon.





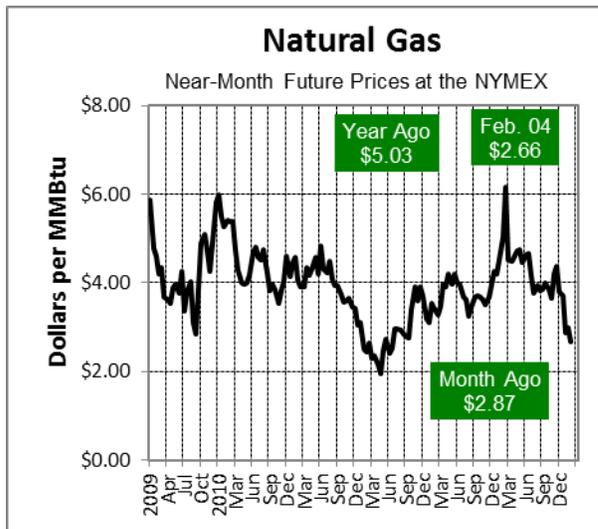
- Gasoline imports increased from the prior week at less than 0.7 MMB/D, 0.05 MMB/D higher compared to last year at this time.
- Implied demand for gasoline decreased at 8.4 MMB/D. At this time last year, demand was about 8.5 MMB/D.
- In the past four weeks, U.S. gasoline demand has averaged about 8.8 MMB/D, 0.5 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies increased at 240.7 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 134.5 MMB and stand 20.7 MMB higher compared to the same period last year.
- Distillate demand decreased at 3.7 MMB/D on the week. Demand stood at 3.9 MMB/D at this time last year. On a four-week average, distillate demand increased at 4.2 MMB/D.
- On February 2, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.06 per gallon, 17.8 cents or 9.5 percent higher than the average price for conventional motor gasoline.
- On February 2, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$2.70 per gallon, 19.1 cents or 7.7 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 February 4, natural gas futures at the NYMEX closed at \$2.66 per million British thermal units (MMBtu), down \$0.21 in the last month.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	02-04-15	01-07-15	change	02-05-14	change
NYMEX	\$2.66	\$2.87	down 7%	\$5.03	down 47%



- At the NYMEX, natural gas futures for March 2015 delivery ended 9.2 cents lower on the February 4 trade day to close at \$2.66 per MMBtu. In the past year, natural gas values have decreased by \$2.37 per MMBtu, or 47 percent.
- For the reporting week, January 28 to February 4, the price of the February 2015 contract decreased by 18 cents, moving from \$2.84 to \$2.66 per MMBtu.
- The 12-month strip (the average of the contracts between March 2015 and February 2016) closed at \$2.78/MMBtu.
- According to the EIA, domestic consumption rose 7.8 percent from the previous report week. Residential and commercial consumption increased 13.8 percent week-over-week, while industrial consumption increased 0.7 percent. Consumption of gas for power generation increased 2.8 percent on the week driven by increases in the Northeast, Midwest, and Midcontinent, and is 10.8 percent more than year-ago levels.
- Working gas in storage totaled 2,428 Bcf, 1.2 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 468 Bcf, or 23.9 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.

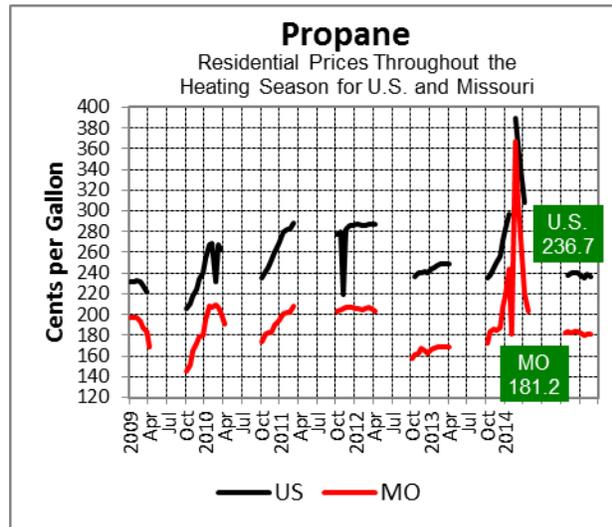
## Propane

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 February 2, the average Missouri retail price for residential propane was about \$1.81 per gallon, less than 1.0 cent higher in the past month and down 186.4 cents in the past year.**

Propane - Retail Prices (cents per gallon)					
	<u>02-02-15</u>	<u>01-05-15</u>	<u>change</u>	<u>02-03-14</u>	<u>change</u>
Missouri	181.2	180.3	up 0%	367.6	down 51%

- According to the Division of Energy’s most recent statewide propane price survey conducted February 2, the average Missouri retail residential propane price was about \$1.81 per gallon, less than 1.0 cent higher in the past month and down 186.4 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 2.1 MMB last week to 67.2 MMB as of January 30, 2015, 36.4 MMB, or 118.0 percent, higher than a year ago. Midwest inventories decreased by 1.1 MMB and East Coast inventories decreased by 0.5 MMB. Gulf Coast inventories decreased by 0.4 MMB. At 21.4 MMB, Midwest inventories are 11.8 MMB, or 123.5 percent, higher than a year ago.
- US demand for propane decreased at about 1.6 MMB/D on the week. Propane demand is 0.3 MMB/D higher 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>.